

PRESS RELEASE

7 May 2024

Terranet AB – Interim report Q1 2024

Significant events during the first quarter

Successful prototype demo in lab conducted at the end of March

During the first quarter of the year, product development focused on the prototype demonstration in a lab environment, which was carried out with successful results.

Organizational reinforcements

During the quarter, we continued to develop our organization. Mats Fägerhag's involvement as a consultant and board member means a considerable strengthening of both competence and networking. We have expanded our management team with a business developer who will join us during the second quarter. We pursue the development of the organization by adding additional talent to our development team.

Additional funding secured

In January, a directed share issue of approximately SEK 10 million was carried out. Through the issue, the company's cash position has been strengthened, which means that liquidity, given a favorable outcome from TO7 & TO8, is expected to be secured over the coming year-end.

Significant events after the close of the period

holoride – focus on BlincVision

On April 22, the market was informed that Terranet will not continue to invest in holoride. Terranet will focus all resources on preparing our product BlincVision for a future commercial launch. As a consequence of a lengthy financing process, holoride has ended up in an insolvency situation, which is why Terranet as of December 31, 2023, has written down the value of the holding to SEK 0.

Financial overview

	Jan – Mar 2024	Jan – Mar 2023	Jan – Dec 2023
Revenue (TSEK)	380	208	834
Operating result (TSEK)	-8 281	-8 242	-35 926
Financial items (TSEK)	-1 065	-987	-37 190
Earnings per share (SEK)	-0,01	-0,03	-0,15
Closing cash (TSEK)	29 918	17 754	29 006

Comments from the CEO

As the urban traffic environment becomes increasingly complex, we contribute with a groundbreaking technology solution that protects vulnerable road users. For us, speed and accuracy is the way to get there.

It has been a satisfactory first quarter. The commercialization of BlincVision is progressing at a rapid pace with positive results from the prototype demonstration in a lab environment and now the solution will be tested on cars during the second quarter. Our dialogues with potential partners and customers have deepened.

The testing of the entire product as a lab prototype has been a very important milestone. Testing our prototype on a car is the next step on the way to the commercial launch of our product. All major car manufacturers and major subcontractors we talk to sees the potential in BlincVision and our technical solution. The fact that we are using a completely different and new technology means that we can bring road safety to new heights. It is one thing to improve existing technologies, such as Lidar, radar and cameras but developing brand new technology makes a real difference. A current challenge in the industry is that too many sensors are used. This drives costs and makes the solutions more complex as well as the design of the car more complicated. Instead, new technologies increase the efficiency of each sensor and hence help reducing the number of sensors. Simultaneously, different sensors can be constructed to work together more efficiently (sensor fusion).

Terranet's market potential is huge. Features such as automatic braking and evasive maneuvering are already saving lives today, and making traffic ever safer and vehicles more autonomous, are high up on the agenda for the automotive industry.

In connection with developing test methods for the next generation of ADAS systems together with AstaZero (RISE) and the automotive safety organization, EuroNCAP, we see that there are many traffic scenarios where today's safety solutions are not sufficient. With the updated test methods that will be launched in 2026, the requirements for ADAS systems will be raised, which means that new solutions such as BlincVision will come in demand.

The players we are talking to want to see our prototype work on vehicles in outdoor environments and we are in dialogue about carrying out these demonstrations shortly. Terranet will work together with potential partners and customers to complete the prototype into a final product. We aim for formal partnerships with suppliers and car manufacturers to implement so-called PoC (Proof of Concept) projects together with them as soon as possible.

During the ongoing commercialization, we continue to expand our team with important competences, especially within technology and business development. During the quarter, we also established an office in Gothenburg. The proximity to the automotive industry with potential customers and partners is a clear advantage of the establishment, located in the automotive cluster Lindholmen in Gothenburg.

We do not intend to further invest in holoride, being fully focused on the development of our product and core business, BlincVision. The write-down of the investment in holoride and decision not to invest further in holoride does not affect our liquidity or the funds we use to bring BlincVision to market.

The company's product roadmap continues to follow the plan:

- Q1: Prototype tests in labs
- Q2: Demonstration of prototype of vehicle in test environment
- Quarters 3 and 4:
 - 1) Continued vehicle integrations with miniaturization and improved optomechanics for the laser scanner as well as second-generation AI-based object identification technology.
 - 2) Sign agreements and enter into partnerships with Tier 1 supplier and leading car manufacturers.

Many things will happen in 2024. We make sure to keep you updated on our development!

Magnus Andersson
CEO
Lund, 7 May 2024

This information is such that Terranet AB is required to make public in accordance with the EU's Market Abuse Regulation (MAR). The information was made public by the Company's contact person below on 7 May 2024, at 08.00 CET.

For more information, please contact:

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About Terranet AB (publ)

Terranet is on a mission to save lives in urban traffic.

We develop breakthrough tech solutions for Advanced Driver Assistance Systems (ADAS) and Autonomous Vehicles (AV) that protect vulnerable road users.

With a unique and patented vision technology, Terranet's anti-collision system BlincVision scans and detects road objects multiple times faster and with higher accuracy than any other ADAS technology available today.

Terranet is based in Lund, Sweden, and in the heart of the European automotive industry in Stuttgart, Germany. The company is listed on Nasdaq First North Premier Growth Market since 2017(Nasdaq: TERRNT-B).

Follow our journey at www.terranet.se

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