

Press release

April 16, 2025

The Board of Directors has resolved to carry out directed issues of units totaling approximately SEK 25 million and a fully underwritten rights issue of units of approximately SEK 15 million

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The Board of Directors of Terranet AB ("Terranet" or the "Company") has today, April 16 2025, with authorization from the annual general meeting on May 21, 2024, decided to carry out a directed issue of 2,956,297 units consisting of B-shares and warrants of series TO9 B to a number of qualified investors of approximately SEK 8.8 million (the "First Directed Issue"). The Board of Directors of the Company has further, subject to subsequent approval by the Annual General Meeting, resolved on a directed issue of 5,461,210 units consisting of B-shares and warrants of series TO9 B to members of the Company's Board of Directors and management as well as external investors, of approximately SEK 16.2 million (the "Second Directed Issue" and together with the First Directed Issue, the "Directed Issues"). One unit in the Directed Issues consists of thirty-three (33) B-shares and five (5) warrants of series TO9 B. To compensate the shareholders who do not participate in the Directed Issues, the Board of Directors of Terranet, subject to subsequent approval by the Annual General Meeting, has resolved on a fully secured rights issue of a maximum of 13,880,714 units consisting of B-shares and warrants of series TO9 B, which, if fully subscribed, will provide the Company with approximately SEK 15 million before deduction of issue costs (the "Rights Issue"). One unit in the Rights Issue consists of twelve (12) B-shares and three (3) warrants of series TO9 B. The Directed Issues and the Rights Issue are carried out at the same subscription price, with the subscription price set at SEK 0.09 per B-share. Through the Directed Issues, Terranet will raise approximately SEK 25 million before deduction of issue costs, and upon full subscription of the Rights Issue, Terranet will raise approximately SEK 15 million before deduction of issue costs. The notice to the Annual General Meeting will be published through a separate press release.

Comments from Management

“We are at a very exciting stage as we intensify our commercialization journey with the goal of signing our first agreement to initiate commercialization during this year. In 2024, Terranet achieved success and delivered on previously set milestones with excellence, laying the foundation for the collaborations and ongoing dialogues with leading industrial players in the market. The capital raise enables us to take the next step from a development-stage company to a commercial enterprise, and I see this as an attractive opportunity to personally take part in this journey together with well-renowned investors who recognize the strong potential of Terranet’s technology”, says Lars Lindell, CEO of Terranet.

Comments from the Board of Directors

“We are grateful for the strong confidence shown by our shareholders. Their support has enabled a capital raise on favorable terms with committed and reputable investors, despite an eventful and volatile stock market. Given full subscription of the issued warrants, the capital raise secures our liquidity through the second quarter of 2026. This strengthens our negotiating position and provides a solid foundation for converting the potential and interest in our technology into real shareholder value”, says Torgny Hellström, Chairman of the Board of Directors of Terranet.

Summary of the Directed Issues and the Rights Issue:

- The First Directed Issue comprises a maximum of 2,956,297 units. Subscribers in the First Directed Issue include, among others, Hunter Capital AB (publ) (“Hunter”). One unit in the First Directed Issue consists of thirty-three (33) B-shares and five (5) warrants of series TO9 B. The subscription price in the First Directed Issue is SEK 2.97 per unit, corresponding to SEK 0.09 per B-share, which represents a premium of approximately 4.0 percent compared to the volume-weighted average price of the Company’s B-share on Nasdaq First North Premier Growth Market between April 7, 2025, and April 11, 2025. The First Directed Issue will provide Terranet with approximately SEK 8.8 million before deduction of issue costs.
- The Second Directed Issue comprises a maximum of 5,461,210 units and is directed to members of the Board of Directors, management, and external investors, including Johannes Schildt (one of the founders of Kry), White Eye AB, and Scan Invest Limited (“Scan”). One unit in the Second Directed Issue consists of thirty-three (33) B-shares and five (5) warrants of series TO9 B. The subscription price in the Second Directed Issue is SEK 2.97

per unit, corresponding to SEK 0.09 per B-share, which is the same subscription price as in the First Directed Issue. The Second Directed Issue will provide Terranet with approximately SEK 16.2 million before deduction of issue costs.

- The Board of Director's resolution on the Second Directed Issue is conditional upon approval by the Annual General Meeting, scheduled for May 23, 2025. Notice of the Annual General Meeting will be published through a separate press release.
- The Rights Issue comprises a maximum of 13,880,714 units. One unit in the Rights Issue consists of twelve (12) B-shares and three (3) warrants of series TO9 B. The warrants are issued free of charge.
- The subscription price per unit in the Rights Issue is SEK 1.08 per unit, corresponding to SEK 0.09 per B-share. The subscription price per B-share is the same as in the Directed Issues. Upon full subscription, the Rights Issue will provide Terranet with approximately SEK 15 million before deduction of issue costs.
- The right to subscribe for units in the Rights Issue shall, with preferential rights, be granted to shareholders in proportion to the number of B-shares they already own, where one (1) existing B-share entitles the holder to one (1) unit right, and eighty-six (86) unit rights entitle the holder to subscribe for one (1) unit.
- The last day of trading in Terranet's B-shares including the right to receive unit rights in the Rights Issue is April 25, 2025. The B-shares will be traded excluding the right to receive unit rights from April 28, 2025.
- The subscription period for the Rights Issue runs from May 27, 2025, up to and including June 11, 2025.
- The Rights Issue is covered by subscription commitments of approximately SEK 35.2 thousand, corresponding to 0.2 percent of the Rights Issue, and underwriting commitments of approximately SEK 15 million, corresponding to approximately 99.8 percent of the Rights Issue. Thus, the Rights Issue is covered to 100 percent by subscription commitments and underwriting commitments. Hunter has entered into a underwriting commitment amounting to approximately SEK 7.5 million. Furthermore, Scan has also entered into a underwriting commitment amounting to approximately SEK 7.5 million.

- The full terms and conditions of the Rights Issue, including additional information about the Company, will be available in an information memorandum expected to be published around May 26, 2025 (the “Memorandum”).
- The purpose of the Rights Issue is to finance the continued development of the BlincVision product, prepare for future commercialization, and repay an existing interest-bearing debt of approximately SEK 8 million.

Background and rationale in summary

Terranet is in an expansion phase with the development of BlincVision and has achieved several important milestones in 2024, including successful tests and partnerships with leading players in the automotive industry. To take the next step, financing is required to complete the development of a Minimum Viable Product (MVP) and continue the development towards volume production in collaboration with potential future partners.

In order to carry out the necessary development work required to commercialize BlincVision and repay the Company's outstanding interest-bearing debt of approximately SEK 8 million, the Board of Directors of Terranet has identified a need for additional capital. Therefore, the Directed Issues and the Rights Issue are being carried out. The proceeds from the Directed Issues and the Rights Issue will primarily be used for:

- Repayment of outstanding loans, approximately 20 percent.
- External development costs for components for BlincVision, approximately 25 percent.
- In-house development work as well as market and sales activities for BlincVision, approximately 25 percent.
- Investments in tangible fixed assets, approximately 10 percent.
- Working capital, approximately 20 percent.

The First Directed Issue

The Board of Directors of Terranet has today, with the support of the authorization from the Annual General Meeting on May 21, 2024, resolved to carry out the First Directed Issue, which comprises a maximum of 2,956,297 units at a subscription price of SEK 2.97 per unit, corresponding to SEK 0.09 per B-share. Each unit in the First Directed Issue consists of thirty-three (33) B-shares and five (5) warrants of series TO9 B. The warrants are issued free of charge. Through the First Directed Issue, the Company will raise approximately SEK 8.8 million before issue costs. The right to subscribe for units will be granted exclusively, deviating from shareholders' preferential rights, to Hunter and Milad Pournouri.

The Board of Directors has placed great emphasis on ensuring that the subscription price for the First Directed Issue is market-based in relation to the current share price. After negotiations at arm's length between the Company and the intended investors, the subscription price has been set at SEK 2.97 per unit, corresponding to SEK 0.09 per B-share, which represents a premium of approximately 4.0 percent compared to the volume-weighted average price of the Company's B-share on Nasdaq First North Premier Growth Market between April 7, 2025, and April 11, 2025. Considering this, the Board of Directors concludes that the subscription price is market-based and reflects the demand for the Company's B-shares.

The Second Directed Issue

Further, the Board of Terranet has today, subject to approval by the Annual General Meeting scheduled for May 23, 2025, resolved to carry out the Second Directed Issue. The Second Directed Issue comprises a total of 5,461,210 units and is being implemented, among other things, to enable subscriptions by members of the Company's Board of Directors and management. Since members of the Company's board of directors and management are subject to Chapter 16 of the Swedish Companies Act (2005:551) (the so-called Leo Act), the Second Directed Issue requires approval from a shareholders' meeting in the Company. For the decision of the shareholders' meeting to be valid, at least nine-tenths of both the votes cast and the shares represented at the meeting must vote in favor of the decision. Following approval at the Annual General Meeting, the right to subscribe for units in the Second Directed Issue will be granted to CEO Lars Lindell, CFO Dan Wahrenberg, CCO Jonas Renander, CTO Pierre Ekwall, Chairman of the Board Torgny Hellström, and Board member Magnus Edman, as well as the current shareholder Oliver Aleksov and external investors Johannes Schildt, White Eye AB, Scan, Alex Ghafari, and Max Björs.

The subscription price for the Second Directed Issue is SEK 2.97 per unit, corresponding to SEK 0.09 per share, which is the same subscription price as in the First Directed Issue. Through the Second Directed Issue, Terranet will raise approximately SEK 16.2 million before issue costs. Each unit in the Second Directed Issue consists of thirty-three (33) B-shares and five (5) warrants of series TO9 B. The warrants are issued free of charge.

Deviation from shareholder' preferential rights

The reasons for the deviation from shareholders' preferential rights and the targeting of the Directed Issues to the Board of Directors, management, existing shareholders, and qualified investors are as follows. Prior to the decision on the Directed Issues, the board carefully examined and considered alternative financing options, including raising capital solely through a

rights issue. However, after a comprehensive assessment and considering that a directed issue allows the Company to receive capital sooner, the Board of Directors believes that new issues carried out with a deviation from shareholders' preferential rights, combined with a rights issue, are a more favorable option for the Company and its shareholders than a rights issue alone. Therefore, the Board of Directors' assessment is that it is in the best interests of both the Company and its shareholders to proceed with the Directed Issues.

The reason the Directed Issues is aimed at selected institutional and private investors is that such an issue further diversifies and strengthens the Company's shareholder base. The reason why one existing shareholder is given the opportunity to participate is that this investor has been a shareholder in the Company for a long period and continues to show great interest in the Company. All of the investors in the Directed Issues have expressed long-term interest and commitment to the Company, which the Board of Directors believes provides security and stability for both the Company and its shareholders. At the same time, other shareholders are given the opportunity to subscribe to units on the same terms through the Rights Issue.

The Company is in an important phase and requires financing to ensure its long-term operations. According to the Board of Directors' assessment, a more extensive and isolated rights issue would require significantly more time and resources to execute and would also entail a higher risk of a negative impact on the share price, particularly considering the current volatile and challenging market conditions. From a shareholder perspective, an isolated rights issue thus poses a risk of a negative effect on the share price compared to a directed issue combined with a rights issue. In view of the market volatility, the Board of Directors has assessed that a rights issue, without the Directed Issues, would need to be considerably larger and would therefore also require greater underwriting commitments from an underwriting consortium, which would result in additional costs and/or further dilution depending on the type of compensation for such underwriting.

Considering the above, the Board of Directors' collective assessment is that the reasons for carrying out the Directed Issues in combination with a compensation issue in the form of the Rights Issue outweigh the reasons for conducting a more extensive isolated rights issue.

The Board of Directors has, in connection with the decisions on the Directed Issues, placed significant emphasis on ensuring that the subscription price is market-based in relation to the prevailing share price. After arm's length negotiations between the company and the qualified investors, the subscription price has been set at SEK 2.97 per unit, corresponding to SEK 0.09 per B-share, which represents a premium of approximately 4.0 percent compared to the volume-weighted average price of the company's B-share on Nasdaq First North Premier Growth Market

between April 7, 2025, and April 11, 2025. Considering this, the board assesses that the subscription price is market-based and reflects the demand for the company's B-shares.

The Rights Issue

To compensate shareholders who do not participate in the Directed Issues, the Board of Directors, subject to subsequent approval by the annual general meeting, has decided to carry out the Rights Issue of up to 13,880,714 units, which, if fully subscribed, could raise approximately SEK 15 million before deduction of issue costs. One unit in the Rights Issue consists of twelve (12) B-shares and three (3) warrants of series TO9 B. The warrants are issued free of charge.

Those who are registered as shareholders in Terranet on the record date of April 29, 2025 will receive one (1) unit right for each (1) existing B-share, and eighty-six (86) unit rights will entitle the holder to subscribe for one (1) unit. The subscription price in the Rights Issue will be SEK 1.08 per unit, corresponding to SEK 0.09 per B-share, which is the same subscription price as in the Directed Issues. Participants in the Directed Issues will not receive any unit rights in the Rights Issue for the units subscribed through the Directed Issues.

In the event that not all units are subscribed through the exercise of unit rights, the Board of Directors will decide on the allocation of units subscribed without the support of unit rights, within the framework of the maximum amount of the Rights Issue. The allocation will be made as follows:

- First, allocation will be made to those who have subscribed for units using unit rights, regardless of whether the subscriber was a shareholder on the record date. In case of over-subscription relative to the number of unit rights each person used for subscription, allocation will be made based on the number of unit rights exercised, and if this cannot be done, by drawing lots.
- Second, allocation will be made to others who have subscribed for units without the support of unit rights. If they cannot receive full allocation, it will be done based on the number of units they have subscribed for, and if this cannot be done, by drawing lots.
- Lastly, any remaining units will be allocated to the underwriters who have entered into underwriting commitments in relation to the size of their respective underwriting commitments, and if this cannot be done, by drawing lots.

The subscription period will run from May 27, 2025, up to and including June 11, 2025. Trading in unit rights will take place on the Nasdaq First North Premier Growth Market from May 27, 2025,

up to and including June 5, 2025, and trading in BTU (paid subscribed units) will take place on the Nasdaq First North Premier Growth Market from May 27, 2025, up to and including June 30, 2025.

The Company will prepare and publish the Memorandum in connection with the Rights Issue.

Warrants of series TO9 B

Each warrant of series TO9 B gives the right to subscribe for one (1) new B-share in the Company. One (1) warrant of series TO9 B entitles the holder to subscribe for one (1) B-share in the Company at a subscription price of SEK 0.18 (equivalent to 200% of the subscription price per B-share in the Directed Issues and the Rights Issue). The subscription for B-shares using the warrants of series TO9 B will take place during the period from December 1, 2025, up to and including December 15, 2025.

If all warrants of series TO9 B are fully utilized within the framework of the units offered, the Company may receive an additional maximum of approximately SEK 15.1 million. The warrants are intended to be admitted to trading on Nasdaq First North Premier Growth Market.

Subscription commitments and underwriting commitments

The Rights Issue is covered by 0.2 percent of subscription commitments, corresponding to approximately SEK 35.2 thousand, and by approximately 99.8 percent of underwriting commitments, corresponding to approximately SEK 15 million. Hunter has entered into a underwriting commitment amounting to approximately SEK 7.5 million. Furthermore, Scan has also entered into a underwriting commitment amounting to approximately SEK 7.5 million. Thus, the Rights Issue is fully covered by subscription commitments and underwriting commitments. The entered subscription commitments and underwriting commitments are not secured by bank guarantees, pledges, or similar arrangements. Subscription commitments have been entered into by Chairman of the Board of Directors Torgny Hellström, CFO Dan Wahrenberg, and CTO Pierre Ekwall. For the underwriting commitments, a underwriting compensation of twelve (12) percent of the underwritten amount will be paid in the form of units. The subscription price for the underwriting compensation amounts to SEK 1.08 per unit, corresponding to SEK 0.09 per B-share, which is the same as the subscription price in the Rights Issue. No compensation is paid for the subscription commitments that have been entered into.

The Board considers it favorable for the Company to offer compensation to the underwriters in the form of units instead of cash, as it positively impacts the Company's liquidity. The subscription price in the directed issue to the underwriters was negotiated at arm's length

during the arrangement of the underwriting commitments, in consultation with the financial advisor and after an analysis of usual market factors.

Shares, share capital and dilution

Through the First Directed Issue, the number of B-shares in the Company will increase by 97,557,801 B-shares, from 1,193,741,451 B-shares to 1,291,299,252 B-shares. The Company's share capital will thus increase by SEK 975,578.010, from SEK 11,937,414.510 to SEK 12,912,992.520. The newly issued shares in the First Directed Issue will result in a total dilution effect of approximately 7.6 percent of the number of B-shares and votes in the Company.

Through the Second Directed Issue, the number of B-shares in the Company will increase by 180,219,930 B-shares, from 1,291,299,252 B-shares to 1,471,519,182 B-shares. The Company's share capital will increase by SEK 1,802,199.300, from SEK 12,912,992.520 to SEK 14,715,191.820. The newly issued shares in the Second Directed Issue will result in a further dilution effect of approximately 12.2 percent of the number of B-shares and votes in the Company. The dilution effect, the specified number of B-shares and the share capital before and after the Second Directed Issue, consider the B-shares issued in the First Directed Issue.

The Directed Issues will result in a total dilution effect of 18.9 percent of the number of B-shares and votes in the Company. Through the Directed Issues, the number of B-shares in the Company will increase by 277,777,731 B-shares, from 1,193,741,451 B-shares to 1,471,519,182 B-shares. The Company's share capital will thus increase by SEK 2,777,777.310, from SEK 11,937,414.510 to SEK 14,715,191.820.

Upon full subscription in the Rights Issue, the number of B-shares in Terranet will increase by up to an additional 166,568,568 B-shares, from 1,471,519,182 B-shares to 1,638,087,750 B-shares, and the share capital will increase by up to SEK 1,665,685.680, from SEK 14,715,191.820 to SEK 16,380,877.500. For existing shareholders who do not participate in the Rights Issue, this corresponds to an additional dilution effect of approximately 10.2 percent of the votes and share capital in the Company upon full subscription.

The total dilution effect from full subscription in the Rights Issue, together with the Directed Issues, amounts to approximately 27.1 percent.

Upon full exercise of all warrants of series TO9 B within the scope of the offered units, the number of B-shares in Terranet will increase by up to an additional maximum of 83,729,677 B-shares, from 1,638,087,750 B-shares to 1,721,817,427 B-shares, and the share capital will increase by up to SEK 837,296.770, from SEK 16,380,877.500 to SEK 17,218,174.270. Full exercise of all warrants of series TO9 B would result in an additional dilution effect of up to 4.9 percent.

Preliminary timetable for the Rights Issue

April 25, 2025	Last day of trading in B-shares including the right to receive unit rights
April 28, 2025	First day of trading in B-shares excluding the right to receive unit rights
April 29, 2025	Record date for the Rights Issue
May 26, 2025	Disclosure of the Memorandum
May 27, 2025 – June 5, 2025	Trading with unit rights
May 27, 2025 – June 11, 2025	Subscription period
May 27, 2025 – June 30, 2025	Trading in paid subscribed units (BTU)
June 13, 2025	Preliminary date for publication of the outcome in the Rights Issue

Annual General Meeting

The Board of Directors' resolution regarding the Second Directed Issue and the Rights Issue is subject to approval by the Annual General Meeting, which will be held on May 23, 2025. A notice of the Annual General Meeting will be published in a separate press release.

The Memorandum

The complete terms and conditions of the Rights Issue, as well as other information about the Company, will be set out in the Memorandum, which will be published by the Company prior to the commencement of the subscription period. The Memorandum is expected to be published on the Company's website, www.terranel.com, around May 26, 2025.

Advisers

Mangold Fondkommission AB is the financial advisor to Terranet in connection with the Directed Issues and the Rights Issue. Eversheds Sutherland Advokatbyrå AB is the legal advisor to the Company in connection with the Directed Issues and the Rights Issue.

For more information, please contact:

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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 April 16, 2025, at 18:00 CET.

About Terranet AB (publ)

Terranet's goal is to save lives in urban traffic. The company develops innovative technical solutions for Advanced Driver Assistance Systems (ADAS) and Autonomous Vehicles (AV). Terranet's anti-collision system BlincVision laser scans and detects road objects up to ten times faster than any other ADAS technology available today.

The company is headquartered in Lund, with offices in Gothenburg and Stuttgart. Since 2017, Terranet has been listed on Nasdaq First North Premier Growth Market (Nasdaq: TERRNT-B). Follow our journey at: www.terranet.se

Certified Adviser to Terranet is Mangold Fondkommission AB.

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