October 2022 News Update

Dear shareholders,

Over the past month, we have made great progress in the development of BlincVision and we are taking important steps towards being able to present a complete prototype of the product.

With this letter, I want to provide an update on where we are today, what is going on in the company and in the sector. My ambition is that this will be a recurring format where we can immerse ourselves and share trends and industry insights that may be interesting to you as a shareholder.

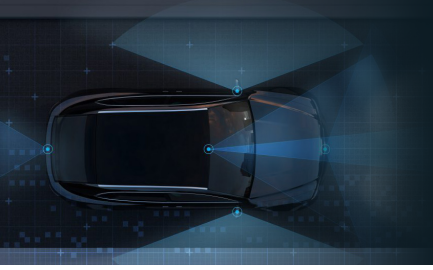
Product development accelerates

Among our technicians and developers, there is a feverish activity going on. Over the past year, the team has worked hard and goal-focused to reach the next major milestone in product development. As a result, we were the other week finally able to announce that the technical specifications of our scanner module, one of BlincVision's three supporting hardware components, are now completed. The next step is to decide on a partner who will manufacture this so-called A-sample. Right now, we are in negotiations with potential suppliers, and I feel confident that we will soon be able to conclude an agreement and notify the market of a long-term development partner.

We have an intense autumn and winter ahead of us. In parallel with the development of the scanner module, work is now accelerating to develop the other two key components of BlincVision - the vision sensor and the computer module that embeds our perception software stack. An important part of this is to strengthen Terranet's team of world-class engineers and programmers. In order to improve our testing and simulation capacities of the technology we also plan to expand our engineering and test lab in Lund. Adjacent to our office in Stuttgart, we have a showroom that enables us to easily demonstrate BlincVision for the automotive industry.

Red-hot market

A lot of my time is spent being out and meeting potential partners and customers.
In my meetings, I notice that the market for advanced driver assistance systems is red-hot, many players in the automotive industry are looking around the corner to find new solutions that can make their systems even safer and more efficient. Volvo recently announced that its new electric-powered flagship model will be equipped with Lidar. In meetings with various market participants, I often highlight what an important complement BlincVision, with its very fast response time and precise analysis of the shape and movement of objects, is to Lidar and other ADAS systems. Lidar systems use sensors that record scenes frame-based. They can only register a certain number of frames per second, which significantly delays the response time compared to BlincVision. In a lively urban environment where bicycles, cars



and pedestrians move on the roads, all at the same time, every millisecond matters to avoid injury or fatality.

Technology development is also advancing strongly for self-driving vehicles and there were recently reports stating that by 2030 the market for Autonomous Vehicles (AV's) will reach an expected market size of $125 billion. As the number of sensors in connected cars increases, the amount of data generated from ADAS and self-driving cars will also increase exponentially, from today's Gigabytes to Zettabytes in the future. This is a great opportunity for a smart product like BlincVision. Unlike a conventional vision sensor, BlincVision is an intelligent sensor that provides aggregated, enriched, and quality-ensured sensor data that can be processed by even a lightweight electronic control unit, ECU. Therefore, BincVision does not add any additional processing load on an in-vehicle computing unit in for example, in buses, trucks or different types of construction equipment.

My first weeks as CEO of Terranet have flown by very quickly and I look forward to an exciting and eventful autumn. I look forward to telling you more about it and continuously updating on the progress of product development in the coming months!

Best regards,

Magnus Andersson, CEO Terranet

For more information, please contact:
Magnus Andersson, CEO
Email: magnus.andersson@terranet.se

About Terranet AB (publ)

Terranet is on a mission to save lives in urban traffic.

We develop breakthrough tech solutions for Advanced Driver Assistance Systems (ADAS) and Autonomous Vehicles (AV) that protect vulnerable road users.

With a unique patented vision technology, Terranet's anti-collision system BlincVision laser scans and detects road objects ten times faster and with higher accuracy than any other ADAS technology available today.

Terranet is based in Lund, Sweden, and in the heart of the European automotive industry in Stuttgart, Germany. The company is listed on Nasdaq First North Premier Growth Market since 2017(Nasdaq: TERRNT-B).

Follow our journey at www.terranet.se
Certified Adviser to Terranet is Mangold Fondkommission AB, 08-503 015 50, ca@mangold.se.