

# Terranet AB (publ)

Year-end report

1 January 2021 – 31 December 2021

Safety at the blink of an eye

## Significant events during the fourth quarter

- Terranet moved into a new office in Stuttgart
- Cooperation agreement with NEVS signed together with the company's partner Holoride
- Thomas Falkenberg took over as new CFO
- A well-attended Capital Markets Day was held in Stockholm
- An Extraordinary General Meeting was held in Terranet AB, where four new Board members were elected, and three members resigned. The replacement brings in competence that improves the contribution to the current stage of the company.

## Significant events after the closing of the fourth quarter

- Terranet provided the market with an update of BlincVision, based on Voxelflow™, and announced that the technical objectives established for 2021 have been achieved and exceeded.
- Pär-Olof Johannesson, CEO, left the company
- Michaela Berglund, CMO, left the company

## Fourth quarter, 1 October – 31 December 2021

- Revenue amounted to SEK 161 thousand (132)
- Operating profit/loss amounted to SEK -16,710 thousand (-9,426)
- Diluted and undiluted earnings per share amounted to SEK -0.06 (-0.05)

## Full Year, 1 January – 31 December 2021

- Revenue amounted to SEK 1,369 (847) thousand
- Operating profit/loss amounted to SEK -41,708 thousand (-31,662)
- Profit/loss for the year amounted to -44,732 thousand (-34,893)
- Diluted and undiluted earnings per share amounted to SEK -0.17 (-0.27)
- The group's cash and cash equivalents amounted to SEK 62,788 thousand (44,495) at the end of the year.
- The Board proposes that no dividend is paid for the 2021 financial year.

## Comments from the CEO

### Well prepared for the growth journey ahead

We are very pleased with the state of our technology and industry position, which is why after hitting several milestone objectives for 2021, we are excited for the road ahead. We are convinced that we can do even better, setting new standards for both roadway safety and ADAS capabilities. Terranet's unique product technology, compared to that of our competitors', is a core strength that we will continue to capitalize on.

To accomplish our vision, the company has recently gone through important structural changes. As a result of the management changes that were announced by the board on February 4, 2022, I write this text in the role as interim CEO. I expect my time as interim CEO to be limited until a permanent solution is in place. During this period, I will put my full force into leading Terranet during this exciting growth journey.

### A strengthened team

As we move into this next stage of the company's journey, we welcome the contributions from our new board members, who all possess specific expertise in line with Terranet's current priorities. The expertise of our board members will facilitate the transition from a development company to a commercial one. The board members include:

- Magnus Edman has extensive experience in developing and producing complex technical solutions, including solutions for the automotive industry. Today, he leads an organization with 40+ technical experts.
- Nils Wollny, CEO of holoride. With a background within Audi and now as the CEO of holoride, Nils has a wide experience in selling technical solutions to automotive companies, but also has an extensive network within the industry.
- Tarek Shoeb. Tarek has a background as an international private equity and growth equity investor. Tarek brings to Terranet his deep experience of successfully backing and supporting businesses across different industries.
- Anders Blom represents Terranet's largest shareholder. He has a 20+ year background within international finance, mergers and acquisitions, as well as venture capital from several industries.

In combination with the recruitment of Thomas Falkenberg as new CFO during Q4, the company is well equipped for the growth journey ahead.



The new board of directors concluded that Terranet requires new leadership to take the Company into the future, and therefore chose to replace the CEO. The recruitment process to find a new permanent CEO has already begun. Our next CEO will serve as our chief representative to existing and potential new customers, as well as within the capital markets.

### **Results show big leaps in technology development**

During the fourth quarter, Terranet has had the opportunity to demonstrate our products in front of potential customers. Additionally, Terranet and our partner Summer Robotics has made significant enhancements to its VoxelFlow™ vision technology which now has the ability to react ten times faster than today's leading Advanced Driver Assist Systems (ADAS) vehicles.

At the company's capital market day on December 6 in Stockholm, Terranet announced BlincVision, powered by VoxelFlow, as the new product brand of the company's sensor technology for the automotive market.

Terranet's long-standing partner Summer Robotics has been diligently at work making further improvements to the technology behind Terranet's product BlincVision. In addition to applying advanced noise filters, the team has successfully demonstrated a multibeam VoxelFlow setup emitting and processing twelve simultaneous laser beams. In all, both companies' achievements will enhance the capability of integrating BlincVision into vehicles.

### **Autonomous vehicle regulation eases the way for ADAS sector**

The automotive market continues to grow, and ADAS in particular surges as the tech enabled cars are rapidly being rolled out across the globe. The ADAS sector is poised for 150% growth from 2020 to 2025, with an anticipated market size of \$84 billion by 2025 (Deloitte, 2021 Global Automotive Supplier Study). Reports have indicated a high willingness to pay for an automated driving experience among those who are confident in autonomous vehicle safety. Moreover, governments throughout the United States, European Union and China have increasingly started to push for autonomous vehicle regulation and standardization in the past year, easing the path for integrating our products across the ADAS and automotive sectors (PWC, The 2021 Digital Auto Report).

### **Partnership with NEVS**

While the ADAS market shows great potential, Terranet has signed a new collaboration agreement with NEVS. The purpose of the collaboration is to evaluate a possible integration of VoxelFlow's™ image analysis technology and object identification software into NEVS self-driving autonomous vehicle pod Sango. As part of the agreement with NEVS, Terranet will also continue to work with an in-vehicle entertainment startup, holoride. The partnership is an example of VoxelFlow's™ capabilities across the mobility sector, enabling extended-reality multimedia and entertainment for passengers in autonomous vehicles. Through this collaboration, Terranet, NEVS and holoride can offer the market a complete system where NEVS are providing the vehicle, holoride the entertainment technology, and Terranet the embedded object identification software.

### **Strong fourth quarter**

Terranet has already begun work to fulfill holoride's Q3 order of SEK 1.6 million to develop a function that reuses VoxelFlow's™ data to create a better and more immersive extended reality experience for the holoride users.

In connection with the company's capital market day that took place on December 6 in Stockholm, Terranet introduced BlincBike - a traffic safety system with an object identification sensor for electric bicycles. Although Terranet will continue to prioritize its ADAS technology for the automotive market, the product was received positively by the media and was covered in Mashable, The Next Web, and TechCrunch.

To summarize, we have had a strong fourth quarter, and we are convinced we can do even more to further accelerate our work. Not only with regards to development of BlincVision, but also in terms of our existing and future customers. We have a great appreciation for the feedback, interest and passion from our shareholders and industry partners and look forward to sharing more frequent updates about our business activities.

### **Göran Janson**

Interim CEO



## Significant events during the period

### **Terranet moved into a new office in Stuttgart**

On 1 October, Terranet moved into a new office in Stuttgart. The location is optimal as the area surrounding Stuttgart is the home to one of the world's largest Automotive clusters and our important client Mercedes is located there as well.

### **Cooperation agreement with NEVS signed together with our partner holoride**

On 4 November, Terranet announced a new cooperation agreement with NEVS, which is a Swedish company that develops electric cars and self-driving vehicles. NEVS and Terranet will first set out to jointly investigate the possibility of integrating the image analysis technology and object detection software, VoxelFlow™ into NEVS' self-driving vehicle model, the Sango. The same day, Terranet also announced that the company and holoride will take the next step in developing a user interface between active safety and VR/AR entertainment for autonomous vehicles as part of the collaboration that Terranet has already initiated with NEVS.

### **Thomas Falkenberg took over as new CFO**

On 1 December, Thomas Falkenberg took over as interim CFO of Terranet and Johan Wångblad left the company.

### **A well-attended Capital Markets Day was held in Stockholm**

On 6 December, Terranet held a well-attended Capital Markets Day in Stockholm where they presented their technology, gave a market update, and announced the product name BlincVision, which is the new conceptual collective term for Terranet's development of the VoxelFlow™ platform.

### **Extraordinary General Meeting**

On 30 December, an Extraordinary General Meeting was held in Terranet AB, where a new Board of Directors was elected. Arne Hansson, Lars Novak and Michel Roig resigned as members. Anders Blom, Magnus Edman, Nils Wollny and Tarek Shoeb were appointed as new board members. The replacement brings in competence that improves the contribution to the current stage of the company.

## Significant events after the close of the period

### **Strategic update and achievement of established objectives**

On 7 February 2022, Terranet provided a strategic update on changes in the company in order to further accelerate the development of BlincVision, which is based on VoxelFlow™, and underlined its primary focus on the automotive industry and to establish the brand as a leader in roadway safety. The company also announced that the technical objectives that the company established and communicated at the beginning of 2021 have been achieved and exceeded.

### **Pär-Olof Johannesson, CEO, left the company**

On 4 February 2022, the company announced that Pär-Olof Johannesson will leave his position as CEO with immediate effect. Göran Janson, former Chairman of the Board of Terranet, has taken over as interim CEO until a permanent successor is appointed. Göran has therefore left his role as board chair but continues to be a board member. Anders Blom has been elected the new Chairman of the Board.

### **Michaela Berglund, CMO, left the company**

On 31 January 2022, the company announced that Michaela Berglund has chosen to leave her post at Terranet.

## Activities and notes

Terranet develops software for advanced driver-assisted systems (ADAS) and autonomous cars.

### Business strategy

Terranet's business model is based on the generation of future licensing and service revenues from the company's proprietary sensor software (VoxelFlow™), which is commercialised under the product name BlincVision. The company's marketing strategy is directed towards OEM manufacturers and Tier-1 suppliers in the automotive industry. Terranet conducts development activities in close collaboration with industry leaders throughout the business chain while working to adapt the technology according to the customer's specific needs.

### Operations

Terranet also develops technology for three-dimensional image analysis for the identification of moving objects in potentially dangerous traffic situations that humans fail to see. The system is called VoxelFlow, which uses three event-based cameras to generate voxels, making it unique from the pixel-based camera systems that are commonly used in vehicles today. BlincVision is not only more than ten times faster than advanced driver assistance systems (ADAS) available today, it also has the unique ability to differentiate between objects, enabling the vehicle to act as the situation demands.

These technologies enable the proper function of active safety features, such as collision warning systems, including automatic braking. Terranet has an exclusive global license to develop and market VoxelFlow within the automotive industry.

Terranet's operations are focused on advanced driver support and self-driving vehicles. The company also develops collision-warning software and algorithms for positioning using 5G technology, as well as for communication between vehicles and between vehicles and other objects, so-called V2X.

Read more at: [www.terranel.se](http://www.terranel.se)

Terranet AB (publ)

Corp. reg. no. 556707-2128

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## Staff

As of 31 December 2021, the number of employees in the Group was 13 (10). Temporary staff, full-time consultants and staff on parental leave have been excluded.

## Risks and uncertainties

Significant risks and uncertainties are described in the company's annual report for 2020. Due to the fact that the company's operations are focused on the development of new technologies, the company has a negative cash flow from operating activities. The company has additional cash on hand due to the capital injection from the most recent warrant issue (series 2020:3). Considering the current business plan and the company's planned investments, the cash on hand, with the addition of the contribution from the warrants that came in this October, is deemed to be sufficient for more than 12 months.

## 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 year, the parent company made a shareholder contribution to Terranet Tech AB of SEK 44,807 thousand, a corresponding write-off has been made on the shares in Terranet Tech AB.

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 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 compatible with those described in the annual report for 2020.



## Equity

As of the beginning of the year, the number of shares amounted to 217,006,263.

In March, warrants of series TO2 B were exercised at approximately 95%, which raised MSEK 36.4 after issue costs and increased the total number of shares by 47,906,993. In September, warrants of series TO3 B were exercised at approximately 99%, which raised MSEK 37.9 after issue costs and increased the total number of shares by 49,939,674. The average number of shares for the year amounted to 268,413,390 (128,172,645).

## Warrants

In connection with the loan of MSEK 35 taken to fund the acquisition of shares in Holoride, warrants (series TO4 B and series TO5 B), which can be subscribed free of charge, were also issued to the lender and existing shareholders.

A total of 14,319,634 warrants of series TO4 B were issued, of which 7,159,817 were issued to the lender and 7,159,817 to existing shareholders.

Each warrant of series TO4 B entitles the holder to the subscription of one (1) new 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; however, a maximum of SEK 3.60 and no less than the value corresponding to the quotient value for Terranet's share. The subscription period for shares through warrants of series TO4 B will run from 28 February 2022 through 11 March 2022.

In the event of full exercise of warrants of series TO4 B, Terranet will raise a total of approximately MSEK 51.6, based on a subscription price of SEK 3.60.

A total of 12,321,546 warrants of series TO5 B were issued, of which 6,160,773 were issued to the lender and 6,160,773 to existing shareholders.

Each warrant of series TO5 B entitles the holder to the subscription of one (1) new 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 09 March 2023; however, a maximum of SEK 4.20 and no less than the value corresponding to the quotient value for Terranet's share. The subscription period for shares through warrants of series TO5B will occur from 13 March 2023 to 24 March 2023.

Upon full exercise of warrants of series TO5 B, Terranet will raise a total of approximately MSEK 51.8, based on a subscription price of SEK 4.20.

## Financial overview

### Q4

1 October 2021 — 31 December 2021

#### Revenue

Revenue for the quarter amounted to SEK 161 thousand (132), which consists exclusively of remuneration for development work.

#### Operating profit/loss

Capitalised development costs amount to SEK 1,396 thousand (1,341) where SEK 734 thousand (624) 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 last quarter of the previous financial year. In all other respects, activity in the company has substantially increased, with more employees, increased marketing activities and the purchase of materials for development projects.

Operating profit/loss for the quarter amounted to SEK -16,710 thousand (-9,426). Operating profit/loss for the quarter was affected by a write-off of development costs of SEK 7,635 thousand (0). The company makes a continuous assessment of the value of the capitalised development costs linked to future cash flows. The value of the write-offs refers to older projects, wherein the impact on future cash flow is more uncertain and the write-offs are not directly linked to VoxelFlow or BlincVision. Write-offs have no effect on cash flow in the group.

Depreciation and write-offs of intangible assets amounted to SEK 91 thousand (40), depreciation of fixed assets amounted to SEK 54 thousand (0) and impairment of right-of-use assets amount to SEK 123 thousand (244). Operating profit/loss for the previous year was affected by the depreciation of right of use assets (premises) of SEK 1,183 thousand. The depreciation was due to the premature termination of the lease.

#### Financial costs

Financial costs consist primarily of interest on the loan of MSEK 35, which was taken in April to fund the acquisition of shares in Holoride. The comparison period includes interest on convertible loans, which have been repaid in full as of January 2021.

Interest costs attributable to right-of-use assets amount to SEK 43 thousand (116) for the period.

### **Taxes**

The Group's effective tax amounted to 0 (0) percent. The group has a substantial accumulated tax loss carry forward, however, no deferred tax assets are reported with respect to this.

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

Profit/loss for the period amounted to SEK -17,620 thousand (-9,535). Diluted and undiluted earnings per share amounted to SEK -0.06 (-0.05).

### **Cash flow**

Cash flow from operating activities amounted to SEK -8,695 thousand (-7,005). The increased cash outflow can be explained by the increased development activity in the company.

Cash flow from investing activities amounted to SEK -1,422 thousand (-1,399). During the period, SEK 1,396 thousand (1,399) was invested in development and patents and SEK 26 thousand (0) thousand was invested in tangible fixed assets.

Cash flow from financing activities amounted to SEK -107 thousand (32,182), which consists exclusively of amortisation of lease liabilities. A new share issue was carried out in the last quarter of the 2020 financial year.

## Full year

1 January 2021 – 31 December 2021

### Revenue

Revenue for the financial year amounted to SEK 1,369 thousand (847) and consists of remuneration for development projects on behalf of customers of SEK 482 thousand (481) and grants from Vinnova of SEK 887 thousand.

### Operating profit/loss

Capitalised development costs amount to SEK 9,421 thousand (3,024) where SEK 3,971 thousand (1,487) is attributable to capitalised staff costs and the remainder is attributable to consulting costs.

Operating profit/loss for the interim period amounted to SEK -41,708 thousand (-31,662). Write-offs in December of older development costs of SEK 7,635 thousand (762), together with the increased level of activity in the company, accounts for the reduced result for the financial year. The increased activity includes staff recruitment efforts, as the company brings in the competence needed to increase the pace of development of Voxelflow/BlincVision. The company has also increased its IT procurements and the purchase of technical equipment to support this development.

During the year, Terranet Tech AB was registered as an employer in Germany in order to be able to employ staff on site in Germany without needing to start a separate German company.

### Financial costs

Financial costs consist primarily of interest on the loan of MSEK 35, which was taken in April to fund the investment in Holoride. Interest costs attributable to right-of-use assets amount to SEK 182 thousand (463) for the year.

### Taxes

The Group's effective tax amounted to 0 (0) percent.

### Annual profit/loss

Profit/loss for the year amounted to SEK -44,732 thousand (-34,893). Diluted and undiluted earnings per share amounted to SEK -0.17 (-0.27).

### Cash flow

Cash flow from operating activities amounted to SEK -41,589 thousand (-30,387); the increased cash outflow is attributable to the increased level of activity in the company and changes in working capital.

Cash flow from investing activities amounted to SEK -42,863 thousand (-3,212). The investment in Holoride, which was carried out in April, amounted to SEK 32,658 thousand. The investment in Holoride was made to accelerate the companies' collaboration in development activities and take advantage of the opportunity to jointly identify new customers in the automotive segment. Holoride is a spin-off from Audi and works globally with many of the world's leading vehicle manufacturers.

During the period, SEK 9,633 thousand (3,212) was invested in development and patents and SEK 572 thousand (0) was invested in tangible fixed assets.

Cash flow from financing activities amounted to SEK 102,745 thousand (66,525). The proceeds from the issue in Q1, upon exercise of warrants, amount to SEK 36,404 thousand after issue costs. The convertible loan taken in 2019 was repaid in full in the first quarter. In the second quarter, the company took out a loan of SEK 35,000 thousand to fund the investment in holotide. In the third quarter, the proceeds from the issue upon exercise of warrants amounted to SEK 37,946 thousand after issue costs.

### **Financial position and liquidity**

The equity/assets ratio was 63.4 % (72.2%) on 31 December 2021 and equity amounted to SEK 73,531 thousand (43,913).

Total assets on 31 December 2021 amounted to SEK 115,900 thousand (60,792). The investment in holotide (SEK 32,658 thousand) and increased investments in development explains the increase in the asset pool.

The carrying value of the group's interest-bearing liabilities amounts to SEK 36,926 thousand (8,510). The loan amounting to SEK 35,000 thousand (nominal amount) raised to fund the investment in holotide must be repaid in connection with the receipt of funds from TO4 B and TO5 B (see above under Warrants). The loan is reported as a long-term loan in this interim report.

Lease liabilities amounted to SEK 1,972 thousand (2,354).

At the end of the period, the group's cash and cash equivalents amounted to SEK 62,788 thousand (44,495).

### **Transactions with related parties**

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



## Key figures

<b>(Amounts in SEK thousand unless otherwise indicated)</b>	<b>2021 3 months October- December</b>	<b>2020 3 months October- December</b>	<b>2021 12 months January- December</b>	<b>2020 12 months January- December</b>
Undiluted EPS (SEK)	-0.06	-0.05	-0.17	-0.27
Diluted EPS (SEK)	-0.06	-0.05	-0,17	-0.27
Number of shares on the balance sheet date prior to dilution	314,852,930	217,006,263	314,852,930	217,006,263
Number of shares on the balance sheet date after dilution	314,852,930	217,006,263	314,852,930	217,006,263
Weighted average number of shares before dilution	314,852,930	196,352,617	268,413,390	128,172,645
Weighted average number of shares after dilution	314,852,930	196,352,617	268,413,390	128,172,645
Equity/asset ratio (%)	63.4%	72.2%	63.4%	72.2%
Operating profit/loss	-16,710	-9,426	-41,708	-31,662
EBITDA	-8,807	-7,959	-33,202	-28,526

## 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 programmes with an issue price below the average share price for the period can cause a dilutive effect.
Number of shares after dilution	Only option programmes 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.
EBITDA	Earnings before interest and taxes (EBIT), before depreciation and write-offs on tangible and intangible assets.

## Summary consolidated income statement

(Amount in SEK thousand)	2021 3 months October- December	2020 3 months October- December	2021 12 months January- December	2020 12 months January- December
Other operating revenue	161	132	1,369	847
Activated work for own account	1,396	1,341	9,421	3,024
Operating expenses				
Other external expenses	-5,822	-5,931	-27,960	-20,544
Staff costs	-4,524	-3,501	-16,014	-11,853
Depreciation and write-offs of tangible and intangible fixed assets	-7,903	-1,467	-8,506	-3,136
Other operating costs	-18	0	-18	0
<b>Operating profit/loss</b>	<b>-16,710</b>	<b>-9,426</b>	<b>-41,708</b>	<b>-31,662</b>
Financial income	109	381	109	381
Financial costs	-1,019	-490	-3,133	-3,612
<b>Profit/loss before tax</b>	<b>-17,620</b>	<b>-9,535</b>	<b>-44,732</b>	<b>-34,893</b>
Tax on profit/loss for the period	0	0	0	0
<b>Profit/loss for the period attributable to the parent company's shareholders</b>	<b>-17,620</b>	<b>-9,535</b>	<b>-44,732</b>	<b>-34,893</b>
<b>Profit/loss per share in SEK</b>				
Undiluted EPS	-0.06	-0.05	-0.17	-0.27
Diluted EPS	-0.06	-0.05	-0.17	-0.27

## Consolidated statement of comprehensive income

<b>(Amount in SEK thousand)</b>	<b>2021 3 months October- December</b>	<b>2020 3 months October- December</b>	<b>2021 12 months January- December</b>	<b>2020 12 months January- December</b>
Profit/loss for the period	-17,620	-9,535	-44,732	-34,893
Other comprehensive income	0	0	0	4
<b>Profit/loss for the period attributable to the parent company's shareholders</b>	<b>-17,620</b>	<b>-9,535</b>	<b>-44,732</b>	<b>-34,889</b>

## Summary consolidated statement of financial position

(Amount in SEK thousand)	31/12/2021	31/12/2020
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible fixed assets		
Capitalised development costs	12,049	10,262
Patents	1,992	2,046
Property, plant and equipment		
Right of use assets	1,895	2,362
Equipment	450	0
Financial assets		
Long-term securities	32,658	0
<b>Total fixed assets</b>	<b>49,044</b>	<b>14,670</b>
<b>Current assets</b>		
Accounts receivables	481	0
Other receivables	786	897
Prepaid expenses and accrued revenue	2,801	730
Cash and cash equivalents	62,788	44,495
<b>Total current assets</b>	<b>66,856</b>	<b>46,122</b>
<b>TOTAL ASSETS</b>	<b>115,900</b>	<b>60,792</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	3,149	2,170
Other capital contribution	393,100	319,729
Translation reserve	0	0
Profit/loss carried forward	-277,986	-243,097
Comprehensive income for the period	-44,732	-34,889
<b>Equity attributable to the parent company's shareholders</b>	<b>73,531</b>	<b>43,913</b>
<b>Long-term liabilities</b>		
Loans payable	34,954	0
Lease liabilities	1,515	1,742
<b>Total long-term liabilities</b>	<b>36,469</b>	<b>1,742</b>
<b>Current liabilities</b>		
Convertible loans	0	6,156
Lease liabilities	457	612
Accounts payable	1,997	2,103
Other liabilities	803	2,116
Accrued expenses and prepaid revenue	2,643	4,150
<b>Total current liabilities</b>	<b>5,900</b>	<b>15,137</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>115,900</b>	<b>60,792</b>



## Summary consolidated statement of changes in equity

	Attributable to the parent company's shareholders	
	31/12/2021	31/12/2020
<b>Opening balance</b>	43,913	11,303
Profit/loss for the period	-44,732	-34,893
Other comprehensive income	0	4
New cash issue	78,277	72,949
New share issue through debt conversion	0	8,854
Issue costs	-3,927	-14,304
<b>Closing balance</b>	<b>73,531</b>	<b>43,913</b>

## Summary consolidated cash flow statement

(Amount in SEK thousand)	2021 3 months October- December	2020 3 months October- December	2021 12 months January- December	2020 12 months January- December
<b>Operating activities</b>				
Operating profit/loss	-16,710	-9,426	-41,708	-31,662
Adjustments for items not included in the cash flow:				
Depreciation and write-offs	7,903	1,467	8,506	3,136
Other non-cash items	102	0	412	0
Interest received	109	30	109	30
Paid interest and other financial expenses	-44	-111	-3,137	-2 472
<b>Cash flow from operations before changes in working capital</b>	<b>-8,640</b>	<b>-8,040</b>	<b>-35,818</b>	<b>-30,968</b>
<b>Changes in working capital</b>				
Changes in operating receivables	-60	31	-2,854	647
Change in operating liabilities	5	1,004	-2,917	-66
<b>Cash flow from operations</b>	<b>-8,695</b>	<b>-7,005</b>	<b>-41,589</b>	<b>-30,387</b>
<b>Investing activities</b>				
Capitalisation of development costs	-1,396	-1,342	-9,422	-3 024
Capitalisation of patents	0	-57	-211	-188
Acquisition of tangible assets	-26	0	-572	0
Investment in securities	0	0	-32,658	0
<b>Cash flow from investing activities</b>	<b>-1,422</b>	<b>-1,399</b>	<b>-42,863</b>	<b>-3,212</b>
<b>Financing activities</b>				
New share issue	0	34,202	78,277	72,949
Issue costs	0	-1,786	-3,927	-7,108
Loans taken	0	0	35,000	11,900
Repaid loans	0	0	-6,198	-10,245
Amortisation of lease liabilities	-107	-234	-407	-971
<b>Cash flow from financing activities</b>	<b>-107</b>	<b>32,182</b>	<b>102,745</b>	<b>66,525</b>
<b>Cash flow for the period</b>	<b>-10,224</b>	<b>23,778</b>	<b>18,293</b>	<b>32,926</b>
Cash and cash equivalents at the start of the period	73,012	20,717	44,495	11,569
<b>Cash and cash equivalents at the close of the period</b>	<b>62,788</b>	<b>44,495</b>	<b>62,788</b>	<b>44,495</b>

## Summary parent company income statement

(Amount in SEK thousand)	2021 3 months October- December	2020 3 months October- December	2021 12 months January- December	2020 12 months January- December
Other operating revenue	0	0	0	0
Operating expenses				
Other external expenses	-284	-406	-1,910	-2,265
<b>Operating profit/loss</b>	<b>-284</b>	<b>-406</b>	<b>-1,910</b>	<b>-2,265</b>
Financial income	109	29	109	29
Depreciation of shares in group companies	-44,807	-71	-44,807	-27,071
Financial costs	-975	-374	-2,866	-3,145
<b>Total financial items</b>	<b>-45,673</b>	<b>-418</b>	<b>-47,564</b>	<b>-30,187</b>
<b>Profit/loss before tax for the period</b>	<b>-45,957</b>	<b>-824</b>	<b>-49,474</b>	<b>-32,452</b>
Tax on profit/loss for the period	0	0	0	0
<b>Profit/loss for the period</b>	<b>-45,957</b>	<b>-824</b>	<b>-49,474</b>	<b>-32,452</b>

## Summary parent company statement of comprehensive income

(Amount in SEK thousand)	2021 3 months October- December	2020 3 months October- December	2021 12 months January- December	2020 12 months January- December
Profit/loss for the period	-45,957	-824	-49,474	-32,452
Other comprehensive income	0	0	0	0
<b>Comprehensive income for the period</b>	<b>-45,957</b>	<b>-824</b>	<b>-49,474</b>	<b>-32,452</b>

## Summary parent company balance sheet

(Amount in SEK thousand)	31/12/2021	31/12/2020
ASSETS		
<b>Financial assets</b>		
Shares in group companies	56,733	56,733
Other long-term securities	33,545	0
<b>Total fixed assets</b>	<b>90,278</b>	<b>56,733</b>
<b>Current assets</b>		
Due from group companies	0	30
Prepaid expenses and accrued revenue	212	204
Cash on hand	61,773	42,766
<b>Total current assets</b>	<b>61,985</b>	<b>43,000</b>
<b>Total assets</b>	<b>152,263</b>	<b>99,733</b>
EQUITY AND LIABILITIES		
<b>EQUITY</b>		
NON-RESTRICTED EQUITY		
Share capital	3,149	2,170
<b>NON-RESTRICTED EQUITY</b>		
Share premium reserve	393,100	319,729
Profit/loss carried forward	-229,603	-197,151
Profit/loss for the period	-49,474	-32,452
<b>Total equity</b>	<b>117,172</b>	<b>92,296</b>
<b>LONG-TERM LIABILITIES</b>		
Loans payable	34,954	0
<b>Total long-term liabilities</b>	<b>34,954</b>	<b>0</b>
<b>CURRENT LIABILITIES</b>		
Convertible loans	0	6,156
Accounts payable	13	11
Liabilities to group companies	94	94
Accrued expenses and prepaid revenue	30	1,176
<b>Total current liabilities</b>	<b>137</b>	<b>7,437</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>152,263</b>	<b>99,733</b>

The Board of Directors and the CEO certify that the Year-end 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 24 February 2022**

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Anders Blom  
Board Chair

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Göran Janson  
CEO & Board Member

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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 Year-end report has not been reviewed by the company's auditor.



**For more information, please contact:**

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**Calendar:**

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Annual report 2021 published	7 April 2022
AGM	28 April 2022
Interim report January-March	12 May 2022
Interim report April-June	18 August 2022
Interim report July-September	17 November 2022

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 24 February, 08:00 CET.



**Safety at the blink of an eye**

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