

# Terranet AB (publ)

Interim report

1 January 2022 – 30 June 2022

**Safety at the blink of an eye**

This is a translation of the original Swedish Terranet Q2 2022 interim report. In the event of any discrepancies between the two versions, the original Swedish version shall apply.

## 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 tech-intensive 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





## Significant events during the period

### **The management and board of Terranet acquired warrants**

On 10 June 2022, the company announced that the management and board have acquired warrants. Terranet's CTO Nihat Küçük and board members Magnus Edman, Göran Janson and Karolina Bjurehed acquired warrants in the company. The warrants are part of the two incentive programs adopted at the 2022 Annual General Meeting.

### **Terranet participated in Mangold's investor event on the theme of Mobility Tech**

On 18 May 2022, Terranet participated in Mangold's investor event. Acting CEO Göran Janson and Head of Development/CTO Nihat Küçük were on site to present the company and Terranet's driver assistance technology, BlincVision, which can save lives in urban traffic environments.

### **Terranet provided an update on product development**

On 4 May 2022, Terranet gave an update on the development of the company's BlincVision technology, the next steps in the development process and the most important milestones in the company's effort to commercialize the technology for the global automotive industry.

### **Annual General Meeting of Terranet AB**

On 28 April 2022, Terranet AB held its Annual General Meeting. Göran Janson, Karolina Bjurehed, Anders Blom, Magnus Edman, Tarek Shoeb and Nils Wollny were re-elected as board members. The AGM resolved to introduce two incentive programs through the issue of warrants to the Company which would then be transferred to employees and board members within the Company and the group.

## Significant events after the close of the period

### **Terranet's incoming CEO signed an agreement to acquire warrants**

On 26 July 2022, the company announced that incoming CEO Magnus Andersson signed an agreement to acquire all of his 2,500,000 warrants in the company in connection with his entry as new CEO. The warrants are part of the incentive program for management and employees that was adopted at the 2022 Annual General Meeting in accordance with the board's proposal.

### **Terranet appointed Magnus Andersson as new CEO**

On 15 July 2022, Terranet announced that the Board appointed Magnus Andersson as the company's new CEO. Magnus has over 20 years of international experience and a proven track record of leadership and growth in fast-growing tech companies, including companies within the automotive industry and energy sector. He most recently served as interim CEO in the transport technology company Pilotfish.

## Activities and notes

Terranet develops technical solutions for advanced driver assistance (ADAS) and for selfdriving vehicles that make roadways safer for drivers and pedestrians.

### **Business concept**

Terranet's business concept centres around the development of solutions for advanced driver assistance (ADAS) and self-driving vehicles (AV) that it primarily markets to vehicle manufacturers, subcontractors and other actors in transport and mobility as a service. Terranet offers solutions that respond to the rapidly expanding global market for advanced driver assistance systems. Terranet's business model is based on the sale of the company's solutions through licensing to OEMs (Original Equipment Manufacturers) and Tier 1 suppliers, who supply components to OEMs in the automotive industry. In addition to licensing revenue, product sales can generate revenue through customer-specific adaptations as well as service and upgrades.

### **Operations**

Terranet develops tech solutions for Advanced Driver Assistance System (ADAS) and self-driving vehicles (AV). The technology is called VoxelFlow™ and is an event camera-based system that generates voxels unlike pixel-based cameras. VoxelFlow™ is the technology behind the company's product BlincVision. BlincVision combines multi-beam lasers, sensor cameras and advanced image analysis into a system that reads the road surface in record time and detects objects, regardless of the weather and time of day. Terranet has a global license to use and further develop VoxelFlow™ towards the automotive industry. The company also develops software algorithms for positioning using 5G technology, as well as for communication between different vehicles and between vehicles and other objects, so-called V2X.

Läs mer på: [www.terranel.se](http://www.terranel.se)

Terranet AB (publ)

Corp. reg. no. 556707-2128

Mobilvägen 10

223 62 Lund

## Staff

As of 30 June 2022, the number of employees in the group was 12 (14). Temporary staff, full-time consultants and staff on parental leave have been excluded. After close of period, two more recruitments have been carried out and more recruitment processes are ongoing.

## Risks and uncertainties

Significant risks and uncertainties are described in the company's annual report for 2021.

## 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.

During the interim period, the parent company made a shareholder contribution to Terranet Tech AB of TSEK 16,000, a corresponding write-off has been made on the shares in Terranet Tech AB. The write-off does not have an impact on the group's consolidated balance sheet or cash flow.

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 the 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 2021.

## Equity

### **Warrant program T04B.**

The subscription of B shares through warrants of series T04B occurred from 28 February 2022 to 11 March 2022. Each warrant of series T04B entitled the holder to the subscription of one (1) new B 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, which amounted to a subscription price of SEK 0.56 per B share. The outcome was 79.9%, and the company raised MSEK 6.1 in equity after issue costs.

The proceeds from the issue were used in their entirety to pay loan debt.

The total number of shares increased by 11,436,473 shares. The average number of shares for the period amounted to 319,844,540 (241,621,458). At the beginning of the year, the number of shares amounted to 314,852,930 and at the close of the year 326,289,403.

### **Warrant program T05B.**

The subscription of B shares through warrants of series T05B will occur from 13 March 2023 to 24 March 2023. Each warrant of series T05B entitles the holder to the subscription of one (1) new B 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 9 March 2023, however, no less than the value corresponding to the quotient value for Terranet's share during the subscription period and a maximum of SEK 4.20 per B share. In the event of full exercise of all warrants of series T05B, the company can expect to raise a maximum of an additional MSEK 51.8.

### **Warrant Program 2022/2025: 1**

The Annual General Meeting resolved to introduce incentive program 2022/2025:1 through the issue of warrants to the Company, which would then be transferred to employees within the Company and the Group. A total of 9,850,000 warrants of series 2022/2025:1 were issued to the Company for transfer to employees, with each warrant entitling the holder to the subscription of one new B share during the period 1 October 2025 through 31 October 2025, or an earlier date stipulated in the terms of the warrants, at a subscription price of SEK 2.50. There are a total of 16 people in the Company and the group, whereupon the CEO, after recruitment, has the option to acquire a maximum of 2,500,000 warrants; other members of the management (max 3 people) may acquire up to 1,250,000 warrants, and other employees (max 3 people) may acquire a maximum of 300,000 warrants each.



The warrants are acquired at market value, which has been calculated by an independent valuation institute at SEK 0.12 per warrant. In the management group, Nihat Küçük, CTO, has fully exercised his warrant rights totalling 1,250,000 warrants. Incoming CEO Magnus Andersson has signed an agreement to exercise 100% of his warrant rights (2,500,000 warrants) in connection with his entry as new CEO. Thomas Falkenberg, CFO, is not eligible for warrants, as he serves as a consultant, while acting CEO Göran Jansson has instead acquired warrants in series 2022/2025:2 as a board member (see below). In addition, 315,000 warrants of series 2022/2025:1 have been acquired by individuals in non-executive positions.

## **Warrant Program 2022/2025:2**

In accordance with the proposal by shareholder Maida Vale Capital AB, the Annual General Meeting resolved to adopt incentive program 2022/2025:2 through the issue of warrants to the Company, which would then be transferred to the Company's board members. A total of 5,000,000 warrants were issued to the Company for transfer to board members. Each warrant entitles board members to the subscription of one new B share between 1 May 2025 through 31 May 2025, or an earlier date as stipulated in the terms of the warrants, at a subscription price of SEK 1.75. Excluding Anders Blom, the Company's board consists of five members, each of whom is entitled to acquire a maximum of 1,000,000 warrants.

The warrants are acquired at market value, which has been calculated by an independent valuation institute at SEK 0.16 per warrant. Magnus Edman and Göran Janson have exercised 100% of their warrant rights and Karolina Bjurehed has exercised 87.5%. Chairman of the Board Anders Blom is not eligible for the program as he is a representative for the shareholder Maida Vale Capital AB, which submitted the proposal to the meeting.

## Financial overview

### Second quarter

1 April 2022– 30 June 2022

#### Revenue

Revenue for the quarter amounted to TSEK 11 (183).

#### Operating profit/loss

Capitalised development costs amounted to TSEK 680 (3,478), where TSEK 616 (1,207) is attributable to capitalised staff costs and the remainder is attributable to consulting costs.

The reduction in other external costs is mainly attributable to reduced consulting costs, as the group's consulting costs were substantial during the second quarter of the previous financial year.

Operating profit/loss for the quarter amounted to TSEK -6,471 (-8,476).

Amortisation of intangible assets amounted to TSEK 56 (150) TSEK, depreciation of fixed assets amounted to TSEK 45 (25) and impairment of right-of-use assets amount to TSEK 122 (122).

#### Financial costs

Financial costs consist exclusively of interest on the loan of MSEK 35, which was taken in April 2021 to fund the acquisition of shares in holoride.

Interest costs attributable to right-of-use assets amount to TSEK 37 (47) 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.

#### Profit/loss for the period

Profit/loss for the period amounted to TSEK -7,372 (-9,479). Diluted and undiluted earnings per share amounted to SEK -0.02 (-0.04).

**Cash flow**

Cash flow from operating activities amounted to TSEK -7,237 (-10,951). Financial expenses of TSEK 2,999 were charged to the cash flow for the previous year.

Cash flow from investing activities amounted to TSEK -5,485 (-37,433). During the period, TSEK 680 (3,512) was invested in development and patents and TSEK 23 (376) thousand was invested in tangible fixed assets. Investment in financial assets of TSEK 4,752 consists of a convertible loan issued to Summer Robotics. An investment was made in holoride during the corresponding period of the previous financial year.

Cash flow from financing activities amounted to TSEK 537 (34,897). During the period, option premiums of TSEK 648 (0) thousand were received and lease liabilities of TSEK 111 (103) were amortised. A loan of TSEK 35,000 was taken during the previous financial year.

**Interim period**

1 January 2022– 30 June 2022

**Revenue**

Revenue for the quarter amounted to TSEK 188 (592), which consists exclusively of grants from Vinnova.

**Operating profit/loss**

Capitalised development costs amount to TSEK 2,028 (5,233), where TSEK 1,402 (2,241) is attributable to capitalised staff costs and the remainder is attributable to consulting costs.

The reduction in other external costs is mainly attributable to reduced consulting costs, as the group's consulting costs were substantial during the first two quarters of the previous financial year.

TSEK 995 was charged to payroll for costs linked to a settlement with the company's former CEO.

Operating profit/loss for the interim period amounted to TSEK -14,821 (-18,382).

**Financial costs**

Financial costs consist exclusively of interest on the loan of MSEK 35, which was taken in April 2021 to fund the acquisition of shares in holoride.

**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.

### **Profit/loss for the period**

Profit/loss for the period amounted to TSEK -16,708 (-19,475). Diluted and undiluted earnings per share amounted to SEK -0.05 (-0.08).

### **Cash flow**

Cash flow from operating activities amounted to TSEK -14,525 (-23,326). The reduced cash outflow is attributable to interest payments during the previous financial year and a reduced operating loss.

Cash flow from investing activities amounted to TSEK -7,146 (-39,354). During the period, TSEK 2,319 (5,343) was invested in development and patents and TSEK 75 (466) thousand was invested in tangible fixed assets. Regarding financial investments, see the quarter above.

Cash flow from financing activities amounted to TSEK 429 (65,009). During the first quarter, proceeds from the issue amounting to TSEK 6,065 were received which were used in their entirety for the repayment of loans. Option premiums of TSEK 648 (0) were received and lease liabilities of TSEK 219 (197) were amortised. A loan of TSEK 35 was taken in the previous financial year and a large new share issue was completed.

### **Financial position and liquidity**

As of 30 June 2022, total assets amounted to TSEK 100,238 (115,900), equity amounted to TSEK 63,536 (73,531) and the equity/assets ratio amounted to 63.4% (63.4%).

The carrying value of the group's interest-bearing liabilities amounts to TSEK 32,449 (36,926).

During the period, TSEK 6,065 was paid on the loan of TSEK 35,000 (nominal amount) that was taken to finance the investment in holoxide in 2021. The next repayment will take place when the funds from TO5B are received (see above under Warrants). The loan is reported as a short-term loan in this interim report. The loan falls due in May 2023. The Board of Directors works actively with the company's financing on an ongoing basis.

Of the interest-bearing liabilities, lease liabilities amount to TSEK 1,753 (1,972).

At the start of the interim period, the group's cash and cash equivalents amounted to TSEK 41,546 (62,788).

### **Transactions with related parties**

No transactions with related parties have occurred other than transactions with senior executives in the capacity of their positions.

## Key figures

(Amounts in TSEK unless otherwise indicated)	<b>2022 3 months April- June</b>	<b>2021 3 months April- June</b>	<b>2022 6 months January- June</b>	<b>2021 6 months January- June</b>	<b>2021 12 months January- December</b>
Undiluted EPS (SEK)	-0.02	-0.04	-0.05	-0.08	-0.17
Diluted EPS (SEK)	-0.02	-0.04	-0.05	-0.08	-0.17
Number of shares on the balance sheet date prior to dilution	326,289,403	264,913,256	326,289,403	264,913,256	314,852,930
Number of shares on the balance sheet date after dilution	326,289,403	264,913,256	326,289,403	264,913,256	314,852,930
Weighted average number of shares before dilution	326,289,403	264,913,256	319,844,540	241,621,458	268,413,390
Weighted average number of shares after dilution	326,289,403	264,913,256	319,844,540	241,621,458	268,413,390
Equity/asset ratio (%)	63.4%	58.3%	63.4%	58.3%	63.4%
Operating profit/loss	-6,471	-8,476	-14,821	-18,382	-41,708
Profit/loss for the period	-7,372	-9,479	-16,708	-19,475	-44,732



## 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 programs with an issue price below the average share price for the period can cause a dilutive effect.
Number of shares after dilution	Only option programs 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 and taxes (EBIT)	Profit/loss before financial items and tax.
Profit/loss for the period	Profit/loss after tax for the period.

## Summary consolidated income statement

(Amounts in TSEK)	2022 3 months April- June	2021 3 months April- June	2022 6 months January- June	2021 6 months January- June	2021 12 months January- December
Other operating revenue	11	183	188	592	1,369
Activated work for own account	680	3,478	2,028	5,233	9,421
Operating expenses					
Other external expenses	-3,315	-7,774	-7,571	-16,534	-27,960
Staff costs	-3,623	-4,066	-8,994	-7,283	-16,014
Depreciation and write-offs of tangible and intangible fixed assets	-223	-297	-457	-390	-8,506
Other operating costs	-1	0	-15	0	-18
<b>Operating profit/loss</b>	<b>-6,471</b>	<b>-8,476</b>	<b>-14,821</b>	<b>-18,382</b>	<b>-41,708</b>
Financial income	0	0	0	0	109
Financial costs	-901	-1,003	-1,887	-1,093	-3,133
<b>Profit/loss before tax</b>	<b>-7,372</b>	<b>-9,479</b>	<b>-16,708</b>	<b>-19,475</b>	<b>-44,732</b>
Tax on profit/loss for the period	0	0	0	0	0
<b>Profit/loss for the period attributable to the parent company's shareholders</b>	<b>-7,372</b>	<b>-9,479</b>	<b>-16,708</b>	<b>-19,475</b>	<b>-44,732</b>
<b>Earnings per share, SEK</b>					
Undiluted EPS	-0.02	-0.04	-0.05	-0.08	-0.17
Diluted EPS	-0.02	-0.04	-0.05	-0.08	-0.17

## Consolidated statement of comprehensive income

(Amounts in TSEK)	<b>2022</b> <b>3 months</b> <b>April-</b> <b>June</b>	<b>2021</b> <b>3 months</b> <b>April-</b> <b>June</b>	<b>2022</b> <b>6 months</b> <b>January-</b> <b>June</b>	<b>2021</b> <b>6 months</b> <b>January-</b> <b>June</b>	<b>2021</b> <b>12 months</b> <b>January-</b> <b>December</b>
Profit/loss for the period	-7,372	-9,479	-16,708	-19,475	-44,732
Other comprehensive income	0	0	0	0	0
<b>Comprehensive income for the period attributable to the parent company's shareholders</b>	<b>-7,372</b>	<b>-9,479</b>	<b>-16,708</b>	<b>-19,475</b>	<b>-44,732</b>

## Summary consolidated statement of financial position

(Amounts in TSEK)	30/06/2022	31/12/2021	30/06/2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets			
Capitalised development costs	14,077	12,049	15,495
Patents and trademarks	2,171	1,992	2,030
Property, plant and equipment			
Right of use assets	1,649	1,895	2,140
Equipment	425	450	441
Financial assets			
Long-term securities	32,658	32,658	33,545
Other long-term receivables	4,752	0	0
<b>Total fixed assets</b>	<b>55,732</b>	<b>49,044</b>	<b>53,651</b>
<b>Current assets</b>			
Accounts receivables	0	481	0
Other receivables	709	786	940
Prepaid expenses and accrued revenue	2,251	2,801	2,975
Cash and cash equivalents	41,546	62,788	46,824
<b>Total current assets</b>	<b>44,506</b>	<b>66,856</b>	<b>50,739</b>
<b>TOTAL ASSETS</b>	<b>100,238</b>	<b>115,900</b>	<b>104,390</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	3,263	3,149	2,649
Other capital contribution	399,699	393,100	355,654
Profit/loss carried forward	-322,718	-277,986	-277,986
Comprehensive income for the period	-16,708	-44,732	-19,475
<b>Equity attributable to the parent company's shareholders</b>	<b>63,536</b>	<b>73,531</b>	<b>60,842</b>
<b>Long-term liabilities</b>			
Loans payable	0	34,954	16,502
Lease liabilities	1,286	1,515	1,744
<b>Total long-term liabilities</b>	<b>1,286</b>	<b>36,469</b>	<b>18,246</b>
<b>Current liabilities</b>			
Loans payable	30,696	0	16,502
Lease liabilities	467	457	438
Accounts payable	688	1,997	2,706
Other liabilities	829	803	1,045
Accrued expenses and prepaid revenue	2,736	2,643	4,611
<b>Total current liabilities</b>	<b>35,416</b>	<b>5,900</b>	<b>25,302</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>100,238</b>	<b>115,900</b>	<b>104,390</b>

## Summary consolidated statement of changes in equity

(Amounts in TSEK)	Attributable to the parent company's shareholders		
	30/06/2022	31/12/2021	30/06/2021
<b>Opening balance</b>	<b>73,531</b>	<b>43,913</b>	<b>43,913</b>
Profit/loss for the period	-16,708	-44,732	-19,475
Other comprehensive income	0	0	0
New cash issue	6,404	78,277	38,326
Received option premiums	648	0	0
Issue costs	-339	-3,927	-1,922
<b>Closing balance</b>	<b>63,536</b>	<b>73,531</b>	<b>60,842</b>





## Summary consolidated cash flow statement

(Amounts in TSEK)	2022 3 months April- June	2021 3 months April- June	2022 6 months January- June	2021 6 months January- June	2021 12 months January- December
<b>Operating activities</b>					
<b>Operating profit/loss</b>	-6,471	-8,476	-14,821	-18,382	-41,708
Adjustments for items not included in the cash flow:					
Depreciation and write-offs	223	297	457	390	8,506
Other non-cash items	103	0	206	206	412
Interest received	0	0	0	0	109
Paid interest and other financial expenses	-39	-2,999	-80	-3,047	-3,137
<b>Cash flow from operations before changes in working capital</b>	<b>-6,184</b>	<b>-11,178</b>	<b>-14,238</b>	<b>-20,833</b>	<b>-35,818</b>
<b>Changes in working capital</b>					
Changes in operating receivables	808	2,267	900	-2,494	-2,854
Change in operating liabilities	-1,861	-2,040	-1,187	1	-2,917
<b>Cash flow from operations</b>	<b>-7,237</b>	<b>-10,951</b>	<b>-14,525</b>	<b>-23,326</b>	<b>-41,589</b>
<b>Investing activities</b>					
Capitalisation of development costs	-680	-3,478	-2,028	-5,233	-9,422
Capitalisation of patents and trademarks	-30	-34	-291	-110	-211
Acquisition of tangible assets	-23	-376	-75	-466	-572
Investment in financial assets	-4,752	-33,545	-4,752	-33,545	-32,658
<b>Cash flow from investing activities</b>	<b>-5,485</b>	<b>-37,433</b>	<b>-7,146</b>	<b>-39,354</b>	<b>-42,863</b>
<b>Financing activities</b>					
New share issue	0	0	6,404	38,326	78,277
Issue costs	0	0	-339	-1,922	-3,927
Received option premiums	648	0	648	0	0
Loans taken	0	35,000	0	35,000	35,000
Repaid loans	0	0	-6,065	-6,198	-6,198
Amortisation of lease liabilities	-111	-103	-219	-197	-407
<b>Cash flow from financing activities</b>	<b>537</b>	<b>34,897</b>	<b>429</b>	<b>65,009</b>	<b>102,745</b>
<b>Cash flow for the period</b>	<b>-12,185</b>	<b>-13,487</b>	<b>-21,242</b>	<b>2,329</b>	<b>18,293</b>
Cash and cash equivalents at the start of the period	53,731	60,311	62,788	44,495	44,495
<b>Cash and cash equivalents at the close of the period</b>	<b>41,546</b>	<b>46,824</b>	<b>41,546</b>	<b>46,824</b>	<b>62,788</b>

## Summary parent company income statement

(Amounts in TSEK)	2022 3 months April- June	2021 3 months April- June	2022 6 months January- June	2021 6 months January- June	2021 12 months January- December
Other operating revenue	0	0	0	0	0
Operating expenses					
Other external expenses	-892	-704	-1,346	-1,305	-1,910
<b>Operating profit/loss</b>	<b>-892</b>	<b>-704</b>	<b>-1,346</b>	<b>-1,305</b>	<b>-1,910</b>
Financial income	0	0	0	0	109
Depreciation of shares in group companies	-8,000	0	-16,000	0	-44,807
Financial costs	-862	-874	-1,807	-916	-2,866
<b>Total financial items</b>	<b>-8,862</b>	<b>-874</b>	<b>-17,807</b>	<b>-916</b>	<b>-47,564</b>
<b>Profit/loss before tax for the period</b>	<b>-9,754</b>	<b>-1,578</b>	<b>-19,153</b>	<b>-2,221</b>	<b>-49,474</b>
Tax on profit/loss for the period	0	0	0	0	0
<b>Profit/loss for the period</b>	<b>-9,754</b>	<b>-1,578</b>	<b>-19,153</b>	<b>-2,221</b>	<b>-49,474</b>

## Summary parent company statement of comprehensive income

(Amounts in TSEK)	2022 3 months April- June	2021 3 months April- June	2022 6 months January- June	2021 6 months January- June	2021 12 months January- December
Profit/loss for the period	-9,754	-1,578	-19,153	-2,221	-49,474
Other comprehensive income	0	0	0	0	0
<b>Comprehensive income for the period</b>	<b>-9,754</b>	<b>-1,578</b>	<b>-19,153</b>	<b>-2,221</b>	<b>-49,474</b>

## Summary parent company balance sheet

(Amounts in TSEK)	30/06/2022	30/12/2021	30/06/2021
<b>ASSETS</b>			
Financial assets			
Shares in group companies	56,733	56,733	81,733
Other long-term securities	33,545	33,545	33,545
Other long-term receivables	4,752	0	0
<b>Total fixed assets</b>	<b>95,030</b>	<b>90,278</b>	<b>115,278</b>
Current assets			
Prepaid expenses and accrued revenue	364	212	219
Cash on hand	40,268	61,773	45,452
<b>Total current assets</b>	<b>40,632</b>	<b>61,985</b>	<b>45,671</b>
<b>Total assets</b>	<b>135,662</b>	<b>152,263</b>	<b>160,949</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
RESTRICTED EQUITY			
Share capital	3,263	3,149	2,649
NON-RESTRICTED EQUITY			
Share premium reserve	399,699	393,100	355,654
Profit/loss carried forward	-279,077	-229,603	-229,604
Profit/loss for the period	-19,153	-49,474	-2,221
<b>Total equity</b>	<b>104,732</b>	<b>117,172</b>	<b>126,478</b>
LONG-TERM LIABILITIES			
Loans payable	0	34,954	16,502
<b>Total long-term liabilities</b>	<b>0</b>	<b>34,954</b>	<b>16,502</b>
CURRENT LIABILITIES			
Loans payable	30,696	0	16,502
Accounts payable	102	13	150
Liabilities to group companies	94	94	1,287
Accrued expenses and prepaid revenue	38	30	30
<b>Total current liabilities</b>	<b>30,930</b>	<b>137</b>	<b>17,969</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>135,662</b>	<b>152,263</b>	<b>160,949</b>

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 18 August 2022**

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Anders Blom  
Board Chair

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Göran Janson  
CEO & Member of the Board

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Karolina Bjurehed  
Board Member

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Magnus Edman  
Board Member

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Nils Wollny  
Board Member

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Tarek Shoeb  
Board Member

This interim report has not been reviewed by the company's auditor.

**For more information, please contact:**

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**The company's Certified Adviser is:**

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**Calendar:**

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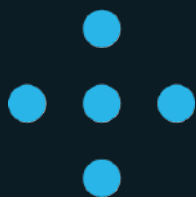
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This information constitutes the information that Terranet AB (publ) is required to publish under the EU Market Abuse Regulation (MAR). The information was submitted for publication through the agency of the above-named contact person on 18 August at 8.00 am CET.





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