

PRESS RELEASE

Lund, August 18, 2022

Terranet AB – Interim report 1 January – 30 June 2022**Significant events during the quarter**

- The management and board of Terranet acquired warrants.
- Terranet announced an update in the development of the company's BlincVision technology, the next steps in the development process and the most important milestones as the company moves to commercialize the technology.
- Terranet participated in Mangold's investor event on the theme of Mobility Tech.
- The annual general meeting was held on 28 April. The board was re-elected and a resolution was adopted to introduce two incentive programs, one for CEO and employees and one for board members.

Significant events after the close of the period

- Terranet appointed Magnus Andersson as new CEO. Magnus assumes the position on 1 September.
- Terranet's incoming CEO signed an agreement to acquire warrants.

Second quarter, 1 April – 30 June 2022

- Revenue amounted to TSEK 11 (183).
- Revenue amounted to TSEK -6,471 (-8,476).
- Diluted and undiluted earnings per share amounted to SEK -0.02 (-0.04).

Interim period, 1 January – 30 June 2022

- Revenue amounted to TSEK 188 (592).
- Revenue amounted to TSEK -14,821 (-18,382).
- Diluted and undiluted earnings per share amounted to SEK -0.05 (-0.08).
- The Group's cash and cash equivalents at the close of the period amounted to TSEK 41,546 (62,788 at the start of the financial year)

Comments from the CEO**Ready to accelerate*****Dear shareholder,***

In the last quarterly report, I mentioned that Terranet's most important priority going forward is to improve and refine the BlincVision system to launch it in the automotive industry within the next couple of years. Now, a few months later, I am proud to say that we have not only made important progress in product development – we have also carried out a lot of other activities that bring us closer to a successful launch of BlincVision. We still have many milestones ahead of us, but the conditions for reaching them have perhaps never been better than now.

A new CEO in place

To begin with, I am extremely pleased that we have recruited a permanent CEO, set to take office by September 1 the latest. Magnus Andersson has a long background from senior positions in the global tech industry and most recently held the role of interim CEO at Pilotfish, a tech company in the transport sector providing a cloud-based system for vehicle communication in public transportation.

One of the key tasks for Terranet's CEO in the coming years will of course be to reach out to the market with our innovations. Our foundational technology is at the absolute forefront, with

potential to revolutionize the automotive industry and once again put Sweden on the map as a country of innovation when it comes to road and traffic safety. Now we need to establish BlincVision as the most attractive option for the modern auto industry. With his strong track record of growing techintensive start-ups internationally, driving change that leads to profitability and building strong teams, I am convinced that Magnus Andersson is just the right person to lead Terranet forward towards the commercialization of BlincVision.

Significant progress on the way to a prototype

In Q2, we have also made important technical progress that has brought us closer to a working prototype of BlincVision, presentable to vehicle manufacturers and Tier 1 suppliers. Among other things, we have adjusted BlincVision's laser to increase eye and effective detection area.

Optimizing and developing the various hardware and software components of the BlincVision system is a continuous work that carries on through the coming quarters as well. To maintain an efficient and fast-paced development process, we collaborate with external partners on certain components. As I mentioned in the CEO letter sent out to shareholders in June, one such prioritized area is the development of a hypersensitive sensor that can detect and process large amounts of data with minimal latency. In this case, we have a close dialogue with potential partners, and we look forward to telling you more about it soon.

Strategic investment in Summer Robotics through a convertible loan

In the second quarter, we also made a strategic investment by acquiring a convertible note of 0,5 million USD in our partner Summer Robotics. This was done to strengthen the long-term operational cooperation with software company and key partner Summer Robotics, whose co-founder Dirk Smits is the innovator behind the pioneering sensor technology that Terranet's BlincVision system is based on.

Terranet goes from strength to strength

Earlier this year, we announced that several other key persons in Terranet's management and board, me included, have chosen to acquire warrants in the company. This is an important signal that we are on the right track and that the team believes in Terranet's solution and what we are trying to achieve. Incoming CEO Magnus Andersson has also entered into an agreement to acquire all of his eligible warrants, which confirms his commitment to the company from the start. As Magnus Andersson steps in as CEO, Terranet is going from strength to strength; we reach our technical objectives according to plan, we have a strong and growing team and we collaborate with some of the sharpest minds in the industry.

The remainder of 2022 will be characterized by continued intensive development work in collaboration with partners. Another high priority area is of course to build relationships with the industry and spread awareness of Terranet's innovation and why the world needs it. I look forward to an eventful autumn with Magnus Andersson at the helm, where Terranet becomes even more visible, and we see the results from the past year's intensive work!

Göran Janson
Acting CEO
Lund, 18 August 2022

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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 above on August 18, 2022, at 08.00 CET.

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 patented vision technology, Terranet's anti-collision system BlincVision laser scans and detects road objects ten 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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