

PRESS RELEASE

Lund, 17 November 2022

Terranet AB – Interim report 1 January – 30 September 2022

Significant events during the third quarter

- Terranet notified the market that the company is ready to produce the first sample version of its scanner module.
- Magnus Andersson took over as CEO for Terranet on 1 September. At the same time, Göran Janson went from the role as CEO and board member to his regular role as chairman of the board and Anders Blom went from his role as chairman of the board to his regular role as board member.
- Magnus Andersson, CEO, signed an agreement to acquire warrants.
- Terranet appointed Magnus Andersson as new CEO.

Significant events after the close of the period

- Terranet informed the market that Prevas is commissioned to build the first prototype of BlincVision's laser scanner module.
- Terranet updated the market with the company's progress in its product development effort.
- Terranet participated in Redeye Autotech's well attended investor day where CEO Magnus Andersson presented the company.

Third quarter, 1 July – 30 September 2022

- Revenue amounted to TSEK 252 (616).
- Operating profit/loss amounted to TSEK -7,119 (-6,616).
- Diluted and undiluted earnings per share amounted to SEK -0.02 (-0.03).

Interim period, 1 January – 30 September 2022

- Revenue amounted to TSEK 438 (1,208).
- Operating profit/loss amounted to TSEK -21,940 (-24,998).
- Diluted and undiluted earnings per share amounted to SEK -0.07 (-0.11).
- The Group's cash and cash equivalents at the close of the period amounted to TSEK 34,960 (TSEK 62,788 at the start of the financial year)

Comments from the CEO - We are entering the next phase**Dear shareholders,**

It is with pleasure that I write my first CEO comment for Terranet. My impression of the company now after more than two months as CEO is that the internal knowledge is even more impressive, the business potential greater, and the importance of bringing BlincVision to market even more important than I could have imagined when I took on the challenge of leading Terranet into the future. After important advances in product development in the third quarter, we are now in a situation where the pieces are starting to fall into place and we are finally ready to start producing working prototypes for parts of our anti-collision system BlincVision.

Scanner module under development

In the beginning of November, we announced that Terranet had entered into a collaboration agreement with Prevas Development to develop the first prototype of the scanner module - a

key component of the BlincVision system that scans the area in front of the car using multi-beam laser technology. Behind this important milestone lies intensive work with setting the technical specifications and simulating and testing the design. I am extremely proud of the team's commitment and persistence, and I'm excited to see what we will achieve together with Prevas in the next step.

A second key component of BlincVision is the highly sensitive sensor unit that captures the laser beams and via the software processes and interprets the data at lightning speed. To speed up time to market, we are currently evaluating potential development partners for this high-tech sensor. I look forward to share the progress in this area in the near future. The ambition is to present working prototypes in 2023.

Positive feedback from the market

2022 has been characterized by an unsettled world and a shaky stock market, but there are glimmers of light. The demand for and interest in smart, advanced driver assistance systems (ADAS) and sensor technologies is growing. In 2020, the market for ADAS was estimated to USD 34 billion (Deloitte, 2021 Global Automotive Supplier Study). By 2025, it is expected to reach USD 84 billion, corresponding to a growth of 150%. This makes the ADAS and sensor segment the third fastest growing component segment in the automotive industry. New, innovative players are popping up and are driving the development of the next generation of smart, safe and energy-efficient vehicles, adapted to changing transport patterns and traffic needs in the world's cities.

During my first months as CEO I have met with a lot of different automotive industry players to tell them about Terranet and what we do - everything from vehicle manufacturers and potential customers to possible partners and industry organizations. The people I meet are curious about our technology, and the general response is that BlincVision fills a need in the market that other driver assistance technologies cannot.

An increasing number of vehicle manufacturers and technology providers see the need for an ecosystem of sensor solutions that meet different needs. Lidar, radar and camera technology all have their advantages, but none of them work optimally in all traffic situations. We see clear driving forces that support demand for a product like BlincVision, which will complement other ADAS solutions in dense traffic where the car must be able to assess the situation at lightning speed and at very short distances, and identify which object is moving in front of the car.

Continued capitalization of the company

A prerequisite for Terranet to be able to keep up the fast pace in product development is of course to maintain a stable financial position. The T05B warrant program will provide Terranet with a capital injection in the spring. The Board is working actively on Terranet's long-term financing, and I feel confident that we will secure the capital needed to take BlincVision to the finish line in the coming years.

The intensive product development work continues according to plan. We still have some way to go before we can present a finished BlincVision product, but every milestone we pass, and the development we see in the automotive industry and in urban traffic environments around the world, strengthens my conviction that Terranet is on the right track.

Magnus Andersson
CEO
Lund, 17 November 2022

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 17 November 2022, at 08.00 CET.

For more information, please contact

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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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