

N.B. This English text is an unofficial translation of the Swedish original, and in case of any discrepancies between the Swedish and the English translation, the Swedish text shall prevail.

Reasoned statement regarding the composition and remuneration of the Board of Directors

The Nomination Committee wishes to strengthen the Board with clearer experience and expertise from the automotive industry to best support the Company in the commercialization phase and therefore proposes Mats Fägerhag as a new member of the Board. Mats has more than 35 years of experience in the automotive industry and has held senior positions at Saab Automobile, General Motors Europe, Volvo Cars and Geely Automotive. For 10 years, he has been CEO of the Geely company CEVT, which has developed platforms for Volvo Cars, Polestar, Lynck & Co and Geely Automotive, as well as self-driving cars for Alphabet-owned ("Google") Waymo.

Mats Fägerhag brings expertise to the Board of Directors and will also from time-to-time work operationally in the company with specific issues.

The composition of the Board of Directors meets the requirements of a modern and technology-intensive Company like Terranet. The combined experience and expertise achieve a sought-after versatility and breadth. In its work, the Nomination Committee has also strived to achieve a more even gender distribution on the Board but has not found more relevant and interested candidates in relation to the now proposed member. The quest to achieve a more balanced gender distribution continues.

Nomination committee of Terranet AB