

Q3

INTERIM REPORT
JANUARY – SEPTEMBER 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 end 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

Comment 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 November 7, 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

Bringing our loved ones home

Every day, our loved ones venture out into the world, and we expect them to return home safely.

Many accidents happen due to human factors. A ball rolls out onto the road. Clothes that aren't visible in the dark. A tempting sandwich when hunger strikes. A long workday stealing focus. Countless human factors can put your loved ones at risk.

Our mission is to hit the brakes, ensuring everyone comes home safely.



Statistics and global initiatives drive road safety forward

According to the World Health Organization (WHO), road traffic crashes kill about 1.19 million people globally each year and injure 20 to 50 million more. Over half of these deaths involve vulnerable road users like pedestrians, cyclists, and motorcyclists. The primary cause of death for children and young adults aged 5-29 is traffic injuries. Additionally, two-thirds of traffic fatalities affect people between the ages of 18 and 59. *

Already in the 1990s, the Vision Zero strategy was introduced in Sweden with the goal that no one should be seriously injured or killed in traffic. With the understanding that people make mistakes, roads and vehicles should be adapted to human conditions. Vision Zero has been successful throughout Europe and is now gaining traction in major American cities.

In 2020, UN member states agreed to support and implement measures to improve global road safety. This marked the start of the Decade of Action for Road Safety 2021-2030, aiming to reduce road traffic deaths and injuries by at least 50% by 2030. The World Health Organization (WHO) and UN regional commissions developed a Global Plan to support this initiative.

Together, statistics and global initiatives are driving road safety forward.

*https://www.who.int/health-topics/road-safety#tab=tab_1

Market potential and BlincVision's competitive advantages

In 2023, the global advanced driver assistance systems market (ADAS) had a turnover of approximately 340 billion SEK. With an expected annual growth rate of 17.20%, the market is projected to exceed 1,400 billion SEK by 2032.*

17,2 %

Annual growth rate for
the global ADAS market

The National Highway Traffic Safety Administration (NHTSA) in the USA regularly conducts studies on traffic safety.** These studies show that ADAS technologies are not yet fully reliable in complex traffic environments. The sensors struggle to function correctly in adverse weather conditions and in complex, realistic traffic environments that include unexpected obstacles, varying road quality, and unpredictable factors. The software algorithms that interpret the sensors' data and make decisions can also make misjudgements. Together, this affects the systems' efficiency and reliability.

With advanced sensors and AI-trained software, BlincVision navigates challenging traffic scenarios effectively.

NHTSA highlights technical limitations such as deficiencies in sensors and software algorithms, as well as drivers' excessive reliance on the systems, which can lead to misuse and increased risk of accidents. They emphasize that these systems require continued development and thorough testing to become more reliable.

By using event-based cameras, real-time decisions are enabled with minimal data processing, making the system unique in the market. This makes BlincVision an invaluable complement to existing technologies and a reliable choice for integration, strengthening our market position and improving traffic safety.

BlincVision's strength is its ability to deliver speed and precision in complex urban environments, where there is a need for improved performance.

*<https://www.expertmarketresearch.com/reports/advanced-driver-assistance-systems-adas-market>

**Summary Report: Standing General Order on Crash Reporting for Level 2 Advanced Driver Assistance Systems (nhtsa.gov)



Product development of BlincVision

BlincVision has, throughout 2024, developed from the concept stage to successful tests both in a lab environment and in a moving vehicle. During the third quarter, an important milestone was reached with an autonomous braking test at the authorized test track AstaZero. This confirms the system's ability to handle complex traffic situations and marks a step closer to a finished solution. The plan for 2025 involves developing an MVP (Minimum Viable Product) that meets market demands and paves the way for future volume agreements.



During the first quarter, prototype tests were conducted in a lab environment, focusing on measuring reaction time and evaluating object identification, object classification, robustness in sunlight and eye safety. During the second quarter, the first system integration in a moving vehicle outdoors was completed. Among other things, BlincVision was successfully integrated with the NVIDIA Orin computer platform.

The third quarter marked an important milestone in product development with the execution of an autonomous braking test at the AstaZero test track. The system was tested in several Euro NCAP scenarios and successfully identified objects and performed safe braking in complex traffic

environments. At the same time, data was collected to enhance the AI-trained capability of the system to detect and interpret objects, which is crucial for ongoing optimization.

Within MobilityXlab, preparatory activities have begun with the partner, focusing on timelines, project content and scope. This provides Terranet with a unique opportunity to conduct a Proof of Concept in a customer vehicle.

Work has also started on the miniaturization of the laser scanner, aiming to improve performance by reducing the size of the mechanical components and more efficiently separating the electronics.



During the fourth quarter, Terranet will continue the development of BlincVision’s perception technology. This will enhance the system’s ability to detect, identify, and interpret objects in traffic, which is crucial to ensure the system can handle various traffic scenarios reliably.

MobilityXlab continues to play an important role in the development work, as our collaboration deepens both the technical advancement and market adaptation. It is now time to adapt the solution for integration into the partner’s vehicle and conduct extensive testing to evaluate system performance. During the fourth quarter, we will move from the planning stage to actual integration and testing. With input from the partner, we can bring the system even closer to a final product that meets market demands. BlincVision’s maturity makes the system more attractive to a broader customer base and closer to commercial use.

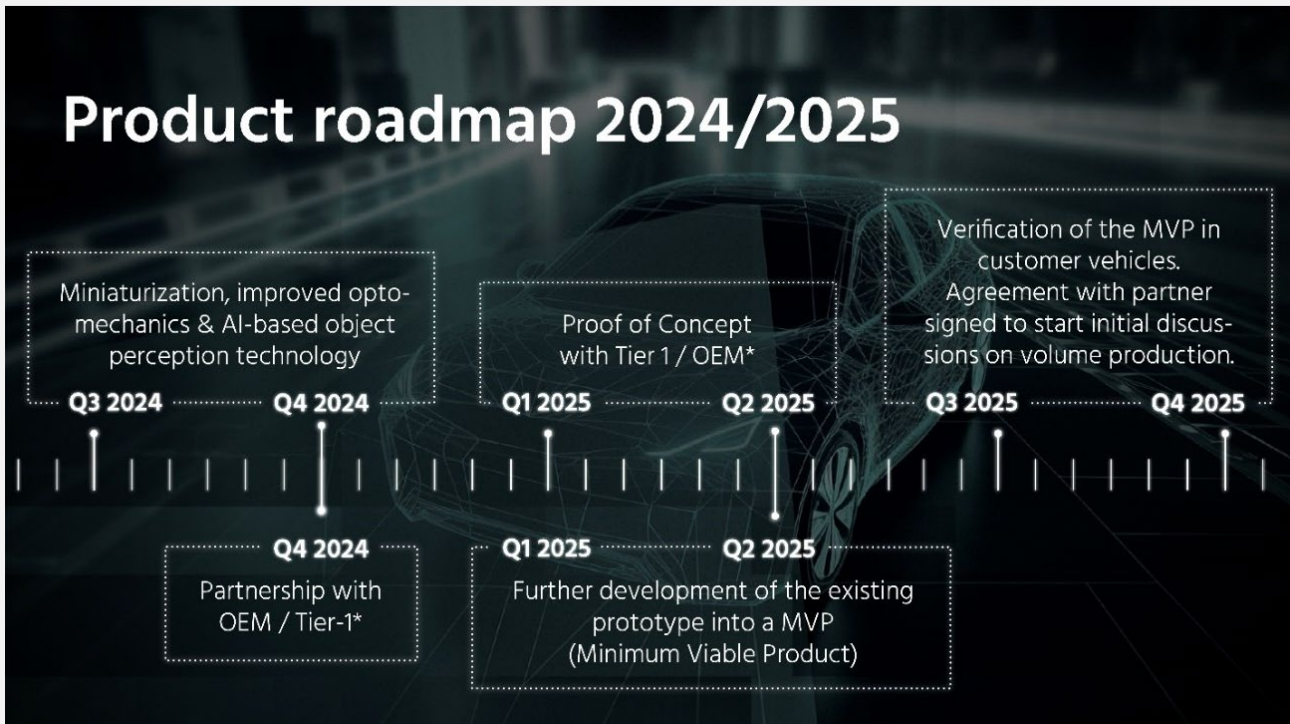
For 2025, there is a clear plan for the product development of BlincVision and the key milestones are:

Quarter 1: Proof of Concept results via the partner in MobilityXlab and initiation of the next customer project.

Quarter 2: Further development of the existing prototype into an MVP (Minimum Viable Product).

Quarter 3-4: Verification of the MVP in customer vehicles and adjustments based on market demands. An agreement with the partner will be signed to initiate preliminary discussions about volume production.

The goal is to have a first version of the product (MVP) ready by the second quarter. The current prototype requires manual adjustments for integration into a specific vehicle, while the upcoming MVP will enable a much simpler and smoother installation. Once the MVP is integrated into customer vehicles and relevant adjustments have been made, we look forward to deeper customer dialogues regarding volume production.



*OEM (Original Equipment Manufacturer) are car manufacturers. Tier 1 are major suppliers to car manufacturers.

The share

General information

Terranet's B-share was listed on Nasdaq First North Premier on 30 May 2017 and is traded on Nasdaq First North Premier Growth Market. The ticker symbol of the share is TERRNT B and ISIN code B share: SE0009806045.

On September 30, 2024, Terranet's total market capitalization was MSEK 235. The share capital amounted to SEK 10,710,327.32 divided into 1,083,063 Class A shares and 1,069,949,669 Class B shares.

Each share has a nominal value of SEK 0.01. No shares are held by the company itself or its subsidiaries.

The share price at the end of the quarter was SEK 0.22 per share, compared to the share price of SEK 0.06 SEK per share at the beginning of the year. The number of shareholders at the end of the quarter was 12,863.

Development of the share capital

	Number of shares	Share capital (TSEK)
At the beginning of the year	755 145 869	7 551
Directed share issue (January-February)	142 857 138	1 429
TO7B	173 029 025	1 730
Per 30th of September, 2024	1 071 032 732	10 710

Ownership structure

The 10 largest shareholders as of September 30, 2024

	Total	A Shares	B Shares	Ownership %
Maida Vale Capital AB	156 241 577		156 241 577	14,59%
Aleksov Oliver	43 715 895		43 715 895	4,08%
Pereira Mario	20 639 472		20 639 472	1,93%
BARSUM HANNA	20 210 000		20 210 000	1,89%
Jensen, Morten Skovsby	17 344 123		17 344 123	1,62%
Hultbom Maths Per Gustaf	15 009 711		15 009 711	1,40%
Sandstrom Kristofer	11 557 143		11 557 143	1,08%
Knutsson Holdings AB	10 315 570		10 315 570	0,96%
SKISPAB AB	9 251 712		9 251 712	0,86%
IBKR FINANCIAL SERVICES	8 739 643		8 739 643	0,82%
Övriga	758 007 886	1 083 063	756 924 823	70,77%
	1 071 032 732	1 083 063	1 069 949 669	100,00%

Operations

Terranet develops technical solutions for advanced driver assistance systems (ADAS) and self-driving vehicles (AV) that make roadways safer for drivers and pedestrians.

Business concept

Terranet's business concept centres around the development of solutions for advanced driver assistance systems and self-driving vehicles that it primarily markets to vehicle manufacturers, subcontractors and other actors in transport and mobility as a service in order to save lives among unprotected road users. Terranet offers solutions that respond to the rapidly expanding global market for advanced driver assistance systems. Terranet's business model is based on the sale of the company's solutions through licensing to OEMs (Original Equipment Manufacturers) and Tier1 suppliers, who supply components to OEMs in the automotive industry. In addition to licensing revenue, product sales can generate revenue through customer-specific adaptations, as well as service and upgrades.

Operations

The company is currently engaged in the development of BlincVision, an anti-collision system that prevents road accidents between vehicles and unprotected road users. Product development is carried out in a close partnership with leading actors in software and hardware development, as well as actors in the automotive industry. BlincVision is based on cutting edge sensor technology that uses four-dimensional image analysis to identify objects in traffic. BlincVision is a complete "turnkey" system consisting of three main components: a laser scanner module, ultra-fast sensors and AI-based object identification. Together, these components

allow BlincVision to identify objects in record time and enable vehicles to take actions to avoid dangerous situations with unprotected road users. Terranet tests and evaluates a variety of sensor technologies. What these technologies have in common is that they must meet the company's high demands for ultra-fast reaction time, and they must be able to be optimally integrated into the BlincVision system. In its most advanced form, BlincVision is based on VoxelFlow technology, which is a patented triangulation method based on event sensors. Terranet holds an exclusive global license to develop this technology for the automotive industry. The ADAS technology that is currently available on the market is primarily developed to protect vehicle users in the event of accidents with other vehicles. BlincVision, on the other hand, is developed to ensure the safety of all unprotected road users in city traffic. BlincVision's unprecedented speed and precision offer a significant advantage over short distances in traffic. It places Terranet in a unique position in the market since it has the potential to save more lives in city traffic, unlike existing ADAS systems. The company also develops collision-warning software and algorithms for positioning using 5G technology, as well as for communication between vehicles and between vehicles and other objects (V2X).

Read more at: www.terrannet.se

Terranet AB (publ)

Corp. reg. no. 556707-2128

Mobilvägen 10, 223 62 Lund

Staff

The number of employees in the Group as of September 30, 2024 was 16 (12). Temporary workers, full-time consultants and those on parental leave have been excluded. The company continues to recruit more engineers.

Risks and uncertainties

The Group's and the Parent Company's business risks and risk management, as well as financial risk management, are described in detail in the Annual Report for 2023, which was submitted in April 2024. No events of material importance to Terranet have occurred since then that affect or change these descriptions of the Group's or the Parent Company's risks and their management.

The company has a negative cash flow from operating activities and will have a need for future capital injections until positive cash flows are achieved. Through the directed share issue during the first quarter of 2024 and the capital injection from TO7 B during the second quarter of 2024, the Company has received cash and cash equivalents that ensure operations at least until end of 2024.

In connection with the receipt of the proceeds from TO7 B, a partial repayment of the loan was made to the external lender. Furthermore, an agreement was reached on an extension of the remaining loans, MSEK 8, until June 30, 2025.

During the period 18–29 November, holders of warrants of series TO8 B can subscribe for purchase of new shares at a predetermined price of SEK 0.14. Upon full exercise of the outstanding warrants, the company will receive approximately MSEK 19.6.

According to the agreement with the company's external lender, 50% of the proceeds from TO8 B shall be used for repayment of the loan. In the event of full utilization of TO8 B, the loan will therefore be repaid in full. The company would then have a

remaining liquidity equivalent to approximately one quarter's cash flow.

Taking into account current cash flow, a full exercise of the warrants of series TO8 B and subsequent repayment of loans to our external lender, additional funds will be needed, depending on any revenues the company can start generating from commercialization or collaboration agreements, to ensure operations in the coming financial year. A prerequisite for continued operations during the coming twelve-month period is that the company continues to succeed in its work with capital raising and commercialization.

In light of the great progress achieved during the year, both in product development and in business development, it is the Board's assessment that financing of the business is feasible. In the event that the Company does not succeed in continuing to finance the business, there may be a material uncertainty factor regarding the Company's ability to continue operations.

The parent company

Terranet AB (publ), having corporate identification number 556707-2128, is a limited company registered in Sweden with its registered office in Lund. The company's B shares are listed on Nasdaq First North Premier Growth Market. The address of the main office is Mobilvägen 10, 223 62 Lund.

During the first nine months, the parent company made a shareholder contribution to Terranet Tech AB of TSEK 22,500, corresponding to a write-down of the shares in Terranet Tech AB. The write-down does not affect the Group's balance sheet or cash flow.

The parent company leads and administrates operations and financing activities and does not conduct any operating activities; reference is therefore made to information for the group in general.

Accounting principles

This interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting". Disclosures in accordance with IAS 34 are disclosed in notes or elsewhere in the interim report.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, "Accounting for Legal Entities". In doing so, the Parent Company applies the same accounting principles as the Group where applicable.

The accounting principles and calculation methods applied are in accordance with those described in the Annual Report for 2023. New standards and interpretations that entered into force on January 1, 2024 have not had any effect on the Group's or the Parent Company's financial statements for the period.



Financial overview

(Comparison values relates to the same period in 2023)

Revenue

Revenues for the third quarter amounted to TSEK 0 (216). For the nine-month period, revenues amounted to TSEK 282 (629) and consist of contributions from Vinnova.

Operating profit/loss

Capitalized development expenses during the third quarter amounted to TSEK 927 (504) and to TSEK 2,589 (1,852) for the nine-month period and consists entirely of capitalized expenses for own personnel. Personnel costs for the third quarter amounted to TSEK 4,335 (4,231) and for the nine-month period, personnel costs amounted to TSEK 15,504 (12,431), the increase is mainly due to an increase in the number of employees compared to the same period last year. Other external costs increased compared with the previous year and amounted to TSEK 4,225 (3,170) during the quarter and to TSEK 12,539 (14,658) during the nine-month period. The decrease is partly due to the hiring of resources instead of the purchase of consulting services, as well as to projects of a one-off nature that were carried out during the first half of 2023.

Operating profit for the third quarter amounted to TSEK -7,987 (-7,925) and for the nine-month period to TSEK -26,253 (-26,707).

Depreciation and write-downs of intangible assets during the third quarter amounted to TSEK 57 (928), depreciation of property, plant and equipment amounted to TSEK 55 (68) and depreciation of assets with rights of use amounted to TSEK 242 (243).

Depreciation of intangible assets during the nine-month period amounted to TSEK 169 (1,042), depreciation of property, plant and equipment amounted to TSEK 184 (223) and depreciation of assets with rights of use amounted to TSEK 728 (696).

Financial expenses

The financial costs, TSEK 815 (1,140) during the third quarter and TSEK 3,254 (3,907) during the nine-month period, mainly related to interest expenses on the loan of MSEK 35 originally raised in April 2021 to finance the acquisition of shares in holoride GmbH.

Interest expenses attributable to right-of-use assets amounted to TSEK 61 (82) for the third quarter and for the nine-month period to TSEK 200 (253).

Taxes

The Group's effective tax rate was 0% (0%). The Group has significant accumulated pre-income deductions, but no deferred tax assets are recognized in respect of these.

Profit/loss for the period

Profit for the third quarter amounted to TSEK -9,052 (-8,740) and for the nine-month period to TSEK -29,063 (-30,289).

Earnings per share before and after dilution amounted to SEK -0.01 (-0.01) for the third quarter and to SEK -0.03 (-0.07) for the nine-month period.

Cash flow

Cash flow from operating activities during the third quarter amounted to TSEK -6,751 (-6,358) and for the nine-month period to TSEK -27,448 (-25,688).

Cash flow from investing activities during the quarter amounted to TSEK -1,002 (-716) and during the nine-month period to TSEK -3,122 (-2,366) and consists of capitalization of development expenses, costs for patents and acquisition of equipment.

Cash flow from financing activities amounted to TSEK -243 (18,872) during the quarter and to TSEK 14,405 (35,509) during the nine-month period.

The inflow during the nine-month period consists of SEK 10.0 million from the directed share issue during the first quarter, SEK 12.6 million from the issue of shares in connection with the redemption of warrants of series TO7B and an amortization of the loan debt of SEK 6.9 million during the second quarter.

Financial position and liquidity

(Comparison values as of 31/12/2023)

At the end of the period, total assets amounted to TSEK 45,607 (60,227), equity amounted to TSEK 21,658 (28,749) and the equity/assets ratio amounted to 47.5% (47.7%).

Financial fixed assets amount to TSEK 5,430 (5,430), which refers to the investment of shares in Summer Robotics Inc. made in 2022. In connection with the preparation of the annual report for 2023, depending on the insolvency situation in which holoride GmbH has ended up, a write-down of the value of the company's holding in holoride GmbH

was made by TSEK 32,658 in the Group and by TSEK 33,545 in the Parent Company to TSEK 0. The opening balances for the Company's financial assets have thus been adjusted compared to the Year-end report for 2023. The financial outcome of holoride GmbH's situation is not yet finalized.

The carrying amount of the Group's loan liabilities amounted to TSEK 7,700 (15,538), which in its entirety refers to the loan of MSEK 35 (nominal amount) that was raised to finance the investment in holoride GmbH in 2021. In connection with receiving the proceeds from warrant series TO7 B, a partial repayment of the loan debt of approximately MSEK 9.5 including accrued interest was made. During June, a refinancing of the remaining part of the loan was also agreed with 30th of June 2025 as new maturity date.

Of the interest-bearing liabilities, lease liabilities amount to TSEK 993 (958). The company has signed a new lease agreement for premises in Lund. The agreement, which will enter into force on February 1, 2025, has a term of six years and future undiscounted cash flows from the agreement amount to MSEK 8.1.

At the end of the period, the Group's cash and cash equivalents amounted to TSEK 12,861 (29,006). For risks related to financing and going concern, see the section Risks and uncertainties.

Related party transactions

Purchases of TSEK 163 were made from Prevas Development AB during the interim period. Magnus Edman is a member of the Board of Directors of Terranet AB and CEO of Prevas Development AB

Key figures

(Amounts in TSEK unless otherwise indicated)	2024	2023	2024	2023	2023
	3 months	3 months	9 months	9 months	12 months
	July-	July-	January-	January-	January-
	September	September	September	September	December
Undiluted EPS (SEK)	-0,01	-0,01	-0,03	-0,07	-0,15
Diluted EPS (SEK)	-0,01	-0,01	-0,03	-0,07	-0,15
Number of shares on balance sheet date	1 071 032 732	639 385 860	1 071 032 732	639 385 860	755 145 869
Average number of shares	1 071 032 732	638 274 122	944 513 302	437 001 465	493 404 984
Equity/asset ratio (%)	47,5	67,8	47,5	67,8	47,7
Operating profit/loss	-7 987	-7 925	-26 253	-26 707	-35 926
Profit/loss for the period	-8 734	-8 740	-29 063	-30 289	-73 153

Definitions

Undiluted EPS	The profit/loss after tax for the period attributable to the parent company's shareholders divided by the weighted average of outstanding shares during the period.
Diluted EPS	The profit/loss after tax for the period attributable to the parent company's shareholders divided by the weighted average of outstanding shares during the period plus shares that are added if all potential shares which can cause a dilutive effect are converted into shares. If the result is negative, the dilutive effect is not factored into the calculation, as this would mean that earnings per share would improve. Only option programs with an issue price below the average share price for the period can cause a dilutive effect.
Average number of shares	Calculated as the volume-weighted average quantity during the period
Average number of shares	The average number of outstanding shares during the period
Equity/asset ratio	Equity at the close of the period as a percent of total assets at the close of the period.
Earnings before interest and taxes (EBIT)	Profit/loss before financial items and tax.
Profit/loss for the period	Profit/loss after tax for the period.

Summary consolidated income statement

(Amounts in TSEK)	2024	2023	2024	2023	2023
	3 months	3 months	9 months	9 months	12 months
	July- September	July- September	January- September	January- September	January- December
Other operating revenue	0	216	282	629	834
Activated work for own account	927	504	2 589	1 852	2 564
<i>Operating expenses</i>					
Other external expenses	-4 225	-3 170	-12 539	-14 658	-18 668
Staff costs	-4 335	-4 231	-15 504	-12 431	-18 195
Depreciation and write-offs of tangible and intangible fixed assets	-354	-1239	-1 081	-1961	-2 331
Other operating costs	0	-5	0	-138	-130
Operating profit/loss	-7 987	-7 925	-26 253	-26 707	-35 926
Financial income	68	325	444	325	600
Financial costs	-815	-1140	-3 254	-3 907	-5 132
Profit/loss before tax	-8 734	-8 740	-29 063	-30 289	-40 458
Tax on profit/loss for the period	0	0	0	0	-37
Profit/loss for the period attributable to the parent company's shareholders	-8 734	-8 740	-29 063	-30 289	-40 495
Earnings per share, SEK					
Undiluted EPS	-0,01	-0,01	-0,03	-0,07	-0,15
Diluted EPS	-0,01	-0,01	-0,03	-0,07	-0,15

The Group's summary statement of comprehensive income

(Amounts in TSEK)	2024	2023	2024	2023	2023
	3 months	3 months	9 months	9 months	12 months
	July- September	July- September	January- September	January- September	January- December
Profit/loss for the period	-8 734	-8 740	-29 063	-30 289	-40 495
Other comprehensive income	0	-13	-23	9	-7
Comprehensive income for the period attributable to the parent company's shareholders	-8 734	-8 753	-29 086	-30 280	-40 502

Summary consolidated statement of financial position

(Amounts in TSEK)	2024-09-30	2023-12-31	2023-09-30
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalised development costs	19 471	16 881	16 169
Patents and trademarks	2 136	1 954	2 011
<i>Property, plant and equipment</i>			
Right of use assets	2 366	3 095	3 337
Equipment	327	331	361
<i>Financial assets</i>			
Long-term securities	5 430	5 430	38 088
Other long-term receivables	167	164	170
Total fixed assets	29 897	27 855	60 136
Current assets			
Accounts receivables	0	0	0
Other receivables	1258	874	584
Prepaid expenses and accrued revenue	1 591	2 492	2 034
Cash and cash equivalents	12 861	29 006	34 179
Total current assets	15 710	32 372	36 797
TOTAL ASSETS	45 607	60 227	96 933
EQUITY AND LIABILITIES			
Equity			
Share capital	10 710	7 551	6 394
Other capital contribution	468 198	449 362	444 610
Translation reserve	-30	-7	9
Profit/loss carried forward	-428 157	-355 004	-355 004
Profit/loss for the period	-29 063	-73 153	-30 289
Equity attributable to the parent company's shareholders	21 658	28 749	65 720
Long-term liabilities			
Lease liabilities	1652	2398	2645
Lease liabilities	4 838	0	0
Total long-term liabilities	6 490	2 398	2 645
Current liabilities			
Loans payable	7 700	15 538	17 455
Lease liabilities	993	958	937
Accounts payable	1451	1178	612
Tax liabilities	38	38	0
Other liabilities	3 201	7 229	6 912
Accrued expenses and prepaid revenue	4 076	4 139	2 652
Total current liabilities	17 459	29 080	28 568
TOTAL EQUITY AND LIABILITIES	45 607	60 227	96 933

Summary consolidated statement of changes in equity

Attributable to the parent company's shareholders

(Amounts in TSEK)	2024-09-30	2023-12-31	2023-09-30
Opening balance	28 749	48 382	48 382
Profit/loss for the period	-29 063	-73 153	-30 289
Other comprehensive income	-23	-7	9
New cash issue	22 631	62 813	56 562
Offset issue	0	2045	2046
Received option premiums	0	0	0
Issue costs	-636	-11 331	-10 990
Closing balance	21 658	28 749	65 720

Summary consolidated cash flow statement

(Amounts in TSEK)	2024	2023	2024	2023	2023
	3 months	3 months	9 months	9 months	12 months
	July- September	July- September	January- September	January- September	January- December
Operating activities					
Operating profit/loss	-7 987	-7 925	-26 253	-26 707	-35 926
Adjustments for items not included in the cash flow:					
Depreciation and write-offs	354	1 239	1 081	1 961	2 331
Other non-cash items	103	103	309	309	451
Interest received	0	0	0	0	600
Paid interest and other financial expenses	-389	-103	-3 692	-1 075	-2 444
Cash flow from operations before changes in working capital	-7 919	-6 686	-28 555	-25 512	-34 988
Changes in working capital					
Changes in operating receivables	660	1 055	652	550	-665
Change in operating liabilities	508	-727	455	-726	1 544
Cash flow from operations	-6 751	-6 358	-27 448	-25 688	-34 109
Investing activities					
Capitalisation of development costs	-927	-504	-2 589	-1 852	-2 564
Capitalisation of patents and trademarks	-40	-17	-351	-75	-75
Acquisition of tangible assets	-35	-25	-182	-269	-310
Investment in financial assets	0	0	0	0	0
Paid deposit	0	-170	0	-170	-170
Cash flow from investing activities	-1 002	-716	-3 122	-2 366	-3 119
Financing activities					
New share issue	0	16 172	22 631	56 562	62 813
Issue costs	0	-3 396	-636	-8 944	-9 286
Received option premiums	0	0	0	0	0
New loans	0	6 318	0	6 318	6 318
Repaid loans	0	0	-6 879	-17 805	-19 479
Amortisation of lease liabilities	-243	-222	-711	-622	-848
Cash flow from financing activities	-243	18 872	14 405	35 509	39 518
Cash flow for the period	-7 996	11 798	-16 165	7 455	2 290
Cash and cash equivalents at the start of the period	20 863	22 388	29 006	26 715	26 715
Exchange rate differences in cash and cash equivalents	-6	-7	20	9	1
Cash and cash equivalents at the close of the period	12 861	34 179	12 861	34 179	29 006

Summary parent company income statement

(Amounts in TSEK)	2024	2023	2024	2023	2023
	3 months	3 months	9 months	9 months	12 months
	July-	July-	January-	January-	January-
	September	September	September	September	December
Net sales	1 760	0	3 851	0	0
<i>Operating expenses</i>					
Other external expenses	-1 370	-392	-5 302	-2 400	-3 207
Staff costs	-1 024	0	-4 856	0	0
Operating profit/loss	-634	-392	-6 307	-2 400	-3 207
Financial income	68	325	443	325	509
Depreciation of shares in group companies	-5 000	-3 000	-22 500	-23 800	-25 800
Write down of long-term investments	0	0	0	0	-33 545
Financial costs	-428	-1 037	-2 533	-3 633	-4 681
Total financial items	-5 360	-3 712	-24 590	-27 108	-63 517
Profit/loss before tax for the period	-5 994	-4 104	-30 897	-29 508	-66 724
Tax on profit/loss for the period	0	0	0	0	0
Profit/loss for the period	-5 994	-4 104	-30 897	-29 508	-66 724

Summary parent company statement of comprehensive income

(Amounts in TSEK)	2023	2022	2023	2022	2022
	3 months	3 months	9 months	9 months	12 months
	July-	July-	January-	January-	January-
	September	September	September	September	December
Profit/loss for the period	-5 994	-4 104	-30 897	-29 508	-66 724
Other comprehensive income	0	0	0	0	0
Comprehensive income for the period	-5 994	-4 104	-30 897	-29 508	-66 724

Summary parent company balance sheet

(Amounts in TSEK)	2024-09-30	2023-12-31	2023-09-30
ASSETS			
Financial assets			
Shares in group companies	57 011	57 011	57 011
Other long-term securities	5 430	5 430	38 975
Other long-term receivables	0	0	0
Total fixed assets	62 441	62 441	95 986
Current assets			
Other receivables	111	8	0
Prepaid expenses and accrued revenue	678	223	602
Cash on hand	10 921	28 268	27 464
Total current assets	11 710	28 499	28 066
TOTAL ASSETS	74 151	90 940	124 052
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	10 710	7 551	6 394
<i>Non-restricted equity</i>			
Share premium reserve	468 198	449 362	444 610
Profit/loss carried forward	-381 719	-314 995	-314 995
Profit/loss for the period	-30 897	-66 724	-29 508
Total equity	66 292	75 194	106 501
Current liabilities			
Loans payable	7 700	15 538	17 455
Accounts payable	449	7	2
Liabilities to group companies	94	94	94
Other short-term liabilities	516	0	0
Accrued expenses and prepaid revenue	865	107	0
Total current liabilities	9 624	15 746	17 551
TOTAL EQUITY AND LIABILITIES	75 916	90 940	124 052

Not 1 Equity

Warrant program 2022/2025:1

The 2022 Annual General Meeting resolved to introduce incentive program 2022/2025:1 through the issue of warrants to the company, which would then be transferred to employees within the company and the group. A total of 9,850,000 warrants of series 2022/2025:1 was issued to the company for transfer to employees, with each warrant entitling the holder to the subscription of one new B share during the period 1 October 2025 through 31 October 2025, or an earlier date stipulated in the terms of the warrants, at a subscription price of SEK 2.50. The CEO has the option to acquire a maximum of 2,500,000 warrants; other members of the management (max 3 people) may acquire up to 1,250,000 warrants, and other employees (max 12 people) may acquire a maximum of 300,000 warrants each.

The warrants are acquired at market value, which has been calculated by an independent valuation institute at SEK 0.12 per warrant. CEO Magnus Anderson has fully exercised his warrant rights totaling 2,500,000 warrants at SEK 0.17. The difference between the subscription prices within the program was due to the fact that external valuation was performed at the time of the respective acquisition. In addition, 315,000 warrants of series 2022/2025:1 have been acquired by individuals in non-executive positions. In total, the company raised TSEK 613 from the program in the previous financial year.

Warrant program 2022/2025:2

In accordance with the proposal by shareholder Maida Vale Capital AB, the 2022 Annual General Meeting resolved to adopt incentive program 2022/2025:2 through the issue of warrants to the company, which would then be transferred to the company's board members. A total of 5,000,000 warrants were issued to the company for transfer to board members. Each warrant entitles board members to the subscription of one new B share between 1 May 2025 through 31 May 2025, or an earlier date as stipulated in the terms of the warrants, at a subscription price of SEK 1.75.

Excluding Anders Blom, the company's board consists of five members, each of whom is entitled to acquire a maximum of 1,000,000 Print name- Options. The warrants were acquired at market value, which has been calculated by an independent valuation institute at SEK 0.16 per warrant. Magnus Edman and Göran Janson have exercised 100% of their warrant rights and Karolina Bjurehed has exercised 87.5%. Anders Blom was not eligible for the program as he is a representative for the shareholder Maida Vale Capital AB, which submitted the proposal to the meeting. In total, the company raised TSEK 460 from the program in the previous financial year.

Directed issue of units

On 12 January 2024, the company announced that the board had adopted a resolution to carry out a directed issue of units amounting to approximately MSEK 10 to a number of previously consulted investors, including existing shareholders. A total of 71,428,569 units were issued, with each unit consisting of two (2) B shares and one (1) warrant of series T08. The subscription price per unit amounted to SEK 0.14, which corresponds to SEK 0.07 per share. The subscription price in the directed issue was set after negotiations with the subscribers and corresponded to a discount of approximately 9.23 percent in relation to the volume-weighted average price of the company's share on the Nasdaq First North Premier Growth Market between 27 December 2023 and 10 January 2024. The board considers the subscription price to be in line with the market. The directed issue was decided in two stages. The first part was decided with the authorization of the AGM on 10 May 2023 and corresponds to approximately MSEK 7.75 (the "first issue"). The third part was decided by a resolution of the board (subject to the approval of the general meeting) and corresponds to approximately MSEK 2.25. ("the third issue"). The shareholder Maide Vale Capital AB has the right to subscribe to units in the third issue (a company partially controlled by board member Anders Blom). The Third Issue was approved by the extraordinary general meeting on 31 January.

Warrant program T07 B.

The warrants of series T07 B were issued in connection with the rights issue 2023 where one unit consisted of one share of series B, one warrant of series T06 B and one warrant of series T07 B. The exercise period for the exercise of the warrants of series T07 took place during the period 20 May 2024 up to and including 3 June 2024. The subscription price per Class B share upon exercise of the warrants of series T07 was set at SEK 0.073. A total of 173,029,725 warrants of series T07 were exercised for subscription of 173,029,725 Class B shares, meaning that approximately 95 percent of the outstanding warrants of series T07 were exercised for subscription of Class B shares. Through the exercise of the warrants of series T07, Terranet will receive approximately SEK 12.6 million before issue costs.

Warrant program T08 B.

The warrants that the company transferred free of charge to all shareholders in order to provide partial compensation to shareholders for the dilution resulting from the directed issue, can be exercised for the subscription of new shares from 18 November 2024 to 29 November 2024. Each warrant of series T08 B entitles the holder to the subscription of one (1) new B share in the company. The subscription price for the subscription of shares through the exercise of warrants of series T08 B amounts to SEK 0.14. In the event of full utilization of T08 B, the company will receive approximately SEK 19.6 million.

Financial calendar

2024

31 January	Extra General Meeting	21 May	Annual General Meeting 2024
22 February	Year-end report 2023	15 August	Interim Report Q2 2024
30 April	Annual Report 2023	7 November	Interim Report Q3 2024
7 May	Interim Report Q1 2024		

2025

6 February	Year-end report 2024	8 May	Interim Report Q1 2025
25 April	Annual report 2024	22 May	Annual General Meeting 2025

This interim report has been reviewed by the company's auditors.

The Board of Directors and the CEO certify that the interim report gives a true and fair view of the Parent Company's and the Group's operations, financial position and results and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Lund November 7 2024

Torgny Hellström
Chairman

Anders Blom
Board member

Magnus Edman
Board member

Mats Fägerhag
Board member

Nils Wollny
Board member

Tarek Shoeb
Board member

Magnus Andersson
CEO

Review report (THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL)

Terranet AB (publ), corporate identity number 556707-2128

To the Board of Directors of Terranet AB (publ)

Introduction

We have reviewed the condensed interim report for Terranet AB (publ) as at September 30, 2024 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Significant uncertainty factors regarding the assumption of going concern

We would like to draw attention to the information provided in the interim report under the section “Risks and uncertainty factors”, page 13 where it appears the group’s continued operations are dependent on new financing to ensure continued operations. Should the measures that the Board of Directors plans to implement not be able to be implemented, there is a significant uncertainty factor regarding the company’s ability to continued operations. Our statement is not modified in this regard.

Malmö, 7 November 2024

Ernst & Young AB

Martin Henriksson

Authorized Public Accountant

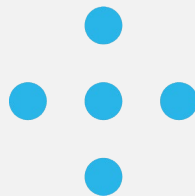
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This information is information that Terranet AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8.30 a.m. CET on November 7 2024.



Safety at the blink of an eye

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