

Terranet AB (publ)

Interim report

1 January 2023—31 March 2023

This is a translation of the original Swedish Terranet interim report for January-March 2023. In the event of any discrepancies between the two versions, the original Swedish version shall apply.

Safety at the blink of an eye

Significant events during the first quarter

- Prevas Development delivered the first prototype of the laser scanner module to Terranet. Testing and evaluation continues.
- Warrant programme T05 B was concluded. Over 70% of the warrants were exercised for the subscription of B shares. The company raised a total of MSEK 3.8 before issue costs. The funds were used for the repayment of loans.
- The company expanded its global sales and business development network by bringing on Martin Wöhrle as senior advisor. Martin has a strong background in the industry, including time with BMW and Hyundai.
- Mangold Insight released an updated analysis of Terranet, reaffirming the previous buy recommendation.
- Terranet's CEO Magnus Andersson and CTO Nihat Küçük presented the year-end report and product development update during a well-received webcast followed by a Q&A session.
- Magnus Andersson presented Terranet at Aktiespararna's popular aktiedag in Lund.
- Holoride GmbH launched a retrofit version of its unique XR/VR product, which can be used in vehicles from any manufacturer.

Significant events after the close of the period

- Terranet updated the market through a Letter from the CEO, where Magnus Andersson reported on the progress made in the company's product development and the steps taken to accelerate the commercialization of BlincVision.
- The annual report, which included the corporate governance report and audit report, was published.
- Annual General Meeting held on May 10, 2023. The meeting resolved to re-elect the board members Göran Janson, Anders Blom, Magnus Edman, Tarek Shoeb and Nils Wollny, and to elect Torgny Hellström as an ordinary member. Furthermore, it was resolved to elect Torgny Hellström as chairman of the board.
- The associated company holoride GmbH received a convertible loan from one of its shareholders (not Terranet) to expand its market rollout.

First quarter, 1 January — 31 March 2023

- Revenue amounted to TSEK 208 (177).
- Operating profit/loss amounted to TSEK -8,242 (-8,350).
- Diluted and undiluted earnings per share amounted to SEK -0.03 (-0.03).
- The group's cash and cash equivalents at the close of the period amounted to TSEK 17,754 (26,715 at the start of the financial year).

Comments from the CEO

Dear Shareholders,

At this moment in time, there is an ongoing and exciting discussion in society about the interplay between humans, technology, and automation. We know that Terranet can contribute with insights and knowledge about how advanced technology can benefit humanity and save lives in urban traffic. We will continue to be part of this conversation. We are putting an important quarter behind us. My primary focus has been to transition BlincVision from development project to commercial product.

Our business development network has been expanded with the recruitment of a senior consultant from the automotive industry, who primarily will focus on the Asian markets. Additionally, our newly appointed Chairman of the Board, Torgny Hellström, brings valuable experience to Terranet from managing listed companies in the IT- and tech sector as well as expertise in business development and sales. More time and effort are also put into marketing and strengthening the company brand.

At the same time, work is ongoing to ensure more and faster progress in the product development of BlincVision. We are making good progress in the recruitment process. We recently hired a Senior Engineering Lead who will manage the intensive day to day development of BlincVision and an AI engineer who will focus on computer vision, object perception, and the training of neural networks. Additional recruitments will come.

The first prototype of our laser scanner was delivered to our Lund office at the end of March, and testing is currently ongoing at the Lund lab. The first results indicate that the scanner meets our high standards. The scanner will be integrated into a prototype that will be presented to prospective customers. Our ambition is still to have this prototype ready to be tested on a vehicle during 2023.

The events that Terranet has participated in at the beginning of the year have provided me with many interesting insights and reflections. Changing urban environments will force the automotive industry to push the boundaries of what vehicle safety systems are capable of to save lives of vulnerable road users. Initiatives have been launched, but further action is necessary. No single system can perform every task. There is no perfect sensor that can do everything, which is why a fusion of different sensors and systems is necessary to achieve the EU's goal of zero road fatalities by 2050.

In Sweden, we have extensive experience of groundbreaking innovations within road safety. BlincVision, which is being developed for the rapidly growing ADAS and autonomous vehicle market, builds on that experience and offers the fastest and most accurate safety system for vehicles in urban traffic. I am convinced that BlincVision, built with modern and unique technology, will change the future of road safety.

Magnus Andersson

CEO

Lund, 17 May 2023

Significant events during the period

Prevas Development delivered the first prototype of the laser scanner module to Terranet

On 31 March, Prevas Development delivered the first prototype of the laser scanner, which was built according to Terranet's specifications. Terranet ordered the scanner in November and it was delivered according to schedule. The scanner, which together with the sensor module and computer unit is one of the main components of the BlincVision system, is undergoing comprehensive testing.

Warrant programme T05 is concluded

On 27 March, warrant programme T05 B was concluded and the results were reported. Over 70% of the warrants were exercised for the subscription of B shares. The company raised a total of MSEK 3.8 before issue costs. The funds were used for the repayment of loans.

Senior automotive expert joined Terranet's business development network

On 23 March, the company announced that it had expanded its global sales and business development network by bringing on Martin Wöhrle as consultant and senior advisor. Martin has a strong background in the industry, including time with BMW and Hyundai. Martin will focus on the automotive market in South Korea and Asia.

Commissioned research reaffirmed the buy-recommendation for Terranet

On 23 February, Mangold Insight published an updated commissioned research of Terranet, reaffirming the previous buy-recommendation.

Terranet published its year-end report for 2022

On 23 February, the year-end report for 2022 was released. Terranet's CEO Magnus Andersson and CTO Nihat Küçük presented the year-end report and product development update during a live webcast followed by a Q&A session.

Terranet participated in Aktiespararna's aktiedag in Lund.

On 31 January, Magnus Andersson presented Terranet at Aktiespararna's popular aktiedag in Lund.

Associate company holoride GmbH launched new product at CES in Las Vegas

On 4 January 2023, holoride launched a retrofit version of its product, which opens the door to a much larger market as the new version of its product can easily be retrofitted by the end consumer in all vehicles regardless of manufacturer and model. The product was launched to much acclaim during CES in Las Vegas and holoride received the distinction of "CES Innovation Awards Honoree".

Significant events after the close of the period

Terranet updated the market through a Letter from the CEO

On 13 April, the company updated the market through a Letter from the CEO, where Magnus Andersson reported on the progress made in the company's product development and the steps taken to accelerate the commercialization of BlincVision by bringing on Martin Wöhrle as a senior automotive expert.

The annual report was published

On 19 April, the company published its annual report, which included the corporate governance report and audit report.

Annual General Meeting held

On 10 May, the Annual General Meeting was held. The meeting resolved to re-elect the board members Göran Janson, Anders Blom, Magnus Edman, Tarek Shoeb and Nils Wollny, and to elect Torgny Hellström as an ordinary member. Furthermore, it was resolved to elect Torgny Hellström as chairman of the board. It was resolved to elect Ernst & Young Aktiebolag as the Company's auditing company until the end of the next annual general meeting. It was noted that Martin Henriksson will be the auditor in charge.

The associated company holoride GmbH accelerated their market roll-out

On 12 May, it was communicated that the associated company holoride GmbH received a convertible loan from one of its shareholders (not Terranet) to expand its market rollout. Terranet then has an opportunity to, together with the other shareholders or external investors, refinance the convertible loan for holoride before October 1, 2023. If the convertible loan is not refinanced by this date, the lender has an option to acquire all shares in holoride within six months at a market valuation.

Activities and notes

Terranet develops technical solutions for advanced driver assistance systems (ADAS) and autonomous vehicles that make traffic safer for vulnerable road users.

Business concept

Terranet's business concept centres around the development of solutions for advanced driver assistance systems (ADAS) and self-driving vehicles (AV) that it primarily markets to vehicle manufacturers, subcontractors and other actors in transport and mobility as a service, to save lives of vulnerable road users. Terranet offers solutions that respond to the rapidly-expanding global market for advanced driver assistance systems. Terranet's business model is based on the sale of the company's solutions through licensing to OEMs (Original Equipment Manufacturers) and Tier1 suppliers, who supply components to OEMs in the automotive industry. In addition to licensing revenue, product sales can generate revenue through customer-specific adaptations, as well as service and upgrades.

Operations

The company is currently developing the product BlincVision, an anti-collision system that prevents traffic accidents between vehicles and vulnerable road users. Product development takes place in close partnership with leading players in software and hardware development as well as the automotive industry. BlincVision is based on sensor technology that uses 4-dimensional vision technology to identify objects in traffic. BlincVision is a complete turn-key system consisting of three main components; Laser scanner, ultrafast sensors and AI-based object identification. Together, they enable an ultrafast identification of an object and enable the vehicle to act to avert dangerous situations involving vulnerable road users. Terranet tests and evaluates different sensor technologies, common to these is that they meet the requirements for ultrafast reaction time and be optimally integrated into BlincVision. In its most advanced form, BlincVision is based on the VoxelFlow technology, which is a patented triangulation methodology with event sensors that Terranet has an exclusive global license to develop for the automotive industry. Existing ADAS technologies on the market are primarily developed to protect car users from colliding with each other, while BlincVision is developed to ensure the safety of all vulnerable road users in urban traffic. BlincVision's speed and accuracy are a great advantage at short distances in traffic. This gives Terranet a unique position in the market as, unlike existing ADAS systems, it has the opportunity to save more lives in urban traffic. The company also develops software algorithms for positioning using 5G technology, as well as for communication between different vehicles and between vehicles and other objects, so-called V2X.

Read more at www.terranet.se

Terranet AB (publ)

Corp. reg. no. 556707-2128

Mobilvägen 10, 223 62 Lund

Staff

As of 31 March 2023, the number of employees in the group was 13 (13). Temporary staff, full-time consultants and staff on parental leave have been excluded. The recruitment process to bring in additional developers is ongoing.

Risks and uncertainties

The company has a negative cash flow from operating activities. The Board's assessment is that a renegotiation of the due date of the loan, raised in connection with the acquisition of shares in Holoride may be relevant, whereby the company's cash is expected to last until and including July. Capital requirement to finance the company in a longer perspective or for amortization of the loan debt at a later date is by the board considered possible to cover with other financing measures.

As communicated in the year-end report 2020 on February 26, 2021, the company has an exclusive license to patents regarding Voxelflow. According to the licensor, arbitration will be concluded shortly in a dispute over ownership of some of the patents covered by the company's license and there is a risk that ownership of certain patents under the license agreement will pass to the counterparty in the process. Pending arbitration, the Company conducts an analysis of the potential impact, if any, that this could have on the part of the Company's development that relates to the Voxelflow technology.

The 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 financial year, the parent company made a shareholder contribution to Terranet Tech AB of TSEK 9,000 a corresponding write-off has been made on the shares in Terranet Tech AB. The write-off does not have an impact on the group's balance sheet or cash flow.

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 the 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 in agreement with those described in the annual report for 2022. New standards and interpretations that entered into force as of 01 January 2023 have not had any significant effect on the group's or parent company's financial reports for the period.

Equity

Warrant program T05B.

The subscription of B shares through warrants of series T05B occurred from 13 March 2023 to 24 March 2023. Each warrant of series T05B entitled the holder to the subscription of one (1) new B share in the company. The subscription price per B share upon exercise of warrants in Series T05 B was set at SEK 0.44. In total, 8,655,357 warrants of series T05 B were exercised for the subscription of 8,655,357 B shares, corresponding to the exercise of approximately 70.2 percent of the outstanding warrants of series T05 B. Through the exercise of warrants of series T05 B, Terranet raised TSEK 3,606 before issue costs. The proceeds from the issue were used in their entirety to pay off loan debt.

Through the exercise of warrants of series T05 B, the total number of shares in Terranet increased by 8,655,357 B shares, from 325,289,403 shares (1,084,463 A shares and 325,204,940 B shares) to 334,944,760 shares. Share capital increased by SEK 86,553.57, from SEK 3,262,894.03 to SEK 3,349,447.60.

Warrant programme 2022/2025:1

The 2022 Annual General Meeting resolved to introduce incentive programme 2022/2025:1 through the issue of warrants to the company, which would then be transferred to employees within the company and the group. A total of 9,850,000 warrants of series 2022/2025:1 were issued to the company for transfer to employees, with each warrant entitling the holder to the subscription of one new B share during the period 1 October 2025 through 31 October 2025, or an earlier date stipulated in the terms of the warrants, at a subscription price of SEK 2.50.

The CEO had the option to acquire a maximum of 2,500,000 warrants; other members of the management (max 3 people) could acquire up to 1,250,000 warrants, and other employees (max 12 people) could acquire a maximum of 300,000 warrants each.

The warrants are acquired at market value, which has been calculated by an independent valuation institute at SEK 0.12 per warrant. In the management group, Nihat Kucuk, CTO, has fully exercised his warrant rights totalling 1,250,000 warrants. CEO Magnus Andersson has fully exercised his warrant rights totalling 2,500,000 warrants at SEK 0.17. The difference between the subscription prices within the programme was due to the fact that external valuation was performed at the time of the respective acquisition. Thomas Falkenberg, CFO, is a consultant and thus not covered by the programme. In addition, 315,000 warrants of series 2022/2025:1 have been acquired by individuals in non-executive positions. In total, the company raised TSEK 613 from the programme in the previous financial year.

Warrant programme 2022/2025:2

In accordance with the proposal by shareholder Maida Vale Capital AB, the 2022 Annual General Meeting resolved to adopt incentive program 2022/2025:2 through the issue of warrants to the

company, which would then be transferred to the company's board members. A total of 5,000,000 warrants were issued to the company for transfer to board members. Each warrant entitled board members to the subscription of one new B share between 1 May 2025 through 31 May 2025, or an earlier date as stipulated in the terms of the warrants, at a subscription price of SEK 1.75.

Excluding Anders Blom, the company's board consists of five members, each of whom were entitled to acquire a maximum of 1,000,000 warrants. The warrants were acquired at market value, which has been calculated by an independent valuation institute at SEK 0.16 per warrant. Magnus Edman and Göran Janson have exercised 100% of their warrant rights and Karolina Bjurehed has exercised 87.5%. Anders Blom was not eligible for the programme as he is a representative for the shareholder Maida Vale Capital AB, which submitted the proposal to the meeting. In total, the company raised TSEK 460 from the programme in the previous financial year.

Financial overview

First quarter 1 January 2023— 31 March 2023

Revenue

Revenue for the quarter amounted to TSEK 208 (177), which consists exclusively of grants from Vinnova.

Operating profit/loss

Capitalised development costs amounted to TSEK 647 (1,348), and consists entirely of capitalised staff costs. Capitalisation for the previous financial year includes consulting costs of TSEK 563.

Payroll amounted to TSEK 3,876 (5,371). The difference between financial years can largely be attributed to the fact that costs relating to a settlement with the former CEO were incurred in the corresponding quarter in the previous financial year.

Other costs increased compared to the previous financial year and amounted to TSEK 4,772 (4,256). The increase is attributable to intensified efforts to commercialize BlincVision and licensing fees.

Operating profit/loss for the quarter amounted to TSEK -8,242 (-8,350).

Amortisation of intangible assets amounted to TSEK 57 (56) TSEK, depreciation of fixed assets amounted to TSEK 90 (55) and impairment of right-of-use assets amount to TSEK 227 (123).

Financial costs

Financial costs consist exclusively of interest on the loan TSEK 35,000, which was taken in April 2021 to fund the acquisition of shares in Holoride.

Interest costs attributable to right-of-use assets amount to TSEK 88 (41) for the period.

Taxes

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

Profit/loss for the period

Profit/loss for the period amounted to TSEK -9,229 (-9,336). Diluted and undiluted earnings per share amounted to SEK -0.03 (-0.03).

Cash flow

Cash flow from operating activities amounted to TSEK -7,892 (-7,288).

Cash flow from investing activities amounted to TSEK -875 (-1,661), which consists exclusively of capitalisation of development costs and patents, as well as the acquisition of equipment.

Cash flow from financing activities amounted to TSEK -198 (-108), which consists exclusively of amortisation of lease liabilities.

Financial position and liquidity

As of 31 March 2023, total assets amounted to TSEK 81,073 (89,435), equity amounted to TSEK 42,766 (48,382) and the equity/assets ratio amounted to 52.7% (54.1).

Financial assets amounted to TSEK 38,088 (38,088), of which TSEK 32,658 is linked to the investment in holoride in 2021 and TSEK 5,430 is linked to the convertible loan to Summer Robotics Inc., which was converted to shares in the previous financial year.

The carrying value of the group's interest-bearing liabilities amounts to TSEK 33,564 (36,468).

During the period, TSEK 3,606 was amortized on the loan of TSEK 35,000 (nominal amount), which was taken to finance the investment in holoride in 2021. The loan falls due at the end of May 2023.

Of the interest-bearing liabilities, lease liabilities amount to TSEK 3,842 (4,040). No new leasing contracts have been signed during the quarter.

At the end of the period, the group's cash and cash equivalents amounted to TSEK 17,754 (26,715).

Transactions with related parties

Other than transactions with senior executives in the capacity of their position, transactions with related parties for the period include purchases from Prevas Development AB, corresponding to TSEK 726.

Magnus Edman is a board member in Terranet AB and CEO of Prevas Development AB.

Key figures

| (Amounts in SEK thousand unless otherwise indicated) | 2023 | 2022 | 2022 |
|--|-------------|-------------|-------------|
| | 3 months | 3 months | 12 months |
| | January– | January– | January– |
| | March | March | December |
| Undiluted EPS (SEK) | -0.03 | -0.03 | -0.10 |
| Diluted EPS (SEK) | -0.03 | -0.03 | -0.10 |
| Number of shares on the balance sheet date before and after dilution | 334,944,760 | 326,289,403 | 326,289,403 |
| Weighted average number of shares before and after dilution | 326,674,086 | 316,759,009 | 323,939,443 |
| Equity/asset ratio (%) | 52.7 | 65.0 | 54.1 |
| Operating profit/loss | -8,242 | -8,350 | -29,371 |
| Profit/loss for the period | -9,229 | -9,336 | -32,287 |

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 programs with an issue price below the average share price for the period can cause a dilutive effect. |
| Number of shares after dilution | Only option programs 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. |
| Profit/loss for the period | Profit/loss after tax for the period. |

Summary consolidated income statement

| (Amounts in TSEK) | 2023 | 2022 | 2022 |
|---|-----------------|-----------------|------------------|
| | 3 months | 3 months | 12 months |
| | January– | January– | January– |
| | March | March | December |
| Other operating revenue | 208 | 177 | 748 |
| Activated work for own account | 647 | 1,348 | 3,091 |
| <i>Operating expenses</i> | | | |
| Other external expenses | -4,772 | -4,256 | -14,237 |
| Staff costs | -3,876 | -5,371 | -17,682 |
| Depreciation and write-offs of tangible and intangible fixed assets | -374 | -234 | -1,255 |
| Other operating costs | -75 | -14 | -36 |
| Operating profit/loss | -8,242 | -8,350 | -29,371 |
| Financial income | 1 | 0 | 891 |
| Financial costs | -988 | -986 | -3,807 |
| Profit/loss before tax | -9,229 | -9,336 | -32,287 |
| Tax on profit/loss for the period | 0 | 0 | 0 |
| Profit/loss for the period attributable to the parent company's shareholders | -9,229 | -9,336 | -32,287 |
| Earnings per share, SEK | | | |
| Undiluted EPS | -0.03 | -0.03 | -0.10 |
| Diluted EPS | -0.03 | -0.03 | -0.10 |

Consolidated statement of comprehensive income

| (Amounts in TSEK) | 2023 | 2022 | 2022 |
|--|---------------|---------------|----------------|
| | 3 months | 3 months | 12 months |
| | January– | January– | January– |
| | March | March | December |
| Profit/loss for the period | -9,229 | -9,336 | -32,287 |
| Other comprehensive income | 6 | - | - |
| Comprehensive income for the period attributable to the parent company's shareholders | -9,223 | -9,336 | -32,287 |

Summary consolidated statement of financial position

| (Amounts in TSEK) | 31/03/2023 | 31/12/2022 | 31/03/2022 |
|---|---------------|---------------|----------------|
| ASSETS | | | |
| Fixed assets | | | |
| <i>Intangible fixed assets</i> | | | |
| Capitalised development costs | 15,787 | 15,140 | 13,397 |
| Patents and trademarks | 2,125 | 2,155 | 2,197 |
| <i>Property, plant and equipment</i> | | | |
| Right of use assets | 3,644 | 3,870 | 1,772 |
| Equipment | 426 | 315 | 447 |
| <i>Financial assets</i> | | | |
| Long-term securities | 38,088 | 38,088 | 32,658 |
| Total fixed assets | 60,070 | 59,568 | 50,471 |
| Current assets | | | |
| Other receivables | 966 | 1,114 | 1,011 |
| Prepaid expenses and accrued revenue | 2,283 | 2,038 | 2,861 |
| Cash and cash equivalents | 17,754 | 26,715 | 53,731 |
| Total current assets | 21,003 | 29,867 | 57,603 |
| TOTAL ASSETS | 81,073 | 89,435 | 108,074 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 3,349 | 3,263 | 3,263 |
| Other capital contribution | 403,644 | 400,124 | 399,051 |
| Translation reserve | 6 | 0 | 0 |
| Profit/loss carried forward | -355,004 | -322,718 | -322,718 |
| Profit/loss for the period | -9,229 | -32,287 | -9,336 |
| Equity attributable to the parent company's shareholders | 42,766 | 48,382 | 70,260 |
| Long-term liabilities | | | |
| Loans payable | | 0 | 29,834 |
| Lease liabilities | 3,024 | 3,222 | 1,406 |
| Total long-term liabilities | 3,024 | 3,222 | 31,240 |
| Current liabilities | | | |
| Loans payable | 29,722 | 32,428 | 0 |
| Lease liabilities | 818 | 818 | 458 |
| Accounts payable | 1,545 | 1,223 | 1,594 |
| Other liabilities | 374 | 514 | 549 |
| Accrued expenses and prepaid revenue | 2,824 | 2,848 | 3,973 |
| Total current liabilities | 35,283 | 37,831 | 6,574 |
| TOTAL EQUITY AND LIABILITIES | 81,073 | 89,435 | 108,074 |

Summary consolidated statement of changes in equity

| <i>Attributable to the parent company's shareholders</i> | | | |
|--|---------------|---------------|---------------|
| (Amounts in TSEK) | 31/03/2023 | 31/12/2022 | 31/03/2022 |
| Opening balance | 48,382 | 73,531 | 73,531 |
| Profit/loss for the period | -9,229 | -32,287 | -9,336 |
| Other comprehensive income | 6 | 0 | 0 |
| New cash issue | 3,808 | 6,404 | 6,404 |
| Received option premiums | 0 | 1,073 | 0 |
| Issue costs | -201 | -339 | -339 |
| Closing balance | 42,766 | 48,382 | 70,260 |

Summary consolidated cash flow statement

| (Amounts in TSEK) | 2023 | 2022 | 2022 |
|--|---------------|---------------|----------------|
| | 3 months | 3 months | 12 months |
| | January– | January– | January – |
| | March | March | December |
| Operating activities | | | |
| Operating profit/loss | -8,242 | -8,350 | -29,371 |
| Adjustments for items not included in the cash flow: | | | |
| Depreciation and write-offs | 374 | 234 | 1,255 |
| Other non-cash items | 103 | 103 | 409 |
| Interest received | 1 | 0 | 213 |
| Paid interest and other financial expenses | -88 | -41 | -268 |
| Cash flow from operations before changes in working capital | -7,852 | -8,054 | -27,762 |
| Changes in working capital | | | |
| Changes in operating receivables | -198 | 92 | 503 |
| Change in operating liabilities | 158 | 674 | -857 |
| Cash flow from operations | -7,892 | -7,288 | -28,116 |
| Investing activities | | | |
| Capitalisation of development costs | -647 | -1,348 | -3,091 |
| Capitalisation of patents and trademarks | -27 | -261 | -503 |
| Acquisition of tangible assets | -201 | -52 | -91 |
| Investment in financial assets | 0 | 0 | -4,752 |
| Cash flow from investing activities | -875 | -1,661 | -8,437 |
| Financing activities | | | |
| New share issue | 3,808 | 6,404 | 6,404 |
| Issue costs | -202 | -339 | -339 |
| Received option premiums | 0 | 0 | 1,073 |
| Repaid loans | -3,606 | -6,065 | -6,065 |
| Amortisation of lease liabilities | -198 | -108 | -593 |
| Cash flow from financing activities | -198 | -108 | 480 |
| Cash flow for the period | -8,965 | -9,057 | -36,073 |
| Cash and cash equivalents at the start of the period | 26,715 | 62,788 | 62,788 |
| Exchange rate differences in cash and cash equivalents | 4 | 0 | 0 |
| Cash and cash equivalents at the close of the period | 17,754 | 53,731 | 26,715 |

Summary parent company income statement

| (Amounts in TSEK) | 2023 | 2022 | 2022 |
|--|-----------------|-----------------|------------------|
| | 3 months | 3 months | 12 months |
| | January– | January– | January– |
| | March | March | December |
| Other operating revenue | 0 | 0 | 0 |
| <i>Operating expenses</i> | | | |
| Other external expenses | -612 | -454 | -2,271 |
| Operating profit/loss | -612 | -454 | -2,271 |
| Financial income | | 0 | 891 |
| Depreciation of shares in group companies | -9,000 | -8,000 | -31,000 |
| Financial costs | -900 | -945 | -3,539 |
| Total financial items | -9,900 | -8,945 | -33,648 |
| Profit/loss before tax for the period | -10,512 | -9,399 | -35,919 |
| Tax on profit/loss for the period | 0 | 0 | 0 |
| Profit/loss for the period | -10,512 | -9,399 | -35,919 |

Summary parent company statement of comprehensive income

| (Amounts in TSEK) | 2023 | 2022 | 2022 |
|--|-----------------|-----------------|------------------|
| | 3 months | 3 months | 12 months |
| | January– | January– | January– |
| | March | March | December |
| Profit/loss for the period | -10,512 | -9,399 | -35,919 |
| Other comprehensive income | 0 | 0 | 0 |
| Comprehensive income for the period | -10,512 | -9,399 | -35,919 |

Summary parent company balance sheet

| (Amounts in TSEK) | 31/03/2023 | 31/12/2022 | 31/03/2022 |
|--------------------------------------|----------------|----------------|----------------|
| ASSETS | | | |
| Financial assets | | | |
| Shares in group companies | 57,011 | 57,011 | 56,733 |
| Other long-term securities | 38,975 | 38,975 | 33,545 |
| Total fixed assets | 95,986 | 95,986 | 90,278 |
| Current assets | | | |
| Other receivables | 27 | 0 | 0 |
| Prepaid expenses and accrued revenue | 318 | 206 | 341 |
| Cash on hand | 15,000 | 24,787 | 53,202 |
| Total current assets | 15,345 | 24,993 | 53,543 |
| TOTAL ASSETS | 111,331 | 120,979 | 143,821 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| <i>Restricted equity</i> | | | |
| Share capital | 3,349 | 3,263 | 3,263 |
| <i>Non-restricted equity</i> | | | |
| Share premium reserve | 403,644 | 400,124 | 399,051 |
| Profit/loss carried forward | -314,995 | -279,077 | -279,076 |
| Profit/loss for the period | -10,512 | -35,919 | -9,399 |
| Total equity | 81,486 | 88,391 | 113,839 |
| Long-term liabilities | | | |
| Loans payable | 0 | 0 | 29,834 |
| Total long-term liabilities | 0 | 0 | 29,834 |
| Current liabilities | | | |
| Loans payable | 29,721 | 32,428 | 0 |
| Accounts payable | 0 | 36 | 24 |
| Liabilities to group companies | 94 | 94 | 94 |
| Accrued expenses and prepaid revenue | 30 | 30 | 30 |
| Total current liabilities | 29,845 | 32,588 | 148 |
| TOTAL EQUITY AND LIABILITIES | 111,331 | 120,979 | 143,821 |

The Board of Directors and the CEO certify that the interim 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 17 May 2023

Torgny Hellström
Board Chair

Anders Blom
Board Member

Göran Janson
Board Member

Magnus Edman
Board Member

Nils Wollny
Board Member

Tarek Shoeb
Board Member

Magnus Andersson
CEO

This interim report has not been reviewed by the company's auditor.

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Financial calendar

Interim report January–March 2023

17 May 2023

Interim report January–June 2023

17 August 2023

Interim report January–September 2023

16 November 2023

Year-end report 2023

22 February 2024

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 17 May at 8.00 am CET.



Safety at the blink of an eye

www.terranel.se

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