

PRESS RELEASE

02 July 2025 08:30:00 CEST

THE BOARD OF DIRECTORS OF TERRANET HAS DECIDED ON A DIRECTED ISSUE OF UNITS TO UNDERWRITERS IN CONNECTION WITH THE COMPLETED RIGHTS ISSUE

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Terranet AB ("Terranet" or the "Company") has, as previously communicated, completed the rights issue of units, consisting of B-shares and warrants of series TO9 B, which the board decided on April 16, 2025, and approved by the annual general meeting on May 23, 2025, (the "Rights Issue"). In accordance with the underwriting agreements that have been entered into in connection with the Rights Issue, Terranet's board of directors has today decided on a directed issue of units to underwriters in the Rights Issue (the "Compensation Issue"). The subscription price in the Compensation Issue has been set to the same subscription price as in the Rights Issue, SEK 1.08 per unit, which corresponds to a subscription price of SEK 0.09 per B-share, and payment is made by offsetting the underwriters' claims against the Company for underwriting compensation.

As previously communicated, the underwriters in the Rights Issue, in accordance with the underwriting agreements entered into, will receive underwriting compensation in the form of new units. Due to this, the Board, relying on the authorization from the annual general meeting held on May 23, 2025, has today resolved on the Compensation Issue, which includes a total of 1,661,774 new units. Each unit in the Compensation Issue consists of twelve (12) shares of series B and three (3) warrants of series TO9 B. A total of 19,941,288 B-shares and 4,985,322 warrants of series TO9 B have been issued in the Compensation Issue. The subscription price in the Compensation Issue was determined, after negotiations at arm's length, to SEK 1.08 per share of series B, and corresponds to the subscription price in the Rights Issue.

The reason for the deviation from the shareholders' preferential rights in the Compensation Issue is to fulfil the Company's contractual obligation to the guarantors. The Board of Directors considers that it is beneficial to the Company's financial position to take advantage of the opportunity to pay the underwriting compensation in the form of units instead of cash. Payment for units in the Compensation Issue will be made by offsetting the underwriters' claims against the Company for underwriting compensation. The

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subscription price has been negotiated in connection with the conclusion of the underwriting agreements, which took place in consultation with the financial advisor and after an analysis of the market situation. The Board of Directors therefore considers that the subscription price and other terms and conditions of the Compensation Issue are considered to be on market terms based on the above. All units in the Compensation Issue have been subscribed for and allocated.

Shares and share capital

Through the Compensation Issue, and after registration of the second directed issue announced by the Company through a press release on April 16, 2025, the number of shares in the Company will increase by 19,941,288 B-shares from 1,638,087,750 shares (1,084,463 A-shares and 1,637,003,287 B-shares) to 1,658,029,038 shares, and the share capital will increase by SEK 199,412.88, from SEK 16,380,877.50 to SEK 16,580,290.38. The dilution effect, after registration of the Second Directed Issue, amounts to 1.2 percent in the Rights Issue.

In the event that all attached warrants of series TO9 B are fully exercised for subscription of new B-shares in the Company, the number of shares in the Company will increase by an additional 88,714,999 B-shares, from 1,658,029,038 shares (1,084,463 A-shares and 1,656,944,575 B-shares) to 1,746,744,037 shares, and the share capital will increase by an additional SEK 887,149.990, from SEK 16,580,290.380 to SEK 17,467,440.370. The dilution effect, if all warrants of series TO9 B are exercised, amounts to 5.1 percent.

Advisers

Mangold Fondkommission AB is the financial advisor to Terranet in connection with the Rights Issue and the Compensation Issue. Eversheds Sutherland Advokatbyrå AB is the legal advisor to the Company in connection with the Rights Issue and the Compensation Issue.

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Terranet's goal is to save lives in urban traffic. The company develops innovative technical solutions for Advanced Driver Assistance Systems (ADAS) and Autonomous Vehicles (AV). Terranet's anti-collision system BlincVision laser scans and detects road objects up to ten times faster than any other ADAS technology available today.

The company is headquartered in Lund, with offices in Gothenburg and Stuttgart. Since 2017, Terranet has been listed on Nasdaq First North Premier Growth Market (Nasdaq: TERRNT-B).

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Follow our journey at: www.terranet.se

Certified Adviser to Terranet is Mangold Fondkommission AB.

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