

## **Notice of annual general meeting in Terranet AB**

The shareholders of Terranet AB, reg. no. 556707-2128, (the "**Company**") are hereby invited to the annual general meeting on Thursday 28 April 2022.

### **Information with respect to the coronavirus**

The Company is mindful of the health and well-being of its shareholders and employees. It is important for the Company to take a social responsibility and contribute to reduce the risk of transmission of the coronavirus (Covid-19). Consequently, the general meeting will be carried out through mandatory advance voting (postal voting) pursuant to temporary legislation. Thus, it will not be possible to attend in person or through proxy at the general meeting.

Information on the decisions of the annual general meeting will be published as soon as the outcome of the postal voting is finally compiled on Thursday 28 April 2022.

### **Right to attend the general meeting**

Shareholders who wish to participate through advance voting in the general meeting must:

- on the record date, which is Wednesday 20 April 2022, be registered in the share register maintained by Euroclear Sweden AB; and
- notify the Company of their intention to participate in the general meeting by casting their advance votes in accordance with the instructions under the heading "Advance voting" below so that the advance voting form is received by the Company no later than on Wednesday 27 April 2022.

### **Nominee shares**

Shareholders, whose shares are registered in the name of a bank or other nominee, must temporarily register their shares in their own name with Euroclear Sweden AB in order to be entitled to participate in the general meeting. Such registration, which normally is processed in a few days, must be completed no later than on Wednesday 20 April 2022 and should therefore be requested from the nominee well before this date. Voting registration requested by a shareholder in such time that the registration has been made by the relevant nominee no later than on Friday 22 April 2022 will be considered in preparations of the share register.

### **Proxies, etc.**

Shareholders represented by proxy shall issue a dated and signed power of attorney for the proxy. If the power of attorney is issued by a legal entity, attested copies of the certificate of registration or equivalent authorisation documents, evidencing the authority to issue the proxy, shall be enclosed. The power of attorney must not be more than one year old, however, the power of attorney may be older if it is stated that it is valid for a longer term, however, not more than five years. A copy of the power of attorney and, where applicable, the registration certificate, should be submitted to the Company by mail at the address set forth above and at the Company's disposal no later than on Wednesday 27 April 2022. A form power of attorney will be available on the Company's website, [www.terranet.se](http://www.terranet.se), and will also be sent to shareholders who so request and inform the Company of their postal address.

### **Advance voting**

Due to the continuing risk of the spread of the coronavirus (Covid-19), the Company has taken certain precautionary measures in relation to the annual general meeting. The shareholders may exercise their voting rights at the general meeting only by voting in advance, so called postal voting in accordance with section 22 of the Act (2022:121) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form must be used for advance voting. The form is available at [www.terranet.se](http://www.terranet.se). The advance voting form is valid as a notification to the annual general meeting.

In the advanced voting form, the shareholders may request that resolution in one or more of the matters raised in the proposed agenda be postponed to a so-called continued general meeting, which may not be held solely by advanced voting. Such a continued meeting for a decision in a specific matter shall take place if the meeting decides on it or if the owners of at least one tenth of all shares in the Company so requests.

The completed voting form must be received by the Company no later than on Wednesday 27 April 2022. The completed form shall be sent to the address: Terranet AB, Attn: Pål Eriksson, Mobilvägen 10, 223 62 Lund, Sweden. The completed form may alternatively be submitted electronically and is then to be sent to pal.eriksson@terranet.se. If the shareholder votes in advance by proxy, a power of attorney shall be enclosed with the form. If the shareholder is a legal entity, a registration certificate or a corresponding document shall be enclosed with the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (in its entirety) is invalid.

Further instructions and conditions are included in the form for advance voting.

### **Draft agenda**

1. Opening of the meeting
2. Election of chairman of the meeting and appointment of the keeper of the minutes
3. Preparation and approval of the voting list
4. Election of one person to certify the minutes
5. Examination of whether the meeting has been properly convened
6. Approval of the agenda
7. Presentation of the annual report and the auditors' report and the group annual report and the group auditor's report
8. Resolutions regarding:
  - a. adoption of income statement and balance sheet and the group income statement and the group balance sheet,
  - b. dispositions of the profit or loss of the company in accordance with the adopted balance sheet and group balance sheet, and
  - c. discharge from liability of the board of directors and the managing director
9. Determination of the number of directors and auditors
10. Determination of fees to the board of directors and to the auditors
11. Election of the board of directors and auditors
12. Resolution regarding amendments of the articles of association
13. Resolution to authorise the board of directors to resolve on issuances
14. Resolution regarding incentive program 2022/2025:1
  - a. resolution regarding issuance of warrants of series 2022/2025:1
  - b. resolution regarding approval of transfer of warrants of series 2022/2025:1
15. Resolution regarding incentive program 2022/2025:2
  - a. resolution regarding issuance of warrants of series 2022/2025:2
  - b. resolution regarding approval of transfer of warrants of series 2022/2025:2
16. Closing of the meeting

### **Proposed resolutions**

#### **Item 2: Election of chairman of the meeting and appointment of the keeper of the minutes.**

The nomination committee proposes that Carl Svernlöv, attorney at law, at Baker & McKenzie Advokatbyrå KB is appointed as chairman of the general meeting and keeper of the minutes or, in his absence, the person appointed by him.

#### **Item 3: Preparation and approval of voting list**

The voting list proposed for approval by the general meeting is the voting list prepared by the Company, based on the Company's share register received by Euroclear Sweden AB and the advance votes received, and as verified by the person elected to approve the minutes.

**Item 4: Election of one person to certify the minutes**

The board of directors proposes that Erik Holmgren, attorney at law, at Baker & McKenzie Advokatbyrå KB, or, in his absence, the person or persons instead appointed by him, to be elected to certify the minutes of the general meeting. The task of certifying the minutes of the general meeting also includes verifying the voting list and that the advance votes received are correctly reflected in the minutes of the general meeting.

**Item 6: Approval of the agenda**

The board of directors proposes that the general meeting approves the proposed agenda as set forth above.

**Item 8.b: Resolution regarding dispositions of the profit or loss of the company in accordance with the adopted balance sheet and group balance sheet**

The board of directors proposes that all funds available for the annual general meeting shall be carried forward.

**Item 9: Determination of the number of directors and auditors**

The nomination committee proposes that the board of directors shall consist of six directors without deputies.

The nomination committee further proposes that the Company shall have one registered auditing firm as auditor.

**Item 10: Determination of fees to the board of directors and to the auditors**

The nomination committee proposes that the remuneration to each director elected by the meeting and who is not employed by the Company or the group shall be SEK 100,000 (SEK 100,000 previous year) and the chairman of the board of directors is to receive SEK 200,000 (SEK 200,000 previous year), in total SEK 600,000 (SEK 600,000 previous year).

The nomination committee further proposes that a fee of SEK 25,000 (SEK 25,000 previous year) shall be paid to each of the members of the remuneration committee, in total SEK 75,000 (SEK 75,000 previous year).

Remuneration to the auditor is to be paid according to approved invoice.

**Item 11: Election of the board of directors and auditors**

The nomination committee proposes that Göran Janson, Karolina Bjurehed, Anders Blom, Magnus Edman, Tarek Shoeb and Nils Wollny are re-elected as directors. The nomination committee further proposes that Anders Blom is elected as chairman of the board of directors.

The nomination committee also proposes re-election of the registered auditing firm Deloitte AB for the period until the end of the annual general meeting 2023. Deloitte AB has announced that the authorised auditor Richard Peters continues as main responsible auditor.

**Item 12: Resolution regarding amendments of the articles of association**

The board of directors of the Company proposes that the annual general meeting resolves to amend the Company's articles of association as follows:

1. It is proposed that the limits for the share capital in the articles of association are changed from a minimum of SEK 1,250,000 and a maximum of SEK 5,000,000 to a minimum of SEK 3,000,000 and a maximum of SEK 12,000,000. The articles of association § 4 will thereby have the following wording:

"Aktiekapitalet ska vara lägst 3 000 000 kronor och högst 12 000 000 kronor.  
*The share capital shall be no less than SEK 3,000,000 and not more than SEK 12,000,000.*"

2. It is proposed that the limits for the number of shares in the articles of association are changed from a minimum of 125,000,000 and a maximum of 300,000,000 to a minimum of

300,000,000 and a maximum of 1,200,000,000. The articles of association § 5 will thereby have the following wording:

"Antalet aktier ska vara lägst 300 000 000 stycken och högst 1 200 000 000 stycken.  
*The number of shares shall be not less than 300,000,000 and not more than 1,200,000,000.*"

3. The board of directors or a person appointed by the board of directors shall be authorised to make such minor adjustments in the above resolution that may be required in connection with the registration with the Swedish Companies Registration Office.

### **Item 13: Resolution regarding authorisation for the board to issue shares, warrants and/or convertibles**

The board of directors of the Company proposes that the annual general meeting resolves to authorise the board of directors during the period up until the next annual general meeting to, on one or more occasions, resolve to issue B shares, convertibles and/or warrants, with the right to convert and subscribe for B shares, respectively, with or without preferential rights for the shareholders, within the limits of the articles of association, to be paid in cash, in kind and/or by way of set-off.

The board of directors or a person appointed by the board of directors shall be authorised to make such minor adjustments in the above resolution that may be required in connection with the registration with the Swedish Companies Registration Office.

### **Item 14: Resolution regarding incentive program 2022/2025:1**

The board of directors of the Company, proposes that the annual general meeting resolves to implement an incentive program through issuance of warrants to the Company, with subsequent transfer to employees within the Company and the company group ("**Incentive program 2022/2025:1**") in accordance with the below.

#### **Background and rationale**

The purpose of the proposal is to establish conditions to maintain and increase the motivation of employees within the Company and company group. The board of directors finds that it is in all shareholders' interest that employees who are considered important to the development of the company group, have a long term interest in developing high value of the Company's share. A long-term ownership engagement is expected to stimulate an increased interest for the business and result in a whole as well as to increase the motivation for the participants and to create a common interest for the Company's shareholders and the participant.

Resolutions in accordance with item 14.a and 14.b below shall be made as one resolution and are therefore conditional on each other.

A description of the preparation of the proposal, costs for the program and effect on important key figures etc. is presented below.

#### *Item 14.a: Resolution regarding issuance of warrants of series 2022/2025:1*

The board of directors of the Company proposes that the annual general meeting resolves to issue a maximum of 9,850,000 warrants, which may result in a maximum increase in the Company's share capital of SEK 98,500. The warrants shall entitle to subscription of new B shares in the Company.

The following terms shall apply to the issuance:

1. The warrants may be subscribed for by the Company, with the right and obligation to, at one or several occasions, transfer the warrants to employees within the Company or within the company group, at a price that is not less than the fair market value of the warrant according to the Black & Scholes valuation model and otherwise on the same terms as in the issuance.

2. The warrants shall be subscribed for as of 28 April 2022 up to and including 12 May 2022 on a separate subscription list, with a right for the board to extend the subscription period.
3. The warrants are issued without consideration to the Company.
4. Each warrant entitles to subscription of one new B share in the Company during the period from 1 October 2025 up to and including 31 October 2025 or the earlier date set forth in the terms for the warrants.
5. Each warrant entitles to subscription of one new B share in the Company at a subscription price of SEK 2.50. Upon subscription of shares, the part of the subscription price that exceeds the quota value of the previous shares shall be allocated to the non-restricted share premium fund.
6. A new B share subscribed for by exercise of a warrant has a right to dividends as of the first record day for dividends following registration of the new share issue with the Companies Registration Office and after the share has been registered in the share register maintained by Euroclear Sweden AB.
7. The purpose of the issuance and the deviation from the shareholders preferential rights is to implement the Incentive program 2022/2025:1.
8. The complete terms and conditions for the warrants are available on the Company's website no later than two weeks prior to the meeting, including conditions regarding re-calculation, in certain cases, of the subscription price and the number of shares a warrant entitles to.
9. The board of directors or a person nominated by it, shall be authorised to make such minor adjustments as may be required in connection with registration of the resolution with the Swedish Companies Registration Office and, if applicable, Euroclear Sweden AB.

*Item 14.b: Resolution regarding approval of transfer of warrants of series 2022/2025:1*

The board of directors of the Company proposes that the annual general meeting resolves to approve that the Company may transfer the warrants in the Company of series 2022/2025:1 as follows.

Employees within the Company and company group will within Incentive program 2022/2025:1, be offered to subscribe for warrants as set out below:

Employees within the Company and company group comprise of up to 16 persons, of which the CEO, following the recruitment of the same, is offered to acquire a maximum of 2,500,000 warrants, each of the other senior management members amounting to three in the aggregate is offered to acquire a maximum of 1,250,000 warrants and each of the other employees amounting to twelve in the aggregate is offered to acquire a maximum of 300,000 warrants, in total a maximum of 9,850,000 warrants.

The board of directors further proposes that the annual general meeting approves that the Company may transfer the warrants that are not acquired by the categories as set out above, to future employees within the Company and company group, or in any other matter dispose of the warrants to fulfill the obligations under Incentive program 2022/2025:1.

The Company shall be entitled to retain warrants not transferred for as provided above that may be offered to current and future employees within the Company and the company group in accordance with the proposed acquisition and allotment principles. Existing participants shall acquire warrants no later than 12 May 2022 and future employees within the Company and the company group shall

acquire warrants no later than 31 December 2022. However, transfer to the CEO, following the recruitment of the same, shall be made no later than 31 October 2022.

Future employees within the Company and company group will within Incentive program 2022/2025:1, be offered to acquire warrants in accordance with the principles for allotment set out above.

The board of directors of the Company are not entitled to participate in Incentive program 2022/2025:1.

Notification to acquire warrants shall be made during the period from 12 May 2022 up to and including 9 June 2022. The warrants shall be transferred to the participants no later than 9 June 2022, provided that the transfers in accordance with the above does not exceed the maximum number of warrants issued.

Transfer of the warrants shall be made at a price equal to the warrant's market value at the time of transfer, which shall be calculated according to the Black & Scholes valuation model or other generally accepted valuation model. Valuation of the options shall be performed by an independent appraiser or audit firm. In connection with the transfer of the warrants to the participants, the Company shall through an agreement reserve the right to repurchase the warrants, if the participant's employment in the company group ceases or if the participant, in turn, wishes to transfer the warrants.

Warrants that are not transferred by 31 December 2022 shall be cancelled.

*Preparation of Incentive Program 2022/2025:1, etc. (it is noted that this is not a decision point)*  
Incentive program 2022/2025:1 has been prepared by members of the company group management and external advisors and in accordance with guidelines from the board of directors.

### **Valuation**

Transfer of the warrants shall be made at a price equal to the warrant's fair market value, which means no social fees should arise for the company group in connection with the subscription and transfer of warrants. The Black & Scholes valuation model will be used for the valuation.

### **Costs and effects on key figures**

As the warrants are subscribed for and transferred at fair market value, it is the Company's assessment that there will be no social fees for the Company as a result of the subscriptions and transfers. The costs will therefore consist only of minimal costs for the implementation and administration of Incentive program 2022/2025:1.

### **Dilution**

The total number of registered shares at the time of this proposal amount to 326,289,403 and votes amount to 327,422,666. The maximum dilution of Incentive program 2022/2025:1 is estimated to be a maximum of approximately 3.02 percent of the total number of shares and a maximum of approximate 3.01 percent of the total number of votes in the Company (calculated on the number of existing shares and votes in the Company), assuming full subscription and exercise of all warrants offered.

### **Other outstanding share based incentive programs**

The Company has no other outstanding share based incentive programs.

### **Item 15: Resolution regarding incentive program 2022/2025:2**

The Company's shareholder Maida Vale Capital AB proposes that the annual general meeting resolves to implement an incentive program through issuance of warrants to the Company, with subsequent transfer to the Company's directors ("**Incentive program 2022/2025:2**") in accordance with the below.

## **Background and rationale**

The purpose of the proposal is to establish conditions to maintain and increase the motivation of the Company's directors. Maida Vale Capital AB finds that it is in all shareholders' interest that the directors have a long term interest in developing high value of the Company's share. A long-term ownership engagement is expected to stimulate an increased interest for the business and result in a whole as well as to increase the motivation for the participants and to create a common interest for the Company's shareholders and the participant.

Resolutions in accordance with item 15.a and 15.b below shall be made as one resolution and are therefore conditional on each other.

A description of the preparation of the proposal, costs for the program and effect on important key figures etc. is presented below.

### *Item 15.a: Resolution regarding issuance of warrants of series 2022/2025:2*

The Company's shareholder Maida Vale Capital AB proposes that the annual general meeting resolves to issue a maximum of 5,000,000 warrants, which may result in a maximum increase in the Company's share capital of SEK 50,000. The warrants shall entitle to subscription of new B shares in the Company.

The following terms shall apply to the issuance:

1. The warrants may be subscribed for by the Company, with the right and obligation to, at one or several occasions, transfer the warrants to the Company's directors, at a price that is not less than the fair market value of the warrant according to the Black & Scholes valuation model and otherwise on the same terms as in the issuance.
2. The warrants shall be subscribed for as of 28 April 2022 up to and including 12 May 2022 on a separate subscription list, with a right for the board to extend the subscription period.
3. The warrants are issued without consideration to the Company.
4. Each warrant entitles to subscription of one new B share in the Company during the period from 1 May 2025 up to an including 31 May 2025 or the earlier date set forth in the terms for the warrants.
5. Each warrant entitles to subscription of one new B share in the Company at a subscription price of SEK 1.75. Upon subscription of shares, the part of the subscription price that exceeds the quota value of the previous shares shall be allocated to the non-restricted share premium fund.
6. A new B share subscribed for by exercise of a warrant has a right to dividends as of the first record day for dividends following registration of the new share issue with the Companies Registration Office and after the share has been registered in the share register maintained by Euroclear Sweden AB.
7. The purpose of the issuance and the deviation from the shareholders preferential rights is to implement the Incentive program 2022/2025:2.
8. The complete terms and conditions for the warrants are available on the Company's website no later than two weeks prior to the meeting, including conditions regarding re-calculation, in certain cases, of the subscription price and the number of shares a warrant entitles to.
9. The board of directors or a person nominated by it, shall be authorised to make such minor adjustments as may be required in connection with registration of the resolution with the

Swedish Companies Registration Office and, if applicable, Euroclear Sweden AB.

*Item 15.b: Resolution regarding approval of transfer of warrants of series 2022/2025:2*

The Company's shareholder Maida Vale Capital AB proposes that the annual general meeting resolves to approve that the Company may transfer the warrants in the Company of series 2022/2025:2 as follows.

The Company's directors, however not Anders Blom, will within Incentive program 2022/2025:2, be offered to subscribe for warrants as set out below:

The Company's directors, excluding Anders Blom, of five persons where each person is offered to acquire a maximum of 1,000,000 warrants, in total a maximum of 5,000,000 warrants.

Notification to acquire warrants shall be made during the period from 12 May 2022 up to and including 9 June 2022. The warrants shall be transferred to the participants no later than 9 June 2022, provided that the transfers in accordance with the above does not exceed the maximum number of warrants issued.

Transfer of the warrants shall be made at a price equal to the warrant's market value at the time of transfer, which shall be calculated according to the Black & Scholes valuation model or other generally accepted valuation model. Valuation of the options shall be performed by an independent appraiser or audit firm. In connection with the transfer of the warrants to the participants, the Company shall through an agreement reserve the right to repurchase the warrants, if the participant's employment in the company group ceases or if the participant, in turn, wishes to transfer the warrants.

Warrants that are not transferred by 31 December 2022 shall be cancelled.

*Preparation of Incentive Program 2022/2025:2, etc. (it is noted that this is not a decision point)*

Incentive program 2022/2025:2 has been prepared by members of the company group management and external advisors.

**Valuation**

Transfer of the warrants shall be made at a price equal to the warrant's fair market value, which means no social fees should arise for the company group in connection with the subscription and transfer of warrants. The Black & Scholes valuation model will be used for the valuation.

**Costs and effects on key figures**

As the warrants are subscribed for and transferred at fair market value, it is the Company's assessment that there will be no social fees for the Company as a result of the subscriptions and transfers. The costs will therefore consist only of minimal costs for the implementation and administration of Incentive program 2022/2025:2.

**Dilution**

The total number of registered shares at the time of this proposal amount to 326,289,403 and votes amount to 327,422,666. The maximum dilution of Incentive program 2022/2025:2 is estimated to be a maximum of approximately 1.53 percent of the total number of shares and a maximum of approximate 1.53 percent of the total number of votes in the Company (calculated on the number of existing shares and votes in the Company), assuming full subscription and exercise of all warrants offered.

**Other outstanding share based incentive programs**

The Company has no other outstanding share based incentive programs.



### **Majority requirements**

Resolutions in accordance with items 12-13 are valid where supported by shareholders representing at least two thirds of the votes cast and the shares represented at the general meeting. Resolutions in accordance with items 14-15 are valid where supported by shareholders representing at least nine tenths of the votes cast and the shares represented at the general meeting.

### **Number of shares and votes**

The total number of shares in the Company as of the date of the notice amounts to 326,289,403 shares, of which 1,133,263 are A shares corresponding to 2,266,526 votes and 325,156,140 are B shares corresponding to 325,156,140 votes, whereby the total number of votes amounts to 327,422,666 votes. The Company does not own any of its own shares.

### **Other**

Copies of accounts, auditor statement and proxy form are available at the Company at the above address and on the Company's website, [www.terranel.se](http://www.terranel.se), at least three weeks in advance of the annual general meeting. The complete proposals, including the proposed articles of association, and other documents that shall be available in accordance with the Swedish Companies Act are available at the Company at the above address and on the Company's website, [www.terranel.se](http://www.terranel.se), at least two weeks in advance of the meeting. All documents will be sent to shareholders who request it and provide their e-mail or postal address.

The board of directors and the managing director shall, if any shareholder so requests and the board of directors considers that it can be done without material harm to the Company, provide information at the general meeting on matters that may affect the assessment of an item on the agenda or the Company's financial information. Such duty to provide information applies also to the Company's relation to other group companies, the consolidated accounts and such circumstances regarding subsidiaries as specified in the foregoing sentence. A request for such information shall be received by the Company in writing no later than ten calendar days prior to the meeting, i.e., Monday 18 April 2022 by post to the Company's address Mobilvägen 10, 223 62 Lund, Sweden or by e-mail to [pal.eriksson@terranel.se](mailto:pal.eriksson@terranel.se). The information will be made available at the Company's website, [terranel.se](http://terranel.se) and at the head office no later than on Saturday 23 April 2022. The information will also be sent, within the same period of time, to any shareholder who so has requested and who has stated its e-mail or postal address.

### **Processing of personal data**

For information on how personal data is processed in relation the meeting, see the Privacy notice available on Euroclear Sweden AB's website: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

\* \* \* \* \*

Lund in March 2022  
**Terranel AB**  
The board of directors

### **For further information, please contact:**

Thomas Falkenberg, CFO  
Tel: +46 703 360 346  
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*This information is such that Terranel 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 March 27, 2022, at 22.30 CET.*

**About Terranet**

Terranet AB (Nasdaq: TERRNT-B). With a vision to save lives Terranet designs and develops a new class for vision-based sensor systems, used for road safety. It markets and delivers a software stack with features available across vehicle platforms and car models. The technology was handpicked and showcased twice at Startup Autobahn in 2021. The company is located in Lund and Stuttgart. Terranet AB is listed on the Nasdaq First North Premier Growth Market. Discover more about Terranet: [www.terranet.se/en](http://www.terranet.se/en)

Certified Adviser to Terranet is Mangold Fondkommission AB, 08-503 015 50, [ca@mangold.se](mailto:ca@mangold.se).