

Terranet AB (publ)

Interim report 1 January 2021 – 30 September 2021

Safety at the blink of an eye

Third quarter

1 July – 30 September 2021

- Revenue amounted to SEK 616 thousand (0)
- Operating profit/loss amounted to SEK -6,616 thousand (-6,681)
- Net profit/loss for the period amounted to SEK -7,637 thousand (-7,342)
- Cash flow from operating activities amounted to SEK -8,681 thousand (-5,216)
- The group's cash and cash equivalents amounted to SEK 73,012 thousand (20 717)
- Diluted and undiluted earnings per share amounted to SEK -0.03 (-0.05)
- During the quarter, proceeds from the issue amounting to MSEK 37.9 million were received upon exercise of warrants for the subscription of shares.



Interim Report

1 January – 30 September 2021

- Revenue amounted to SEK 1,208 thousand (715)
- Operating profit/loss amounted to SEK -24,998 thousand (-22,236)
- Net profit/loss for the period amounted to SEK -27,112 thousand (-25,358)
- Cash flow from operating activities amounted to SEK -32,007 thousand (-23,382)
- Diluted and undiluted earnings per share amounted to SEK -0.11 (-0.23)
- In Q1, proceeds from the issue amounting to MSEK 36.4 million were received upon exercise of warrants for the subscription of shares
- An investment of MSEK 32.4 was made in holoride and loans were taken to fund the investment in the second quarter

Comments from the CEO

The third quarter kicks off in the middle of the summer months, and this has been an exceptionally intense period for Terranet during this second year of the pandemic. Significant events during the period include the recruitment of Nihat Küçük (previously Head of Navigation at Daimler), who stepped in as the new CTO at the end of June. Nihat will lead the transition from a technology-driven organisation towards a more outward-looking product unit with a focus on new customer-tailored functionalities and applications in the area of active safety that can be distributed on a volume market as early as 2022.

At the beginning of July, the company delivered and invoiced the purchase order that Mercedes-Benz placed at the beginning of the year at the Startup Autobahn event.

For the second time this year, Terranet was hand-picked by Mercedes-Benz to participate at the Startup Autobahn at the end of July. Terranet was nominated and won the award for best presentation. Terranet demonstrated its technology in a specially adapted garage environment in Stuttgart, where the Daimler Group's COO Markus Schäfer was in attendance. The demo showcased the next iteration of the object detection software, VoxelFlow in a Mercedes-Benz Maybach (S-Class Sedan). In preparation for the event, stringent field tests and functional testing were carried out throughout the early summer on the motorway in Ljungbyhed in Skåne (formerly F5), with a test rig that included the laser scanner and event cameras.

The company has entered into an important change process, including restructuring and new recruitment, which will shift operations towards a more product- and customer-centric organisational structure. The company has also opened a new office in Obertürkheim in Stuttgart, which offers larger, more suitable premises in the heart of the European automotive industry. The office features a permanent VoxelFlow showroom (product exhibition), which will be ready for customer presentations starting in November.

In August, Terranet received a suborder of MSEK 1.6 from holoride. The project aims to build a common product and user interface for VoxelFlow with augmented reality and in-car entertainment. The project focuses in particular on how data and safety-critical information generated by VoxelFlow can be reused by holoride. The deal is part of the partnership solidified earlier this year, whereby Terranet, as lead investor, partnered with Audi to invest MEUR 3.2 in holoride (corresponding to an ownership interest of approximately 11%).

During the period, the company saw yet another standard-breaking method patent published for its VoxelFlow technology, which is now capable of higher precision and image resolution in object detection and collision warning. Terranet has reached a couple of important milestones during the period. First, we have achieved the integrated auto-calibration of VoxelFlow, and second, the form factor has been scaled down, as the hardware has been reduced from three cameras to two.

In the fourth quarter, Terranet announced a new cooperation agreement with NEVS (New Electricity Vehicle of Sweden). Terranet has long been in communication with NEVS (formerly Saab Automobile in Trollhättan), a company that develops

electric cars and self-driving vehicles. The cooperation agreement concerns the joint marketing of full self-driving systems to major global customers in the mobility sector, public transport, controlled test environments and amusement parks. Holoride is also included in the agreement with the aim of marketing a complete solution with a focus on vehicle safety and the user experience for passengers in autonomous vehicles.

The company is entering a period ripe with opportunity in a segment that is characterised by strong growth. In the quarters and years ahead, the company will focus on intensifying its efforts to demo its VoxelFlow technology for market leaders in the automotive industry as well as the design and distribution of its first product in micro-mobility.

On 6 December, Terranet will hold a physical and digital capital market day at Gamla Posthuset in Stockholm together with Mangold Fondkommission, which offers financial services to companies, institutions, and private individuals. Most of our closest partners will be in attendance. I wish to sincerely thank all of our partners and collaborative partners for their continued trust in Terranet.

Pär-Olof Johannesson

CEO Terranet



Significant events during the period

On 21 July, Terranet once again participated in Start-Up Autobahn, which featured a demo to show the progress we have made in the development of our VoxelFlow technology. At this year's event, the latest advances were presented in a demonstration of VoxelFlow in a luxury Maybach S-Class Sedan. VoxelFlow has the potential to detect, position and classify objects in milliseconds. At the event, VoxelFlow already had the capacity to detect objects in less than 20 milliseconds, which is faster than any sensor on the market today.

On 3 August, the company announced the receipt of an order from holoride corresponding to MSEK 1.6. The order is part of an engineering service offering that takes advantage of our combined expertise in image analysis and signal processing to optimise network stability in holoride's VR platform. This is intended to increase the user experience (UX) for back seat passengers.

The outcome of the exercise of warrants of series T03 B was presented on 7 September, which were issued in connection with the company's preferential rights issue of units during the second quarter of 2020. In total, 49,939,674 warrants of series T03B, corresponding to approximately 98.9 percent of the outstanding warrants of series T03B, were exercised for the subscription of 49,939 674 B shares at a subscription price of SEK 0.80 per share. Through the exercise of warrants of series T03 B, Terranet will raise approximately MSEK 40.0 before issue costs.

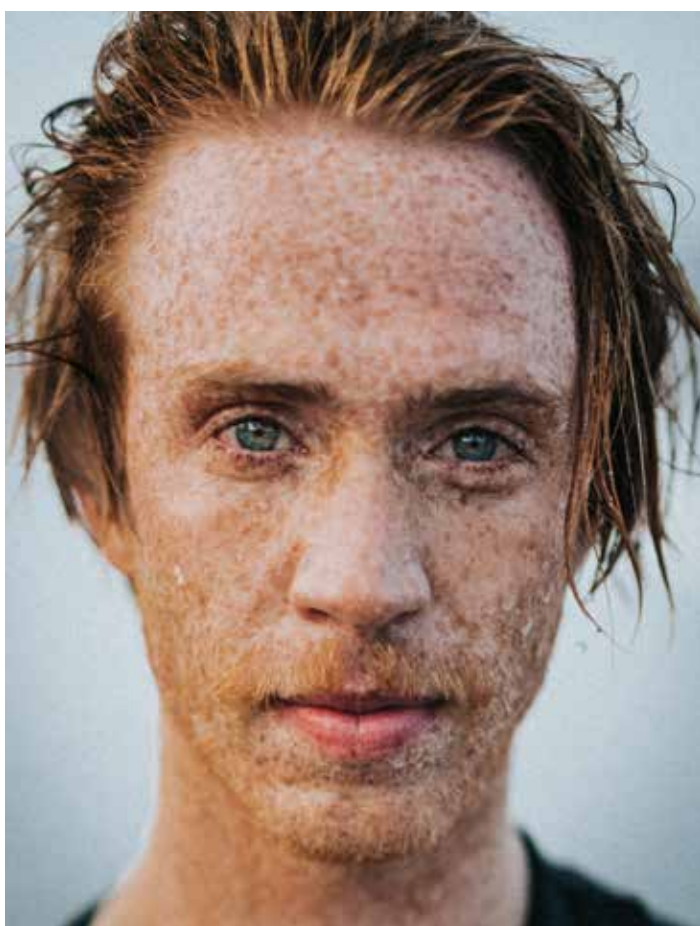
Significant events after the close of the period

Terranet moved into a new office in Stuttgart on 1 October. The office is closer to one of our customers, Mercedes, and the facility is also suitable to perform demos of VoxelFlow. We are scaling up our operations in Stuttgart as the region is home to one of the world's largest Automotive clusters, attracting both employees and customers.

On 4 November, Terranet announced a new cooperation agreement with NEVS, which is a Swedish company that develops electric cars and self-driving vehicles. NEVS and Terranet will first set out to jointly investigate the possibility of integrating the image analysis technology and object detection software, VoxelFlow™ into NEVS' self-driving vehicle model, the Sango. NEVS' self-driving vehicle has been developed to streamline urban mobility, an important component of their future system for autonomous vehicles (PONS).

The same day, Terranet also announced that the company and holoride will take the next step in developing a user interface between active safety and VR/AR entertainment for autonomous vehicles as part of the collaboration that Terranet has already initiated with manufacturers of NEVS' self-driving cars.

On the 16th of November it was communicated that Thomas Falkenberg will take over as interim CFO at Terranet by the 1st of December. Thomas has a background from, among others, the media industry and comes most recently from Bauer Media, where he worked as CFO. Johan Wångblad is leaving his position as CFO at Terranet, a busy period during which the company has significantly strengthened its financial position.



Activities and notes

Terranet develops software for advanced driver-assisted systems (ADAS) and autonomous cars.

Business strategy

Terranet's business model is based on the generation of future licensing and service revenues from the company's proprietary sensor software (VoxelFlow). The company's marketing strategy is directed towards OEM manufacturers and Tier-1 suppliers in the automotive industry. Terranet conducts development activities in close collaboration with industry leaders throughout the business chain while working to adapt the technology according to the customer's specific needs.

Operations

Terranet also develops technology for three-dimensional image analysis for the identification of moving objects in potentially dangerous traffic situations that humans fail to see. The system is called VoxelFlow, which uses three event-based cameras to generate voxels, making it unique from the pixel-based camera systems that are commonly used in vehicles today. These technologies enable the proper function of active safety features, such as collision warning systems, including automatic braking. Terranet has an exclusive global license to develop and market VoxelFlow within the automotive industry.

Terranet's operations are focused on advanced driver support and self-driving vehicles. The company also develops collision-warning software and algorithms for positioning using 5G technology, as well as for communication between vehicles and between vehicles and other objects, so-called V2X.

Read more at: www.Terranet.se

Terranet AB (publ)

Org. nr 556707-2128

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Staff

As of 30 September 2021, the number of employees in the Group was 15 (10). Temporary staff and staff on parental leave have been excluded.

Risks and uncertainties

Significant risks and uncertainties are described in the company's annual report for 2020. The company currently has a negative cash flow from operating activities, and after the outcome of warrants of series and 2020:3 in September and considering the current business plan and the company's planned investments, the existing working capital is deemed to be sufficient for more than 12 months.

The parent company

Terranet AB (publ), having corporate identification number 556707-2128, is a limited company registered in Sweden with its registered office in Lund. The company's B shares are listed on Nasdaq First North Premier Growth Market. The address of the main office is Mobilvägen 10, 223 62 Lund.

The parent company leads and administrates operations and financing activities and does not conduct any operating activities; reference is therefore made to information for the group in general.

Accounting principles

The consolidated financial statements for Terranet AB (publ.) have been established in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act (ÅRL) and Swedish Financial Reporting Board's recommendations RFR 1 "Supplementary accounting rules for groups". The parent company's financial reports have been established in accordance with the Swedish Annual Accounts Act and RFR 2, "Accounting for Legal Entities".

The parent company applies the same accounting principles as the Group, where applicable.

This interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting". Disclosures required under IAS 34 are provided in notes and elsewhere in the interim report.

The accounting principles and calculation methods applied are in agreement with those described in the annual report for 2020.

Equity

As of the beginning of the year, the number of shares amounted to 217,006 263.

In March, warrants of series TO2 B were exercised at approximately 95%, which raised MSEK 36.4 after issue costs and increased the total number of shares by 47,906 993. In September, warrants of series TO3 B were exercised at approximately 99%, which raised MSEK 37.9 after issue costs and increased the total number of shares by 49,939,674. The average number of shares for the interim period amounted to 252,763,435 (112 595 900).



Warrants

In connection with the loan of MSEK 35 taken to fund the acquisition of shares in Holoride, warrants (series T04 B and series T05 B), which can be subscribed free of charge, were also issued to the lender and existing shareholders.

A total of 14,319,634 warrants of series T04 B were issued, of which 7,159,817 were issued to the lender and 7,159,817 to existing shareholders.

Each warrant of series T04 B entitles the holder to the subscription of one (1) new share in the company against cash payment corresponding to 70 percent of the volume-weighted average price of the company's share on Nasdaq First North Premier Growth Market between 11 February 2022 to 24 February 2022; however, a maximum of SEK 3.60 and no less than the value corresponding to the quotient value for Terranet's share. The subscription period for shares through warrants of series T04 B will run from 28 February 2022 through 11 March 2022.

In the event of full exercise of warrants of series T04 B, Terranet will raise a total of approximately MSEK 51.6, based on a subscription price of SEK 3.60.

A total of 12,321,546 warrants of series T05 B were issued, of which 6,160,773 were issued to the lender and 6,160,773 to existing shareholders.

Each warrant of series T05 B entitles the holder to the subscription of one (1) new share in the company against cash payment corresponding to 70 percent of the volume-weighted average price of the company's share on Nasdaq First North Premier Growth Market between 24 February 2023 to 09 March 2023; however, a maximum of SEK 4.20 and no less than the value corresponding to the quotient value for Terranet's share. The subscription period for shares through warrants of series T05B will occur from 13 March 2023 to 24 March 2023.

Upon full exercise of warrants of series T05 B, Terranet will raise a total of approximately MSEK 51.8, based on a subscription price of SEK 4.20.

Financial Overview

Third quarter

1 July 2021 – 30 September 2021

Revenue

Revenue for the quarter amounted to SEK 616 thousand (0) and consists of remuneration for development work of SEK 321 thousand and grants from Vinnova of SEK 295 thousand.

Operating profit/loss

Capitalised development costs amount to SEK 2,793 thousand (748) where SEK 995 thousand (358) is attributable to capitalised staff costs and the remainder is attributable to consulting costs.

The increase in other external costs and staff costs is mainly explained by the increased level of activity in the company, with more employees and increased costs for consultants, increased marketing activities and the purchase of materials for use in development projects.

Operating profit/loss for the quarter amounted to SEK -6,616 thousand (-6,681). Amortisation of intangible assets amounted to SEK 47 thousand (646), depreciation of fixed assets amounted to SEK 43 thousand (0) and impairment of right-of-use assets amount to SEK 123 thousand (255). No write-offs were made during the quarter.

Financial costs

Financial costs consist primarily of interest on the loan of MSEK 35, which was taken in April to fund the acquisition of shares in holoride. The comparison period includes interest on convertible loans, which have been repaid in full as of January 2021.

Interest costs attributable to right-of-use assets amount to SEK 45 thousand (116) for the period.

Taxes

The Group's effective tax amounted to 0 (0) percent. The group has a substantial accumulated tax loss carryforward, however, no deferred tax assets are reported with respect to this.

Net profit/loss for the period

Net profit/loss for the period amounted to SEK -7,637 thousand (-7,342). Diluted and undiluted earnings per share amounted to SEK -0.03 (-0.05).

Cash Flow

Cash flow from operating activities amounted to SEK -8,681 thousand (-5,216). The increased cash outflow can be explained by the increased level of activity in the company.

Cash flow from investing activities amounted to SEK -2,974 thousand (-797). During the period, SEK 2,894 thousand was invested in development and patents and SEK 80 thousand was invested in tangible fixed assets.

Cash flow from financing activities amounted to SEK 37,843 thousand (22,937). The proceeds from the issue upon exercise of warrants amounted to SEK 37,946 thousand after issue costs. Lease liabilities have been amortised by SEK 103 (243) thousand.

Financial Overview

Interim Period

1 January 2021 – 30 September 2021

Revenue

Revenue for the interim period amounted to SEK 1,208 thousand (715) and consists of remuneration for development work of SEK 321 thousand and grants from Vinnova of SEK 887 thousand.

Operating profit/loss

Aktiverade utvecklingsutgifter uppgår till 8 025 (1 683) TSEK där 3 236 (770) TSEK avser aktiverade kostnader för egen personal och resterande del kostnader för konsulter.

Operating profit/loss for the interim period amounted to SEK -24,998 thousand (-22,236).

Higher capitalisation and higher operating costs can be attributed to the increased level of activity in the company during the period.

The results for the interim period reflect this increased activity and the company's effort to bring in more staff with the competencies needed to increase the pace of development of VoxelFlow. The company has also increased its IT investments and the purchase of technical equipment to support this development.

During the period, the company initiated the process of registering Terranet Tech AB as an employer in Germany in order to be able to employ staff on site in Germany without needing to start a separate German company.

Financial costs

Financial costs consist primarily of interest costs attributable to the loan of SEK 35 million, which was taken in April.

Taxes

The Group's effective tax amounted to 0 (0) percent.

Net profit/loss for the period

Net profit/loss for the period amounted to SEK -27,112 thousand (-25,358). Diluted and undiluted earnings per share amounted to SEK -0.11 (-0.23).

Cash flow

Cash flow from operating activities amounted to SEK -32,007 thousand (-23,382).

Cash flow from investing activities amounted to SEK -42,328 thousand (-1,813). The investment in holoride, which was carried out in April, amounted to SEK 33,545 thousand (including acquisition costs). The investment in holoride was made with the intention of developing future collaborations and to create an opportunity to jointly identify new customers within the Automotive segment.

During the period, SEK 8,237 thousand was invested in development and patents and SEK 546 thousand was invested in tangible fixed assets

Cash flow from financing activities amounted to SEK 102,852 thousand (34,343). The proceeds from the issue in Q1, upon exercise of warrants, amount to SEK 36,404 thousand after issue costs.

The convertible loan taken in 2019 was repaid in full in the first quarter. In the second quarter, the company took out a loan of SEK 35,000 to fund the acquisition of shares in holoride. In the third quarter, the proceeds from the issue upon exercise of warrants amounted to SEK 37,946 thousand after issue costs.

Financial position and liquidity

The equity/assets ratio was 68.3 % (72.2%) on 30 September 2021 and equity amounted to SEK 91,151 thousand (43,913).

Total assets on 30 September 2021 amounted to SEK 133,534 thousand (60,792). The investment in holoride (SEK 33,545 thousand) and increased investments in development can explain the increase in the asset pool.

The carrying value of the group's interest-bearing liabilities amounts to SEK 36,059 thousand (8,510). The loan amounting to SEK 35,000 thousand (nominal amount) raised to fund the investment in holoride must be repaid in connection with the receipt of funds from TO4 B and TO5 B (see above under Warrants). The loan is reported as a long-term loan in this interim report.

Lease liabilities amounted to SEK 2,079 thousand (2,354).

At the start of the interim period, the group's cash and cash equivalents amounted to SEK 73,012 thousand (44,495).

Transactions with related parties

No significant transactions with related parties have been completed during the period.

Key figures

(Amounts in SEK thousand unless otherwise indicated)	2021 3 months July - September	2020 3 months July- September	2021 9 months January- September	2020 9 months January- September	2020 12 months January- December
Undiluted EPS (SEK)	-0,03	-0,05	-0,11	-0,23	-0,27
Diluted EPS (SEK)	-0,03	-0,05	-0,11	-0,23	-0,27
Number of shares on the balance sheet date prior to dilution	314 852 930	169 502 877	314 852 930	169 502 877	217 006 263
Number of shares on the balance sheet date after dilution	314 852 930	169 502 877	314 852 930	169 502 877	217 006 263
Weighted average number of shares before dilution	274 684 062	155 905 581	252 763 435	112 595 900	128 172 645
Weighted average number of shares after dilution	274 684 062	155 905 581	252 763 435	112 595 900	128 172 645
Equity/asset ratio (%)	68,3%	60,0%	68,3%	60,0%	72,2%
Operating profit/loss	-6 616	-6 681	-24 998	-22 236	-31 662
EBITDA	-6 403	-5 784	-24 395	-20 567	-28 526

Definitions

Undiluted EPS	The profit/loss after tax for the period attributable to the parent company's shareholders divided by the weighted average of outstanding shares during the period
Diluted EPS	The profit/loss after tax for the period attributable to the parent company's shareholders divided by the weighted average of outstanding shares during the period plus shares that are added if all potential shares which can cause a dilutive effect are converted into shares. If the result is negative, the dilutive effect is not factored into the calculation, as this would mean that earnings per share would improve. Only option programmes with an issue price below the average share price for the period can cause a dilutive effect.
Number of shares after dilution	Only option programmes with an issue price below the share price on the balance sheet date/average share price for the period can cause a dilutive effect.
Equity/asset ratio	Equity at the close of the period as a percent of total assets at the close of the period.
Earnings before interest & taxes (EBIT)	Profit/loss before financial items and tax
EBITDA	Earnings before interest and taxes (EBIT), before depreciation and write-offs on tangible and intangible assets.

Summary consolidated income statement

(Amount in SEK thousand)	2021 3 months July- September	2020 3 months July- September	2021 9 months January- September	2020 9 months January- September	2020 12 months January- December
Other operating revenue	616	0	1 208	715	847
Activated work for own account	2 793	748	8 025	1 683	3 024
Operating expenses					
Other external expenses	-5 605	-4 029	-22 138	-14 613	-20 544
Staff Costs	-4 207	-2 503	-11 490	-8 352	-11 853
Depreciation and write-offs of tangible and intangible fixed assets	-213	-897	-603	-1 669	-3 136
Operating Profit/loss	-6 616	-6 681	-24 998	-22 236	-31 662
Financial income	0	0	0	0	381
Financial costs	-1 021	-661	-2 114	-3 122	-3 612
Profit/loss before tax	-7 637	-7 342	-27 112	-25 358	-34 893
Tax on profit/loss for the period	0	0	0	0	0
Profit/loss for the period attributable to the parent company's shareholders	-7 637	-7 342	-27 112	-25 358	-34 893
Profit/loss per share in SEK					
Undiluted EPS	-0,03	-0,05	-0,11	-0,23	-0,27
Diluted EPS	-0,03	-0,05	-0,11	-0,23	-0,27

Consolidated statement of comprehensive income

(Amount in SEK thousand)	2021 3 months July- September	2020 3 months July- September	2021 9 months January- September	2020 9 months January- September	2020 12 months January- December
Profit/loss for the period	-7 637	-7 342	-27 112	-25 358	-34 893
Other comprehensive income	0	0	0	0	4
Comprehensive income for the period attributable to the parent company's shareholders	-7 637	-7 342	-27 112	-25 358	-34 889



Summary consolidated statement of financial position

(Amount in SEK thousand)	2021-09-30	2020-09-30	2020-12-31
ASSETS			
Fixed Assets			
Intangible Assets			
Capitalised development costs	18 288	8 920	10 262
Patent	2 082	2 029	2 046
Property, plant, and equipment			
Right of use assets	2 017	1 706	2 362
Equipment	478	0	0
Financial assets			
Long-term securities	33 545	0	0
Total fixed assets	56 410	12 655	14 670
Current assets			
Accounts receivables	321	0	0
Other receivables	901	889	897
Prepaid expenses and accrued revenue	2 890	769	730
Cash and cash equivalents	73 012	20 717	44 495
Total current assets	77 124	22 375	46 122
TOTAL ASSETS	133 534	35 030	60 792
EQUITY AND LIABILITIES			
Equity			
Share capital	3 149	1 695	2 170
Other capital contribution	393 100	287 787	319 729
Translation reserve	0	-4	0
Profit/loss carried forward	-277 986	-243 093	-243 097
Comprehensive income for the period	-27 112	-25 358	-34 889
Equity attributable to the parent company's shareholders	91 151	21 027	43 913
Long-term liabilities			
Loans payable	33 980	0	0
Lease liabilities	1 631	693	1 742
Total long-term liabilities	35 611	693	1 742
Current liabilities			
Convertible loans	0	5 958	6 156
Lease liabilities	448	1 241	612
Accounts payable	2 105	1 443	2 103
Other liabilities	607	696	2 116
Accrued expenses and prepaid revenue	3 612	3 972	4 150
Total current liabilities	6 772	13 310	15 137
TOTAL EQUITY AND LIABILITIES	133 534	35 030	60 792

Summary consolidated statement of changes in equity

	Attributable to the parent company's shareholders		
	2021-09-30	2020-09-30	2020-12-31
Opening balance	43 913	11 303	11 303
Profit/loss for the period	-27 112	-25 358	-34 893
Other comprehensive income	0	0	4
New cash issue	78 277	38 747	72 949
New share issue through debt conversion	0	8 853	8 854
Issue costs	-3 927	-12 518	-14 304
Closing balance	91 151	21 027	43 913

Summary consolidated cash flow statement

(Amount in SEK thousand)	2021 3 months- July- September	2020 3 months July- September	2021 9 months January- September	2020 9 months January- September	2020 12 months January- December
Operating activities					
Operating profit/loss	-6 616	-6 681	-24 998	-22 236	-31 662
Adjustments for items not included in the cash flow:					
Depreciation and write-offs	213	897	603	1 669	3 136
Other non-cash items	104	0	310	0	0
Interest received	0	0	0	0	30
Paid interest and other financial expenses	-46	-1 431	-3 093	-2 361	-2 472
Cash flow from operations before changes in working capital	-6 345	-7 215	-27 178	-22 928	-30 968
Changes in working capital					
Changes in operating receivables	-300	2 735	-2 794	616	647
Changes in operating receivables	-2 036	-736	-2 035	-1 070	-66
Cash flow from operations	-8 681	-5 216	-32 007	-23 382	-30 387
Investing activities					
Capitalisation of development costs	-2 793	-747	-8 026	-1 682	-3 024
Capitalisation of patents	-101	-50	-211	-131	-188
Acquisition of tangible assets	-80	0	-546	0	0
Investment in securities	0	0	-33 545	0	0
Cash flow from investing activities	-2 974	-797	-42 328	-1 813	-3 212
Financing activities					
New share issue	39 952	38 747	78 277	38 747	72 949
Issue costs	-2 006	-5 322	-3 927	-5 322	-7 108
Loans taken	0	0	35 000	11 900	11 900
Repaid loans	0	-10 245	-6 198	-10 245	-10 245
Amortisation of lease liabilities	-103	-243	-300	-737	-971
Cash flow from financing activities	37 843	22 937	102 852	34 343	66 525
Cash flow for the period	26 188	16 924	28 517	9 148	32 926
Cash and cash equivalents at the start of the period	46 824	3 793	44 495	11 569	11 569
Cash and cash equivalents at the close of the period	73 012	20 717	73 012	20 717	44 495

Summary parent company income statement

(Amount in SEK thousand)	2021 3 months July- September	2020 3 months July- September	2021 9 months January- September	2020 9 months January- September	2020 12 months January- December
Other operating revenue	0	0	0	0	0
Operating expenses					
Other external expenses	-321	-473	-1 626	-1 859	-2 265
Operating profit/loss	-321	-473	-1 626	-1 859	-2 265
Financial income	0	0	0	0	29
Depreciation of shares in group companies	0	0	0	-27 000	-27 071
Financial costs	-975	-545	-1 891	-2 771	-3 145
Total financial items	-975	-545	-1 891	-29 771	-30 187
Profit/loss before tax for the period	-1 296	-1 018	-3 517	-31 630	-32 452
Tax on profit/loss for the period	0	0	0	0	0
Profit/loss for the period	-1 296	-1 018	-3 517	-31 630	-32 452

Summary parent company statement of comprehensive income

(Amount in SEK thousand)	2021 3 months July- September	2020 3 months July- September	2021 9 months January- September	2020 9 months January- September	2020 12 months January- December
Profit/loss for the period	-1 296	-1 018	-3 517	-31 630	-32 452
Other comprehensive income	0	0	0	0	0
Comprehensive income for the period	-1 296	-1 018	-3 517	-31 630	-32 452

Summary parent company balance sheet

(Amount in SEK thousand)	2021-09-30	2020-09-30	2020-12-31
ASSETS			
Financial assets			
Shares in group companies	92 539	47 803	56 733
Other long-term securities	33 545	0	0
Total fixed assets	126 084	47 803	56 733
Current assets			
Due from group companies	0	0	30
Other receivables	0	0	0
Prepaid expenses and accrued revenue	276	228	204
Cash on hand	70 877	20 022	42 766
Total current assets	71 153	20 250	43 000
TOTAL ASSETS	197 237	68 053	99 733
EQUITY AND LIABILITIES			
EQUITY			
NON-RESTRICTED EQUITY			
Share capital	3 149	1 695	2 170
NON-RESTRICTED EQUITY			
Share premium reserve	393 100	287 787	319 729
Profit/loss carried forward	-229 604	-197 151	-197 151
Profit/loss for the period	-3 517	-31 630	-32 452
Summa eget kapital	163 128	60 701	92 296
LONG-TERM LIABILITIES			
Loans payable	33 980	0	0
Total long-term liabilities	33 980	0	0
Current liabilities			
Convertible loans	0	5 958	6 156
Accounts payable	5	302	11
Liabilities to group companies	94	106	94
Accrued expenses and prepaid revenue	30	986	1 176
Total current liabilities	129	7 352	7 437
TOTAL EQUITY AND LIABILITIES	197 237	68 053	99 733



The Board of Directors and the CEO certify that the interim report provides a fair overview of the parent company's and the group's operations, financial position and results, and describes the significant risks and uncertainties faced by the parent company and the companies included in the group.

Lund 19 November 2021

Göran Janson
Board Chair

Pär-Olof Johannesson
CEO

Michel Roig
Board Member

Karolina Bjurehed
Board Member

Arne Hansson
Board Member

Lars Novak
Board Member

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Calendar:

Year-end report 2021	24 februari 2022
AGM	29 April 2022
Interim report January-March	12 May 2022

This information constitutes the information that Terranet AB (publ) is required to publish under the EU Market Abuse Regulation (MAR). The information was submitted for publication through the agency of the above-named contact person on 19 November at 8.00 am CET.



Review Report

Introduction

We have reviewed the interim report for Terranet AB (publ) for the period January 1 - September 30, 2021. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, in accordance with IAS 34 and the Annual Accounts Act.

Malmö, 19th November, 2021
Deloitte AB

Richard Peters
Authorized Public Accountant



Safety at the blink of an eye

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