

PRESS RELEASE

Lund, 30 June, 2023

Terranet's Board of Directors have decided to carry out a directed issue of units to underwriters in connection with the completed rights issue

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Terranet AB ("Terranet" or the "Company") has, as previously communicated, completed the rights issue of units, consisting of shares and warrants of series TO6 and TO7, which the board decided on May 17, 2023 (the "Rights Issue"). In accordance with the underwriting agreements that has been entered into in connection with the Rights Issue, Terranet's board of directors has today decided on a directed issue of units to underwriters in the Rights Issue who have chosen to receive underwriting compensation in the form of new units (the "Compensation Issue"). The subscription price in the Compensation Issue has been set to the same subscription price as in the Rights Issue, SEK 0.90 per unit which corresponds to a subscription price of SEK 0.18 per share, and payment is made by offsetting the underwriters' claims regarding underwriting compensation.

As previously communicated in connection with the Rights Issue, the underwriters, in accordance with the underwriting agreements entered into, had the opportunity to choose to receive underwriting compensation in the form of cash compensation or in the form of new units. Several of the underwriters has chosen to receive the underwriting compensation in the form of new units. Due to this, the Board, relying on the authorization from the annual general meeting held on May 10, 2023, has today resolved on the Compensation issue, which includes a total of 2,272,887 new units. Each unit in the Compensation Issue consists of five (5) shares of series B, three (3) warrants of series TO6 and three (3) warrants of series TO7. A total of 11,364,435 shares, 6,818,661 warrants of series TO6 and 6,818,661 warrants of series TO7 have been issued in the Compensation Issue. Payment in the Compensation Issue have been made by offsetting the underwriters' claims against the Company for underwriting compensation. The subscription price was set to SEK 0.90 per unit, which corresponds to a subscription price of SEK 0.18 per share and corresponds to the subscription price in the

Rights Issue. In light of this, the Board considers that the subscription price is in line with market value. All units in the Compensation Issue have been subscribed and allocated.

The reason for the deviation from the shareholders' preferential right in the Compensation Issue is to fulfill the Company's contractual obligation towards the underwriters. The board believes that it is beneficial for the Company's financial position to take advantage of the opportunity to pay the underwriting compensation in the form of units instead of a cash payment.

Through the Compensation Issue, the number of shares in the Company increase by 11,364,435 B-shares, from 628,021,425 shares (consisting of 1,084,463 A-shares and 626,936,962 B-shares after registration of the Rights Issue) to 639,385,860 shares and the share capital increase by SEK 113,644.35, from SEK 6,280,214.25 to SEK 6,393,858.60. If all warrants of series TO6 in the Compensation Issue are fully exercised for subscription of new shares in the Company, the number of shares in the Company will increase with an additional 6,818,661 B-shares, from 639,385,860 shares (1,084,463 A-shares and 638,301,397 B-shares) to 646,204,521 shares, and the share capital will increase with an additional SEK 68,186.61, from SEK 6,393,858.60 to SEK 6,462,045.21. If all warrants of series TO7 in the Compensation Issue are fully exercised for subscription of new shares in the Company, the number of shares in the Company will increase with an additional 6,818,661 B-shares, from 646,204,521 shares (1,084,463 A-shares and 645,120,058 B-shares) to 653,023,182 shares, and the share capital will increase with an additional SEK 68,186.61, from SEK 6,462,045.21 to SEK 6,530,231.82.

Advisers

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

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About Terranet AB

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 up to 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.

Certified Adviser to Terranet is Mangold Fondkommission AB.

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