

PRESS RELEASE

04 November 2025 23:45:00 CET

TERRANET HAS SUCCESSFULLY COMPLETED AN OVERSUBSCRIBED DIRECTED SHARE ISSUE AMOUNTING TO APPROXIMATELY SEK 26.75 MILLION AND AT THE SAME TIME RESOLVES ON A RIGHTS ISSUE OF APPROXIMATELY SEK 18.5 MILLION

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The Board of Directors of Terranet AB ("Terranet" or the "Company") has, based on the authorization granted by the Annual General Meeting on 23 May 2025, resolved on a new issue of Class B shares of approximately SEK 26.75 million, directed to a number of institutional and professional investors (the "Directed Issue"). The Directed Share Issue was heavily oversubscribed, and the subscription price has been set at SEK 0.078 per Class B share through a so-called accelerated bookbuilding procedure led by Mangold Fondkommission AB ("Mangold"), in its capacity as Sole Global Coordinator and Sole Bookrunner. The subscription price corresponds to a discount of approximately 4.9 percent compared to the closing price on Nasdaq First North Premier Growth Market on November 4, 2025.

The Board of Directors has also resolved to carry out a new issue of Class B shares with preferential rights for existing shareholders of approximately SEK 18.5 million (the "Rights Issue"). The subscription price in the Rights Issue corresponds to that in the Directed Issue, and the issue is fully guaranteed through underwriting commitments.

Comments from Management

"The launch of the MVP (Minimal Viable Product) starts Terranet's journey towards commercializing BlincVision. We have started signing evaluation agreements with potential customer and partners and performed the first evaluation. During 2025, Terranet achieved success and delivered on previously set milestones with excellence, laying the foundation for the collaborations and ongoing dialogues with leading industrial players in the market. The capital raise enables us to continue the transition to a commercial enterprise", says Lars Lindell, CEO of Terranet.

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Comments from the Board of Directors

"We are grateful for the strong confidence shown by our shareholders. Their support has enabled a capital raise on favorable terms with committed and reputable investors, despite an eventful and volatile stock market. The combined Directed Issue with the Rights Issue the capital raise secures our liquidity throughout the whole of 2026. This strengthens our negotiating position and provides a solid foundation for converting the potential and interest in our technology into real shareholder value", says Torgny Hellström, Chairman of the Board of Directors of Terranet.

Background and rationale

Terranet is on the verge of a commercial breakthrough. After several years of focused development, the Company has in 2025 delivered its first MVP version (Minimum Viable Product) of the proprietary collision warning system BlincVision - a tested and verified technology that, through laser triangulation, event cameras and real-time algorithms, can detect, analyze and react to moving objects up to ten times faster than today's conventional systems. The delivery marks the transition from product development to business development and from vision to commercial reality.

BlincVision forms the basis for a new safety paradigm in how vehicles, robots and autonomous systems perceive and interact with their surroundings. Interest from the industry has increased significantly, and Terranet is now conducting discussions and tests with several leading players in the automotive industry, industrial automation, autonomous mobility and defense-related applications.

The capital from the directed share issue will be used to accelerate Terranet's commercial journey and strengthen the Company's financial position. Following the completion of the issue, the cash position is deemed to be sufficient to finance the business until the first quarter of 2027, giving Terranet the flexibility required to fully drive the commercialization of BlincVision and bring the technology to market.

In 2026, Terranet expects to enter a commercial phase and obtain its first revenues through strategic partnerships and collaboration agreements with leading industry partners in sectors relevant to the Company. The coming period is expected to be a crucial shift - from a development-driven innovation company to a commercial tech player with a scalable business model, increasing revenues and clear industrial demand.

In parallel, the Company continues to strengthen its technology platform and patent portfolio, while identifying new potential revenue streams outside the automotive industry, including industrial automation, autonomous mobility and defense applications.

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The capital raise is expected to create the necessary conditions for Terranet to continue its technical validation, accelerate commercialization and establish revenue streams from 2026 onwards. In light of the current market situation and a current share price that means that outstanding warrants of series TO9 B are unlikely to be exercised to a sufficient extent, the Board of Directors believes that the planned issue is crucial to ensure the Company's financial strength and maintain the momentum that has now been built up in the commercialization phase.

Summary of the Directed Issue

The subscription price in the Directed Issue has been set at SEK 0.078 per Class B share through a so-called accelerated bookbuilding procedure led by Mangold. The Directed Issue comprises 343,012,814 Class B shares, which provides the Company with proceeds of approximately SEK 26.75 million before deduction of issue costs.

The Directed Share Issue was fully subscribed by institutional and professional investors as well as existing shareholders including Mario Péreira, Morten Skovsby Jensen and Oliver Aleksov.

The Directed Issue entails a dilution of approximately 17.14 percent of the number of shares and votes in the Company prior to the completion of the Rights Issue.

Through the Directed Share Issue, the Company's share capital may increase by a maximum of SEK 3,430,128.14 to a maximum of SEK 20,010,418.52, and the number of shares may increase by a maximum of 343,012,814 shares to a maximum of 2,001,041,852 shares.

The right to subscribe for the new shares has, with deviation from the shareholders' preferential rights, been granted to the investors who expressed interest in the bookbuilding process. The investors in the Directed Issue consist of existing shareholders and new qualified investors.

Deviation from shareholders' preferential rights

The reasons for the deviation from the shareholders' preferential rights are as follows: Prior to the resolution on the Directed Share Issue, the board of directors has carefully investigated and considered alternative financing options, including raising capital solely through a rights issue. However, the Board of Directors believes, after an overall assessment and taking into account that a directed share issue means that the Company can be credited with capital earlier, that a directed share issue in combination with a rights issue is a more advantageous alternative for the Company and the Company's shareholders than a rights issue alone. It is therefore the assessment of the Board of Directors that it is in the interest of both the Company and its shareholders to carry out the Directed Issue. As the subscribers in the Directed Issue consist of qualified investors, the

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Directed Issue contributes to diversifying and strengthening the Company's shareholder base. The existing shareholders who have shown interest in participating in the Directed Issue consist of long-term investors who have shown great interest in the Company and its future development for a long time.

The Company is in an important phase and has a need for financing to ensure the Company's long-term operations. Carrying out only a rights issue would, in the opinion of the Board of Directors, require significantly more time and resources to carry out and also entail a higher risk of negative impact on the share price, especially in light of today's volatile and challenging market conditions. From a shareholder perspective, an isolated rights issue thus entails a risk of a negative effect on the share price compared to a directed issue in combination with a rights issue. In light of the volatility in the market, the Board of Directors has assessed that a rights issue, without the Directed Issue, would need to be significantly larger and thus also require larger guarantees from a underwriting consortium, which would entail additional costs and/or further dilution depending on the type of compensation for such guarantees.

In light of the above, the board's overall assessment is that the reasons for carrying out the Directed Issue in combination with a compensation issue in the form of the Rights Issue outweigh the reasons for carrying out a more extensive isolated rights issue. As the subscription price in the Directed Issue has been determined through an accelerated bookbuilding procedure, it is also the assessment of the board of directors that the subscription price has been ensured in accordance with market conditions.

The Directed Issue entails a dilution for existing shareholders of approximately 17.14 percent of the number of shares and votes in the Company prior to the completion of the Rights Issue.

Summary of the Rights Issue

Through the Rights Issue, existing shareholders are given the right to subscribe for new Class B shares in proportion to the number of shares they own on the record date of November 12, 2025. One (1) existing share, regardless of share class, entitles to one (1) subscription right and seven (7) subscription rights entitle the holder to subscribe for one (1) new Class B share.

The subscription price has been set at SEK 0.078 per Class B share, corresponding to the subscription price determined in the Directed Issue. At full subscription, Terranet will receive approximately SEK 18.5 million before issue costs. Subscription with subscription rights shall take place during the period 14 November 2025 – 28 November 2025, while trading in subscription rights will take place between 14 November 2025 and 25 November 2025.

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Through the Rights Issue and following the registration of the Directed Issue, the Company's share capital may increase by an additional maximum of SEK 2,368,612.91 to a maximum of SEK 22,379,031.43, and the number of shares may increase by an additional maximum of 236,861,291 shares to a maximum of 2,237,903,143 shares.

For shareholders who do not participate in the Rights Issue, a dilution of approximately 11.1 percent will occur based on the number of shares after the completion of the Directed Issue. Shareholders who choose not to participate can compensate for this dilution by selling their subscription rights.

Allotment of shares that are not subscribed for with subscription rights will be made according to the usual order of priority, with preference for existing shareholders who have also subscribed with subscription rights, then other investors and finally guarantors. The Rights Issue is fully guaranteed through underwriting commitments.

The complete terms and conditions of the Rights Issue, and the guarantee commitments provided, will be set out in an information document prepared in accordance with Article 1.4 db of Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Prospectus Regulation**"), in the form prescribed by Annex IX to the Prospectus Regulation (the "**Information Document**"). The information document will be published on the Company's website on or about November 12, 2025.

Warranty commitments

The Rights Issue is fully guaranteed through underwriting commitments. The underwriting commitments are not secured by bank guarantees, escrow funds, pledges or similar arrangements. According to the underwriting commitments, cash compensation of 12.5 percent of the underwritten amount is paid.

Use of the proceeds from the Directed Issue and the Rights Issue

The proceeds from the Directed Issue and the Rights Issue, which if fully subscribed in the Rights Issue may amount to approximately SEK 45.2 million before costs related to the issues, are intended to be used to increase sales volumes through market expansion and application optimization as set out below.

1. Approximately 30 percent is intended to be used for business development and marketing.
2. Approximately 20 per cent is intended to be used to support customer evaluations.
3. Approximately 30 percent is intended to be used for product maintenance and investments.
4. Approximately 20 percent is intended to be used to ensure working capital and flexibility during the transition to the commercial phase.

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Issue costs related to the Directed Issue and the Rights Issue

The costs related to the Directed Issue and the Rights Issue are estimated to amount to a total of approximately SEK 5.0 million, of which approximately SEK 2.3 million is attributable to guarantee costs.

Preliminary timetable for the Rights Issue

Last day of trading in shares including the right to receive subscription rights	10 november 2025
First day of trading in shares excluding the right to receive subscription rights	11 november 2025
Record date for participation in the Rights Issue	12 november 2025
The information document is published on the Company's website	12 november 2025
Subscription period in the Rights Issue	14 November – 28 November 2025
Trading in subscription rights	14 November – 25 November 2025
Trading with BTA	14 November – 11 December 2025
Final subscription result of the Rights Issue is announced	2 december 2025

Mangold Fondkommission is acting Sole Global Coordinator and Sole Bookrunner and Eversheds Sutherland Advokatbyrå AB is acting as legal advisor to the Company in connection with the Directed Issue and the Rights Issue.

Important information

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For more information, please contact:

Lars Lindell, CEO

E-mail: lars.lindell@terranel.se**About Terranet AB (publ)**

Terranet’s mission is to save lives in urban traffic. We develop groundbreaking technology solutions for advanced driver assistance systems (ADAS) and autonomous vehicles, with a focus on protecting vulnerable road users from injury. Using a unique and patented sensor technology, Terranet’s system BlincVision scans the road with laser precision, detecting objects up to ten times faster than any other ADAS solution on the market today.

Terranet is headquartered in Lund, Sweden, with additional operations in Gothenburg and Stuttgart – at the heart of the European automotive industry. Since 2017, the company has been listed on Nasdaq First North Premier Growth Market (Nasdaq: TERRNT-B).

Visit us at www.terranel.se

Certified Adviser to Terranet is Mangold Fondkommission AB, 08-503 015 50, ca@mangold.se.

This information is information that Terranet is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 2025-11-04 23:45 CET.