



25 February 2019

TerraNet enters into a facility agreement with a maximum loan amount of up to MSEK 50, and has resolved to issue convertibles for MSEK 2

TerraNet Holding AB (publ) ("TerraNet" or the "Company") has today entered into a facility agreement with YA II PN, LTD, represented by its Investment Manager Yorkville Advisors Global, LP, in turn represented by its General Partner ("Yorkville"), according to which Yorkville agrees to, during a period of 36 months, in different tranches, subscribe for TerraNet's convertibles up to an amount of a maximum of MSEK 50. TerraNet has today requested the first tranche, where 20 convertibles, each with a nominal amount of SEK 100,000, in total MSEK 2, are issued to Yorkville at a subscription price of 98 percent of the nominal amount per convertible, i.e. SEK 98,000 per convertible. The board of directors has also today, pursuant to the authorization granted from the extra general meeting on 4 February 2019, resolved to issue convertibles under the first tranche.

The facility agreement

At the request of TerraNet, Yorkville will, during a period of 36 months, subscribe for convertibles up to an amount of a maximum of MSEK 50 in different tranches. The subscription price for each convertible amounts to 98 percent of the nominal amount of each convertible, i.e. SEK 98,000. TerraNet shall pay a commitment fee to Yorkville amounting to six percent of the aggregated amount of the outstanding convertibles in each tranche, and this commitment fee will be deducted from the subscription price for the convertibles. The convertibles carry no interest.

In the first tranche, 20 convertibles, each with a nominal amount of SEK 100,000, in total MSEK 2, will be issued to Yorkville at a subscription price per convertible corresponding to 98 percent of the nominal amount, i.e. SEK 98,000 per convertible.

Each convertible gives Yorkville a right, but not an obligation, to convert the convertible for subscription of new B shares in TerraNet at a subscription price corresponding to the value of the converted convertibles divided by the lower of (a) SEK 5 or (b) 92 percent of the lowest daily volume-weighted average price for the B share, however not lower than SEK 3 per share. If a convertible has not been converted to shares prior to the due date of the convertible, TerraNet must repay the value of the convertible in cash.

Subsequent tranches will, at the request, but not under an obligation, of TerraNet, be subscribed by Yorkville within five trading days. The aggregated value of each subsequent tranche is decided by TerraNet, but may not exceed 20 times the average daily value of the shares in SEK during the ten trading days preceding the relevant request, and in each case limited to an amount of no more than MSEK 5 per tranche. Each convertible has a duration of twelve months from the date of issuance.

TerraNet's right to request subscription of the convertibles is subject to a number of conditions, amongst others:

- that any previous tranches have been completely converted to B shares;
- that the closing price of the TerraNet B share on the day prior to the relevant request is at least SEK 3.25;

- that the average traded value of the B shares is at least SEK 300,000 during the 15 days prior to each request; and
- that the Company's shareholders at annual or extra general meetings for relevant periods decide to authorize the board of directors to issue convertibles under the relevant periods. The first authorization was resolved upon at the Company's extra general meeting on 4 February 2019.

TerraNet's board of directors has today, in accordance with the agreement, issued the first tranche of MSEK 2. Provided that all convertibles issued under the first tranche are converted to B shares and based on a conversion price of SEK 4.892¹, a dilution effect of approximately 1.63 percent of the number of shares and approximately 1.47 percent of the number of votes in the Company will arise, whereby the number of shares may increase by a maximum of 408,831 to 24,621,384 and the number of votes may increase by a maximum of 408,831 to 27,897,514 (divided among 3,276,131 A shares and 21,345,253 B shares). The share capital may increase by a maximum of SEK 408,831, from SEK 24,212,553 to SEK 24,621,384.

The loan agreement has been entered into for purposes of securing the Company's liquidity needs and for operational costs in relation to a number of customer inquiries as well as for deliverance of future projects.

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ABOUT TERRANET

Terranet has a strategic focus within active safety and develops software for radio-based sensors as well as GPS and non-GNSS solutions intended for self-driving vehicles. Terranet is headquartered in Lund, Sweden with established sales and marketing agents in the US and China. Terranet Holding AB (publ) is listed on Nasdaq First North Premier.

www.terranet.se

This is information that TerraNet Holding AB is required to disclose under the EU Market Abuse Regulation. The information was provided via the above contact person for publication at the time indicated above.

Appointed Certified Adviser to Terranet Holding AB (publ) is FNCA Sweden AB, +46(0)8-528 00 399, info@fnca.se.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and

¹ Based on the closing price on 22 February 2019 for TerraNet's B share at Nasdaq First North Premier.

opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.