

PRESS RELEASE

7 November 2024

Terranet AB – Interim report Q3 2024

Significant events during the third quarter

Autonomous braking completed at the AstaZero test track

BlincVision now functions as an independent driver assistance system, marking a strategic milestone in its development. The autonomous braking signifies that the system has, for the first time, completed the entire chain: from detecting and classifying objects to calculating collision risk and initiating an emergency brake that brings the vehicle to a stop. This crucial step confirms the system's maturity and enables future vehicle integration.

Customer project – MobilityXlab accelerator program kicked off

The third quarter marked the start of our participation in the MobilityXlab accelerator program, providing us with a unique opportunity to develop a Proof of Concept with a global car manufacturer or major supplier. Preparatory activities have begun with our partner, work that lays the foundation for actual integration and testing. During the fourth quarter, we will move from the planning stage to integration into the partner's vehicle, and the results will help BlincVision better meet market demands.

Significant events after the close of the period

Product development plan 2025

The company has communicated the key milestones for product development in 2025. The goal for the first half of the year is to develop an MVP (Minimum Viable Product), which will pave the way for upcoming volume agreements.

CEO Magnus Andersson leaves Terranet

On October 14, the company announced that CEO Magnus Andersson will be stepping down in early 2025. Terranet is now entering the next phase of its commercialization efforts, and the recruitment of a replacement has begun. Magnus will assist with the transition until a new CEO is in place.

Financial overview

	Jul – Sep 2024	Jul – Sept 2023	Jan – Sept 2024	Jan – Sept 2023	Jan – Dec 2023
Revenue (TSEK)	-	216	282	629	834
Operating result (TSEK)	-7 987	-7 925	-26 253	-26 707	-35 926
Financial items (TSEK)	-747	-815	-2 810	-3 582	-37 190
Earnings per share (SEK)	-0,01	-0,01	-0,03	-0,07	-0,15
Closing cash (TSEK)	12 861	34 179	12 861	34 179	29 006

Comments from the CEO

" A successful third quarter – BlincVision is approaching the market"

The third quarter marks a significant step forward as we deliver according to plan. Collaborations with potential customers have intensified, we reach an important milestone with autonomous braking, and we initiate projects through MobilityXlab and VERDAS. Through these efforts, we are laying the foundation to establish BlincVision in the market and set new standards for safety and the driving experience.

Important milestone - autonomous braking achieved

During the third quarter, a significant milestone was reached, performing an autonomous braking maneuver for the first time. This took place at the AstaZero test track, certified according to Euro NCAP standards. During the tests, the system demonstrated its full capability: detecting objects, classifying them, calculating collision risk, making decisions, and finally initiating emergency braking to bring the vehicle to a stop. The completed tests confirm BlincVision's unique value in the market.

Projects initiated with potential customers

At the end of August, we began our participation in the MobilityXlab accelerator program, which provides us with a unique opportunity to conduct a Proof of Concept with a global car manufacturer or major supplier. During the fourth quarter, we will move from the planning stage to actual integration and testing in the partner's vehicle. Through this collaboration and with feedback from the partner, BlincVision's maturity will increase, bringing the system closer to a final product that better meets market demands.

Another important customer project in the third quarter is VERDAS (Verification Methods for Robust Driver Assist System Performance), which aims to identify limitations in current vehicle safety solutions, analyze new rating method requirements from Euro NCAP, and explore how BlincVision can create additional value. Tests and close dialogues have been conducted with partners such as Volvo Car Corporation, Toyota, Zenseact, Aptiv, the Swedish Transport Administration, Folksam, If Insurance and Viscando.

Our goal to sign an agreement with potential customers and partners during the fourth quarter of 2024 remains firm.

Goal to reach dialogue on volume agreements next year

In 2025, customer projects are expected to provide valuable input for further developing the BlincVision prototype into an MVP (Minimum Viable Product). Once the MVP is completed, we can sign agreements and begin the process towards volume production.

Customer value in multiple areas

BlincVision's main goal is to save more lives in traffic. At the same time, the product has the potential to improve the driving experience, something car buyers are willing to pay for. Today's ADAS (Advanced Driver Assistance Systems) often act slowly and very cautiously. They issue warnings or sound signals that can be perceived as disruptive, especially when activated in situations the driver does not consider necessary. With a faster solution like BlincVision, safety distances can be reduced, and autonomous functions will feel more natural.

A new chapter for Terranet

During my time as CEO, we have taken Terranet from an extensive research and development phase to now having a functioning prototype of BlincVision and initiating customer projects. I will support the transition to a new CEO who can continue driving the commercialization journey.

My confidence in Terranet is strong, and I see the product BlincVision as a groundbreaking solution with the potential to save more lives and revolutionize traffic safety.

Magnus Andersson
CEO
Lund, 7 November 2024

Words from the Chairman of the Board

Terranet and BlincVision are developing according to plan. BlincVision now performs autonomous braking in accordance with Euro NCAP test scenarios. At the same time, the company, within the framework of MobilityXlab, is conducting a Proof of Concept with a major player in the automotive industry, which we are currently unable to name. We are continually engaging with key players in the automotive industry, and the interest in BlincVision is evident.

The CEO recruitment process is progressing well, and Terranet is attracting strong interest from candidates with experience in the automotive industry. It is, of course, difficult to predict exactly when a new CEO will be in place, as it depends on various factors beyond Terranet's control, such as notice periods in their current roles. However, I am not concerned that the CEO transition will operationally disrupt the development of BlincVision or its commercialization. Terranet has a skilled management team, supported by an active board with extensive expertise and experience in the automotive industry, driving both the business and BlincVision's development forward while maintaining a clear plan for 2025.

The board will, of course, provide updates on the CEO recruitment as it progresses.

Torgny Hellström
Chairman of the Board
Lund, November 7 2024

This information is such that Terranet AB is required to make public in accordance with the EU's Market Abuse Regulation (MAR). The information was made public by the Company's contact person below on 7 November 2024, at 08.00 CET.

For more information, please contact:

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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 and patented vision technology, Terranet's anti-collision system BlincVision scans and detects road objects multiple 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
Terranet financial reports: <https://terranet.se/rapporter/>

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