

**PRESS RELEASE**

Lund, 17 August 2023

# Terranet AB – Interim report 1 January – 30 June 2023

**Significant events during the quarter**

- Terranet's board decided on a directed issue of units to underwriters who chose to receive compensation in the form of new units in connection with the conclusion of the preferential rights issue.
- Preferential rights issue completed. A total of 70 percent was subscribed through support of unit rights, applications for subscriptions from Board and Management and underwriting commitments. The company raised TSEK 52,754 before issue costs.
- Successful Testing of Laser Scanner was performed in laboratory environment. The scanner module demonstrated excellent performance, and together with other BlincVision components it could effectively detect and visualize objects within a range of 5 to 30 meters.
- Terranet announced that the company had accelerated the development of its advanced AI software by simulating traffic accidents with autonomous vehicles in a virtual test environment, which is based on traffic situations developed by Euro NCAP.
- Terranet's board decided on a preferential rights issue of maximum TSEK 75,400 and the refinancing of outstanding loan.
- Associate company holoride GmbH received a convertible loan from one of its shareholders (not Terranet) in order to expand its market rollout.
- The Annual General Meeting was held on 10 May 2023. The AGM decided to re-elect board members Anders Blom, Göran Janson, Magnus Edman, Nils Wollny and Tarek Shoeb and to elect Torgny Hellström. Torgny Hellström was elected as the new Board Chair.
- Terranet updated the market through a Letter from the CEO, where Magnus Andersson reported on the progress made in the company's product development and the steps taken to accelerate the commercialization of BlincVision, and the addition of Martin Wöhrle as senior automotive advisor.

**Significant events after the close of the period**

- Transfer of final proceeds from the rights issue.

**Second quarter, 1 April – 30 June 2023**

- Revenue amounted to TSEK 205 (11).
- Operating profit/loss amounted to TSEK -10,540 (-6,471).
- Diluted and undiluted earnings per share amounted to SEK -0.04 (-0.02).

**Interim period, 1 January – 30 June 2023**

- Revenue amounted to TSEK 413 (188).
- Operating profit/loss amounted to TSEK -18,782 (-14,821).
- Diluted and undiluted earnings per share amounted to SEK -0.06 (-0.05).
- The Group's cash and cash equivalents at the close of the period amounted to TSEK 22,388 (26,715 at the start of the financial year). Cash and cash equivalents only include the first of two transfers of cash from the preferential rights issue. The second transfer was recorded to Terranet's bank account on 3 July and is not included in the reporting for the second quarter. Including the second transfer, after issue costs, the Company's cash position would have been TSEK 35,164.

**Comments from the CEO**

During the last days of June, I had the opportunity to participate in the Vision Zero Conference in Stockholm. International researchers, decision makers and the industry gathered to discuss how we can achieve the global road safety goals set by the EU and UN. It was again confirmed to me that innovative road safety solutions such as BlincVision are required to achieve the vision of zero fatalities in the future.

Over the past quarter myself and others from the Terranet team have attended several key events and conferences. The ICA Summit in Frankfurt and the VECS conference in Gothenburg resulted in excellent discussions with car manufacturers and other decision makers. Our participation in panels with key actors in the automotive industry provided us with additional opportunities to show what Terranet does and how we do it.

One of the great joys in working at Terranet is developing our product and seeing the results of our progress. During the spring we successfully tested our laser scanner prototype in a controlled laboratory environment. The scanner demonstrated excellent performance and together with other BlincVision components it could detect and visualize objects within a range of 5 to 30 meters. BlincVision is being developed for real time detection, multiple times faster than existing solutions on the market. It is being built up by the system's three main components: laser scanner, vision sensor, and compute unit with AI-based object identification capabilities. We are continuing our feasibility studies regarding the selection of an optimal vision sensor for BlincVision. The feasibility studies are useful, and we are continuously receiving promising results that show how we have several interesting alternatives going forward.

We believe that existing regulatory frameworks and standards for new road safety technology are not ambitious enough. To expedite the development of ADAS technologies, the demands for reaction times and responsiveness must be updated. To make their road safety technologies safer and more efficient, more and more companies are using virtual traffic simulations in their development processes. Terranet is also working with virtual systems for simulating traffic scenarios and for testing BlincVision, leading to better optimization and a product that can go to market quicker. Though not completely equivalent to real road conditions, virtual environments also enable Terranet to analyze different driving situations and validate the performance of BlincVision components before conducting live tests. The simulation includes various urban scenarios, traffic situations, weather conditions, and vehicle types based on safety targets set by Euro NCAP. Also, while not new, there has been a shift in the industry where regional test beds for road safety are becoming a more prioritized topic. These test beds are where early developmental technology can be tested on actual roads which will be an advantage for companies like Terranet.

One of the most exciting things happening in the automotive industry right now is the advancement of AI. All implications of this are not yet known, but it is crucial for us and other automotive tech companies to keep up with these new technologies and tools. As an example, we believe that AI can be used to train software for object identification, based on large amounts of situations in different traffic conditions. Those at the forefront of AI will be better prepared for the exciting future of road safety.

The past quarter was particularly important as we successfully completed our rights issue. It enables us to achieve more milestones in the development of BlincVision in the near future. We look forward to keeping you updated in our development of BlincVision – the fastest and most accurate ADAS solution for urban traffic.

Magnus Andersson  
CEO  
Lund, 17 August 2023

*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 17 August 2023, at 08.00 CET.*

**For more information, please contact**

Magnus Andersson CEO

Email: [magnus.andersson@terranet.se](mailto:magnus.andersson@terranet.se)

**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](http://www.terranet.se)

Certified Adviser to Terranet is Mangold Fondkommission AB, 08-503 015

50, ca@mangold.se.