

Q3

QUARTERLY REPORT
JANUARY - SEPTEMBER 2025



Significant events during the third quarter

First evaluation agreement and delivery of BlincVision's MVP

An evaluation agreement was signed with an innovation partner in the automotive industry, and BlincVision was then delivered as an MVP (Minimum Viable Product) for external evaluation. The evaluations are expected to lead to deeper dialogues that pave the way for future business opportunities.

Participation in international industry events

During the quarter, Terranet increased its market presence by participating in industry events in the United States, Germany, and Sweden. The company exhibited at the ADAS & Autonomous Vehicle Technology Expo, Drive Sweden Forum, and Auto.AI Europe.

Patent approval – strengthens the protection of BlincVision

The company has been granted a Swedish patent for a method that analyzes motion using data from event cameras. The patent strengthens Terranet's IP portfolio and marks an important step in the development of BlincVision. The Swedish approval also forms the basis for corresponding patent applications in Europe, the United States, and China.

Significant events after the end of the period

Additional evaluation agreements signed

A new evaluation agreement in the autonomous vehicle industry strengthens BlincVision's position within advanced driver assistance and autonomous systems. At the same time, an agreement with an international industrial group marks a strategic expansion of the technology's applications beyond the automotive sector.

Plan for 2026

In 2026, the company will focus on three main areas: continued business development of BlincVision for automotive applications, development of solutions for new use cases beyond the automotive sector through partner collaborations, and strengthened IP and patent protection.

Additional patent approval

Terranet received notice that the company has been granted another Swedish patent for a method that improves input data to an AI-generated model for analyzing motion patterns. The patent applies in Sweden, and the company now plans to file corresponding applications internationally.

Financial overview

	Jul – Sept 2025	Jul – Sept 2024	Jan – Sept 2025	Jan – Sept 2024	Jan – Dec 2024
Revenue (TSEK)	0	0	0	282	283
Operating result (TSEK)	-9,526	-7,987	-29,671	-26,253	-35,808
Financial items (TSEK)	-3,882	-747	-5,203	-2,810	-3,292
Earnings per share (SEK)	-0.01	-0.01	-0.03	-0.03	-0.04
Closing cash (TSEK)	9,733	12,861	9,733	12,861	18,541



Comment from the CEO

”First delivery of our MVP –
an important step toward bringing BlincVision to market”

Terranet continues its journey toward the market with clear direction. The first MVP has been delivered and was tested in a partner’s environment. With strengthened patent protection, new evaluation agreements, and growing interest from the industry, we are steadily moving closer to commercialization.

First delivery of BlincVision MVP

Our first MVP delivery marks the main progress this quarter. BlincVision has now been delivered for evaluation to an innovation partner in the automotive industry, where the technology was put to the test in their environment.

The opportunity for evaluations opens up deeper dialogues with potential customers and strengthens our position on the path toward commercial use. Interest in BlincVision is increasing as the technology can now be demonstrated and evaluated by partners.

Presence at leading industry events

We have increased our efforts in marketing and business development to strengthen our position and create conditions for future growth. During the summer, we took part in Auto.AI and Safety.AD USA in San Francisco, key meeting places for leading industry players in AI, traffic safety, ADAS and autonomous driving. These were rewarding days with many interesting meetings and new contacts that strengthen our presence in the North American market.

Throughout the autumn, we have continued to be visible at several important forums, including Auto.AI Europe in Berlin, as well as Drive Sweden Forum and Sweden's Traffic Safety Days in Gothenburg. Interest in our MVP is strong, confirming that BlincVision is timely and well positioned.

New evaluation agreements and growing interest

After the end of the quarter, Terranet signed an evaluation agreement with an international industrial group holding leading positions in several technology fields. The agreement marks an important strategic expansion of BlincVision's areas of use, as the technology will now be tested in an industrial environment outside the automotive sector.

We have also signed an evaluation agreement with a company in the autonomous vehicle industry.

This is an important step toward showing how our technology can make a difference in developing the traffic-safe vehicles of the future. From the very

beginning, BlincVision has been developed with a clear goal: to save lives in traffic.

Our MVP has been developed with a focus on the automotive industry, but its design and functionality make it flexible for other types of applications as well. Dialogues with potential customers are ongoing across several verticals, and additional evaluation agreements are expected to be signed continuously over the coming quarters.

Strengthened patent protection for BlincVision

After the end of the quarter, Terranet received notice that the company has been granted an additional Swedish patent for a method that improves input data to an AI-generated model for motion pattern analysis. Terranet has a clear focus on building strong patent protection related to event cameras and real-time perception. The patent applies in Sweden, and we now plan to submit corresponding applications internationally. This strengthens our position and contributes to increasing BlincVision's commercial value.

Focus ahead – toward commercialization

It has been a quarter marked by strong engagement across the organization to finalize and deliver the MVP version. We have now communicated the company's plan for 2026, with a focus on commercialization – building on established customer relationships, deepening collaborations, and turning technological progress into real business opportunities.

Lars Lindell

CEO

Lund October 24, 2025



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

Behind many traffic accidents are human mistakes, a moment of distraction, a single second that changes everything.

With groundbreaking technology that spots danger in an instant, we create safety where it matters most. Every meter counts. Every second can change everything.

Bringing our loved ones home

Statistics and global initiatives drive road safety forward

According to the World Health Organization (WHO), road traffic crashes kill about 1.2 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. *

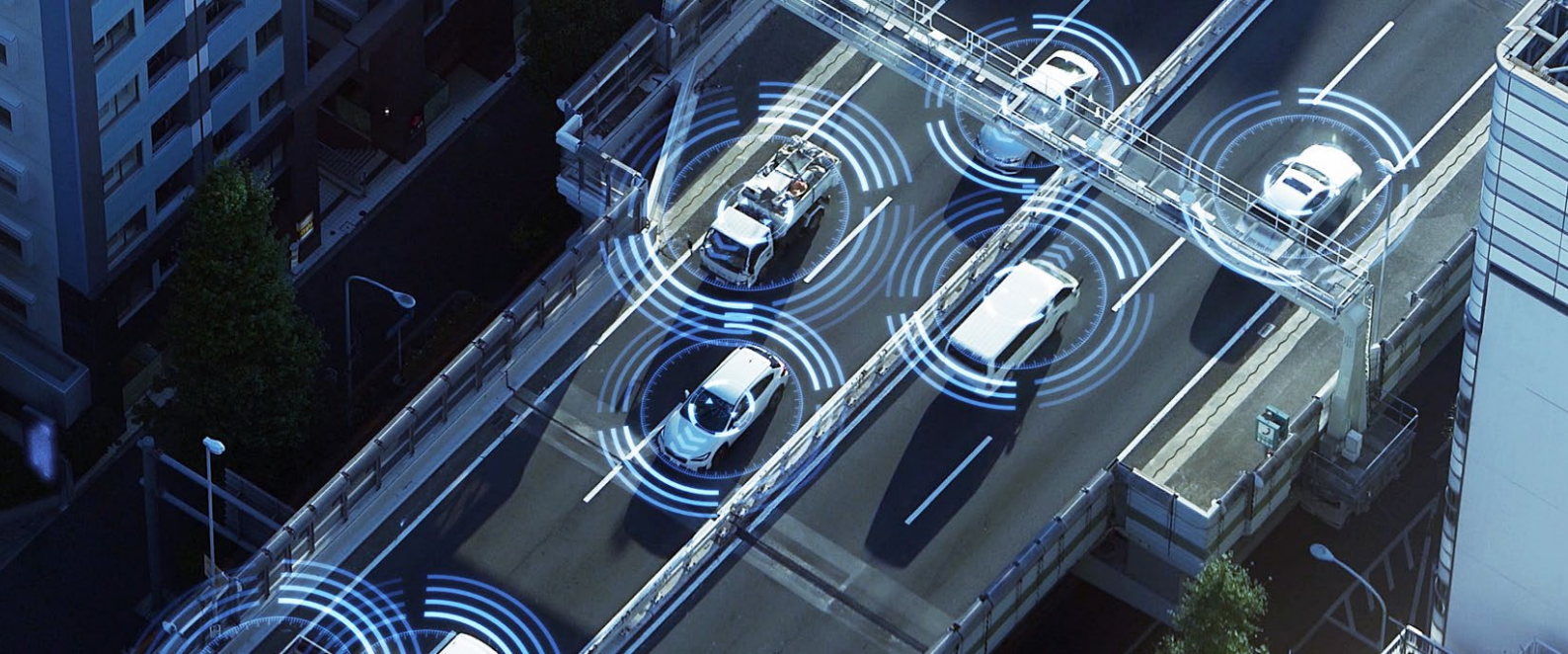
Already in the 1990s, the Vision Zero strategy was introduced in Sweden with the goal that no one should be seriously injured or killed in traffic. With the understanding that people make mistakes, roads and vehicles should be adapted to human conditions. Vision Zero has been successful throughout Europe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

Terranet is positioned within the rapidly evolving segment of the automotive industry focused on advanced driver assistance systems (ADAS) and autonomous driving (AD). These markets are driven by global urbanization, increasing demand for safe and efficient transportation systems, and rapid technological progress in sensors, AI, and data processing.

Market conditions for advanced driver assistance systems and autonomous driving are changing quickly. The ADAS segment is characterized by a more cautious market climate, new regulations, and a stronger focus on cost efficiency and safety. At the same time, the industry is accelerating in autonomous driving, driven by advances in AI, sensor technology, and data processing. Driver assistance systems are evolving fast and increasingly approaching functions that were previously limited to self-driving vehicles.

As vehicles become more autonomous, the need for sensors that can react instantly and perform reliably even in complex environments grows. BlincVision is developed precisely for this purpose — to improve safety for vulnerable road users through faster detection in critical situations.

BlincVision can be used both as a standalone system and as a complement to, for example, lidar, radar, and traditional cameras. In sensor fusion systems, BlincVision contributes information that enhances the vehicle's ability to make fast and accurate decisions in critical traffic situations.

At the same time, the need for fast and reliable object detection is growing beyond the automotive industry. More and more sectors are facing the same challenge — to detect and respond to movement in time to create safer and more efficient environments. Here, BlincVision's technology has the potential to make a real difference. In industrial automation and logistics, it can contribute to safer and more efficient production flows. In defense, the technology enables faster decision-making and increased situational awareness, while in agriculture, it can be used to detect obstacles during automated machine operation or to create safer working environments. By exploring these areas, Terranet broadens its market and opens up new collaborations where rapid detection creates tangible value.

BlincVision moves closer to the market

During the third quarter, Terranet delivered its MVP (Minimum Viable Product) version of the anti-collision system BlincVision to an innovation partner in the automotive industry for external evaluation. The delivery marks the beginning of a new phase where product development and market activities run in parallel – with continued technical refinement combined with evaluations in real-world environments and close dialogue with partners.



Extensive work has been devoted to refining the overall product experience. The system has been further developed to become more robust and user-friendly. Improvements have been made in product design, user interface, and documentation. The system's environmental durability has also been strengthened with the goal of creating a solution that operates reliably in rain, dirt, and other challenging conditions. The product is designed for easy installation and efficient data management, making testing and analysis smoother in different types of environments.

The delivery of the MVP version marks the beginning of a new phase in which BlincVision is tested and evaluated outside the company. During the quarter, the focus has been on supporting the partner in the evaluation process and gathering

feedback from practical tests. This work represents a step closer to the market, where insights from real-world use guide both technical refinement and future customer dialogues.

The road ahead for 2026

In 2026, the focus will be further strengthened on market activities and partnerships.

- Continued business development of BlincVision for automotive applications with the goal of volume production
- Development of solutions for alternative use cases beyond the automotive sector through customer and partner collaborations
- Strengthened IP and patent protection



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, 2025, Terranet's total market capitalization was MSEK 151. The share capital amounted to SEK 16,580,290.38 divided into 1,083,063 Class A shares and 1,656,945,975 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 0.09 per share, compared to the share price of SEK 0.15 SEK per share at the beginning of the year. The number of shareholders at the end of the quarter was 12,028.

Development of the share capital

	No of shares	Share capital (TSEK)
At the beginning of the year	1 193 741 451	11 937
Directed issue 1	97 557 801	975
Directed issue 2:1	124 664 364	1 247
Rights issue	166 568 568	1 666
Directed issue 2:2	55 555 566	556
Offset issue	19 941 288	199
Per September 30, 2025	1 658 029 038	16 580

Ownership structure

The 10 largest shareholders as of September 30, 2025

Owner	Total	A Shares	B Shares	Ownership %
Försäkringsbolaget Avanza Pension	180 231 375		180 231 375	10,87%
Pereira Mario	71 792 605		71 792 605	4,33%
Nordnet Pensionsförsäkring AB	63 521 035		63 521 035	3,83%
Aleksov Oliver	48 094 081		48 094 081	2,90%
Sandstrom Kristofer	21 442 190		21 442 190	1,29%
Barsum Hanna	21 290 000		21 290 000	1,28%
Kristian Mårtensson	20 342 112		20 342 112	1,23%
Jensen, Morten Skovsby	17 585 410		17 585 410	1,06%
Tommy Ure	15 187 696		15 187 696	0,92%
SKIPSAB	14 088 723		14 088 723	0,85%
Övriga	1 184 453 811	1 083 063	1 183 370 748	71,44%
Total	1 658 029 038	1 083 063	1 656 945 975	100,00%

Operations

Terranet develops technical solutions for advanced driver assistance systems (ADAS) and autonomous driving (AD) 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 Tier 1 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. The need for fast and reliable object detection is also growing outside the automotive industry, which is why Terranet has started pursuing the business opportunities for BlincVision that we have identified in industrial automation, logistics, defense and agriculture, for example.

Operations

The company is currently developing BlincVision, an anti-collision system designed to prevent traffic accidents between vehicles and vulnerable road users.

Product development is carried out in close partnership with leading players in software and hardware development as well as the automotive industry. BlincVision is based on sensor technology that uses four-dimensional image analysis to identify objects in traffic. It is a complete turnkey system consisting of three main components: a laser scanner, ultra-fast sensors, and AI-based object recognition. Together, these enable record-fast object detection, giving the vehicle the ability to act and avoid dangerous situations for vulnerable road users.

Terranet tests and evaluates various sensor technologies, with the requirement that they must have ultra-fast reaction times and be optimally integrable with BlincVision. Existing ADAS technologies on the market are primarily developed to protect drivers from colliding with other vehicles, whereas BlincVision is being developed to ensure the safety of all vulnerable road users in urban traffic. BlincVision's speed and precision provide a major advantage at short distances in traffic. This gives Terranet a unique market position, as the company – unlike existing ADAS systems – has the potential to save more lives in urban environments.

Read more at: www.terranet.se

Terranet AB (publ)
Corp. reg. no. 556707-2128
Mobilvägen 10, 223 62 Lund

Staff

As of September 30, 2024, the number of employees in the Group was 18 (16). Temporary staff, full-time consultants, and employees on parental leave are excluded. The company continues to recruit additional engineers.

Risks and uncertainties

The Group's and the Parent Company's business risks, risk management, and handling of financial risks are described in detail in the 2024 Annual Report, published in April 2025. No events of material significance to Terranet have occurred since then that affect or alter 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 require future capital injections until positive cash flows are achieved.

Financial status

On April 16, the company's Board of Directors resolved to carry out a directed share issue of MSEK 8.8 under the authorization from the 2024 AGM. The Annual General Meeting on May 23 resolved on an additional directed share issue of approximately MSEK 16.2 and a fully guaranteed rights issue of approximately MSEK 15.

During June, the rights issue and most of the directed issue were completed. In total, the company raised MSEK 35.0 during the second quarter. The remaining MSEK 5.0 in the second directed share issue was paid in early July, bringing the company a total of MSEK 40.0 in 2025.

The issues of units also included warrants of series TO9 B, which have a subscription period in December 2025 and which, when fully exercised, can raise an additional MSEK 15. The subscription price for TO9 B is set to SEK 0.18.

With proceeds from the two directed share issues, the rights issue, and a high exercise rate of the TO9 B warrants, the company will have sufficient liquidity to continue operations into the second quarter of 2026.

The company's closing cash position on September 30, amounting to SEK 9.7 million, is not sufficient to support the business's liquidity needs during the coming twelve-month period.

A prerequisite for continued operations is the company's ongoing success in raising capital and commercializing its product. The company's management and board of directors work continuously with liquidity planning and long-term financing of the business.

Given the progress made over the past year, both in product development and business development, the Board assesses that it is possible to secure financing for the company's operations and thus ensure continued operations. Should the company fail to obtain additional financing, there may be a material uncertainty regarding the company's ability to continue as a going concern.

During the current year, the company has paid off the remaining part of the loan from the external lender, where the principal amount at the beginning of the year amounted to SEK 8 million. The loan taken out in connection with the acquisition of the shares in Holoride has now been fully repaid and the company no longer has any debts to external lenders.

The parent company

Terranet AB (publ), corporate identity number 556707-2128, is a public limited company registered in Sweden with its head office in Lund. The company's Class B share is listed on Nasdaq First North Premier Growth Market. The head office is located at Mobilvägen 10, 223 62 Lund.

During the year, the Parent Company provided a shareholder contribution of MSEK 34.5 to Terranet Tech AB, with a corresponding write-down of the shares in Terranet Tech AB. This write-down does not affect the Group's balance sheet or cash flow.

The Parent Company's operations consist of ownership management, financing, and certain management functions. As the Parent Company conducts no other operational activities, reference is made to the Group's information for further details.

Accounting principles

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

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

The accounting principles and calculation methods applied are consistent with those described in the 2024 Annual Report. New standards and interpretations that came into effect on January 1, 2024, have had no impact on the financial statements of the Group or the Parent Company for the period.

Financial overview

(Comparison values relates to the same period in 2024)

Revenue

Revenues for the third quarter amounted to TSEK 0 (0). For the nine-month period, revenues amounted to SEK 0 thousand (282).

Operating profit/loss

Capitalized development expenses during the third quarter amounted to TSEK 1,601 (927) and to TSEK 5,440 (2,589) for the nine-month period and consists entirely of capitalized expenses for own personnel and consultants.

Personnel costs for the third quarter amounted to TSEK 4,941 (4,335) and for the nine-month period personnel costs amounted to TSEK 16,696 (15,504), the increase compared to last year is mainly due to recruitments and the annual salary adjustment.

Other external costs were higher compared to the corresponding period last year and amounted to TSEK 5,648 (4,225) during the quarter and to TSEK 16,882 (12,539) during the nine-month period. The increase is due to an increased activity level, including additional external resources compared to the same period previous year.

Operating profit for the third quarter amounted to TSEK -9,526 (-7,987) and for the nine-month period to TSEK -29,671 (-26,253).

Depreciation of intangible assets during the third quarter amounted to TSEK 56 (57), depreciation of property, plant and equipment amounted to TSEK 78 (55) and depreciation of assets with rights of use amounted to TSEK 411 (242). Depreciation of intangible assets during the nine-month period amounted to TSEK 169 (169), depreciation of property, plant and equipment amounted to TSEK 223 (184) and depreciation of assets with rights of use amounted to TSEK 1,113 (728).

Financial items

The financial costs, TSEK 310 (815) during the third quarter and TSEK 1,676 (3,254) 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. The loan was settled in full during June and hence the financial cost as a whole is lower than previous year.

Summer Robotics Inc, in which Terranet has been a shareholder since 2022, announced before the end of the quarter that it had completed a new financing round. As Terranet has not participated in this funding round, the book value of our holding has been adjusted to reflect our share in the company and the valuation at which the new investors acquired their shares. The impairment of long-term securities holdings in the quarter and in the nine-month period amounts to TSEK 3,573.

Interest expenses attributable to right-of-use assets for the third quarter amounted to TSEK 197(61) and for the nine-month period to TSEK 526 (200).

Taxes

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

Profit/loss for the period

The result for the third quarter amounted to TSEK -13,418 (-8,734) and for the nine-month period to TSEK -34,902 (-29,063).

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

Cash flow

Cash flow from operating activities during the third quarter amounted to TSEK -9,271 (-6,751) and for the nine-month period to TSEK -29,348 (-27,448).

Cash flow from investing activities during the quarter amounted to TSEK -1,655 (-1,002) and during the nine-month period to TSEK -6,090 (-3,122) and consists of capitalization of development expenses, costs for patents and acquisition of equipment.

Cash flow from financing activities amounted to TSEK 3,879 (-243) during the quarter and to TSEK 26,634 (14,405) during the nine-month period. The inflow during the quarter amounting to MSEK 5, related to the issue of shares in the second of the two directed issues.

During the second quarter, a final amortization of the loan debt of MSEK 8.3, including accrued interest, was made. Hence the company no longer have any debt to external lenders.

Financial position and liquidity

(Comparison values as of December 31, 2024)

At the end of the period, total assets amounted to TSEK 49,948 (52,880), equity amounted to TSEK 31,080 (28,735) and the equity/assets ratio amounted to 62,3 (54.3)%.

Financial fixed assets amount to TSEK 1,857 (5,430), which refers to the investment of shares in Summer Robotics Inc. made in 2022. See under Financial items regarding the impairment of financial fixed assets.

The company holds a license for patents in

Voxelflow technology and works continuously, as part of the product development work, to build on the patent protection for BlincVision. Currently, the company has two approved patents and four patent applications filed, and the company expects to file a number of additional patent applications in its technology area during the year. The book value of the company's patent portfolio amounted to TSEK 2,321 (2,211) at the end of the period.

The carrying amount of the Group's net debt per end of the quarter amounted to TSEK 0 (8,118). The loan of MSEK 35 (nominal amount) originally raised to finance the investment in holotide GmbH in 2021 was settled during the third quarter and has now been fully repaid. The company therefore no longer has any loans from external financiers.

Of the interest-bearing liabilities, lease liabilities amount to TSEK 7,136 (2,397). The company has signed a new lease agreement for premises in Lund. The agreement, which entered into force on 1 February 2025, has a term of six years.

At the end of the period, the Group's cash and cash equivalents amounted to SEK 9,733 (18,541) thousand. For risks related to financing and going concern, see the section Risks and uncertainties.

Transactions with related parties

Purchases of TSEK 95 were made from Prevas Development AB during the year. Magnus Edman is a member of the Board of Directors of Terranet AB and CEO of Prevas Development AB. Furthermore, board member Mats Fägerhag has invoiced the company TSEK 13 through his company Fagerhag Consulting AB for consultations, outside the Board work, during the period.

Key figures

(Amounts in TSEK unless otherwise indicated)	2025	2024	2025	2024	2024
	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	-0,03	-0,04
Diluted EPS (SEK)	-0,01	-0,01	-0,03	-0,03	-0,04
Number of shares on balance sheet date	1 658 029 038	1 071 032 732	1 658 029 038	1 071 032 732	1 193 741 451
Average number of shares	1 654 450 439	1 071 032 732	1 365 933 025	944 513 302	985 061 999
Equity/asset ratio (%)	62,2	47,5	62,2	47,5	54,3
Operating profit/loss	-9 526	-7 987	-29 671	-26 253	-35 808
Profit/loss for the period	-13 418	-8 734	-34 902	-29 063	-39 123

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 programmes with an issue price below the average share price for the period can cause a dilutive effect.
Number of shares after dilution	Only option programmes with an issue price below the share price on the balance sheet date/average share price for the period can cause a dilutive effect.
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)	2025 3 months July - September	2024 3 months July - September	2025 9 months January- September	2024 9 months January- September	2024 12 months January- December
Other operating revenue	0	0	0	282	283
Activated work for own account	1601	927	5 440	2 589	3 951
<i>Operating expenses</i>					
Other external expenses	-5 648	-4 225	-16 882	-12 539	-17 248
Staff costs	-4 941	-4 335	-16 696	-15 504	-21 357
Depreciation and write-offs of tangible and intangible fixed assets	-545	-354	-1 505	-1081	-1 432
Other operating items	7	0	-28	0	-5
Operating profit/loss	-9 526	-7 987	-29 671	-26 253	-35 808
Financial income	1	68	46	444	510
Writedown long-term financial assets	-3573	0	-3573	0	0
Financial costs	-310	-815	-1 676	-3 254	-3 802
Profit/loss before tax	-13 408	-8 734	-34 874	-29 063	-39 100
Tax on profit/loss for the period	-10	0	-28	0	-23
Profit/loss for the period attributable to the parent company's shareholders	-13 418	-8 734	-34 902	-29 063	-39 123
Earnings per share, SEK					
Undiluted EPS	-0,01	-0,01	-0,03	-0,03	-0,04
Diluted EPS	-0,01	-0,01	-0,03	-0,03	-0,04

The Group's summary statement of comprehensive income

(Amounts in TSEK)	2025	2024	2025	2024	2024
	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	-13 418	-8 734	-34 902	-29 063	-39 123
Other comprehensive income	-4	0	-27	-23	-16
Comprehensive income for the period attributable to the parent company's shareholders	-13 422	-8 734	-34 929	-29 086	-39 139

Summary consolidated statement of financial position

(Amounts in TSEK)	2025-09-30	2024-12-31	2024-09-30
ASSETS			
Subscribed not paid capital	5000	0	0
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalised development costs	26 273	20 833	19 471
Patents and trademarks	2 321	2 211	2 136
<i>Property, plant and equipment</i>			
Right of use assets	6 679	2 123	2 366
Equipment	423	275	327
<i>Financial assets</i>			
Long-term securities	1 857	5 430	5 430
Other long-term receivables	164	170	167
Total fixed assets	37 717	31 042	29 897
Current assets			
Other receivables	1675	1802	1258
Prepaid expenses and accrued revenue	823	1 495	1 591
Cash and cash equivalents	9 733	18 541	12 861
Total current assets	12 231	21 838	15 710
TOTAL ASSETS	54 948	52 880	45 607
EQUITY AND LIABILITIES			
Equity			
Share capital	16 580	11 937	10 710
Other capital contribution	516 733	484 101	468 198
Translation reserve	-50	-23	-30
Profit/loss carried forward	-467 281	-428 157	-428 157
Profit/loss for the period	-34 902	-39 123	-29 063
Equity attributable to the parent company's shareholders	31 080	28 735	21 658
Long-term liabilities			
Lease liabilities	5854	1404	1652
Other long-term liabilities	2 978	4 378	4 838
Total long-term liabilities	8 832	5 782	6 490
Current liabilities			
Loans payable	0	8 118	7 700
Lease liabilities	1282	993	993
Accounts payable	1107	1122	1451
Tax liabilities	0	0	38
Other liabilities	2 953	2 844	3 201
Accrued expenses and prepaid revenue	4 694	5 286	4 076
Total current liabilities	10 036	18 363	17 459
TOTAL EQUITY AND LIABILITIES	49 948	52 880	45 607

Summary consolidated statement of changes in equity (*)

<i>Attributable to the parent company's shareholders</i>			
(Amounts in TSEK)	2025-09-30	2024-12-31	2024-09-30
Opening balance	28 735	28 749	28 749
Profit/loss for the period	-34 902	-39 123	-29 063
Other comprehensive income	-27	-16	-23
New cash issue	39 991	39 810	22 631
New cash issue, not paid	1 752	0	0
Issue costs	-4 469	-685	-636
Closing balance	31 080	28 735	21 658

*See Note 1 – Equity

Summary consolidated cash flow statement

(Amounts in TSEK)	2025	2024	2025	2024	2024
	3 months	3 months	9 months	9 months	12 months
	July -	July -	January-	January-	January-
	September	September	September	September	December
Operating activities					
Operating profit/loss	-9 526	-7 987	-29 671	-26 253	-35 808
Adjustments for items not included in the cash flow:					
Depreciation and write-offs	545	354	1 505	1 081	1 432
Other non-cash items	104	103	309	309	412
Interest received	1	0	46	0	510
Paid interest and other financial expenses	-310	-389		-3692	-4282
Paid taxes	-10	0	-28	0	-61
Cash flow from operations before changes in working capital	-9 196	-7 919	-27 839	-28 555	-37 797
Changes in working capital					
Changes in operating receivables	259	660	483	652	-342
Change in operating liabilities	-334	508	-517	455	964
Cash flow from operations	-9 271	-6 751	-27 873	-27 448	-37 175
Investing activities					
Capitalisation of development costs	-1601	-927	-5 440	-2 589	-3 951
Capitalisation of patents and trademarks	-41	-40	-279	-351	-482
Acquisition of tangible assets	-13	-35	-371	-182	-182
Paid deposit	0	0	0	0	0
Cash flow from investing activities	-1 655	-1 002	-6 090	-3 122	-4 615
Financing activities					
New share issue	5 000	0	39 991	22 631	39 810
Issue costs	-307	0	-2 717	-636	-685
New loans	0	0	0	0	0
Repaid loans	-471	0	-9 718	-6 879	-6 879
Amortisation of lease liabilities	-343	-243	-922	-711	-959
Cash flow from financing activities	3 879	-243	26 634	14 405	31 287
Cash flow for the period	-7 047	-7 996	-7 329	-16 165	-10 503
Cash and cash equivalents at the start of the period	16 781	20 863	18 541	29 006	29 006
Exchange rate differences in cash and cash equivalents	-1	-6	-4	20	38
Cash and cash equivalents at the close of the period	9 733	12 861	11 208	12 861	18 541

Summary parent company income statement

(Amounts in TSEK)	2025	2024	2025	2024	2024
	3 months	3 months	9 months	9 months	12 months
	July -	July -	January-	January-	January-
	September	September	September	September	December
Net sales	1 125	1 760	3 721	3 851	5 208
Other operating income	0	0	3	0	0
<i>Operating expenses</i>					
Other external expenses	-1 200	-1 370	-3 577	-5 302	-6 630
Personell expenses	-1 152	-1 024	-4 126	-4 856	-6 749
Other operaing expenses	0	0	0	0	-5
Operating profit/loss	-1 227	-634	-3 979	-6 307	-8 176
Financial income	0	68	45	443	509
Write-down of shares in group companies	-12 000	-5 000	-34 500	-22 500	-32 000
Write-down of financial assets	-3 572	0	-3 572	0	0
Financial costs	-1	-428	-815	-2 533	-2 951
Total financial items	-15 573	-5 360	-38 842	-24 590	-34 442
Profit/loss before tax for the period	-16 800	-5 994	-42 821	-30 897	-42 618
Tax on profit/loss for the period	0	0	0	0	0
Profit/loss for the period	-16 800	-5 994	-42 821	-30 897	-42 618

Summary parent company statement of comprehensive income

(Amounts in TSEK)	2025	2024	2025	2024	2024
	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	-16 800	-5 994	-42 821	-30 897	-42 618
Other comprehensive income	0	0	0	0	0
Comprehensive income for the period	-16 800	-5 994	-42 821	-30 897	-42 618

Summary parent company balance sheet

(Amounts in TSEK)	2025-09-30	2024-12-31	2024-09-30
ASSETS			
Financial assets			
Shares in group companies	57 011	57 011	57 011
Other long-term securities	1 857	5 430	5 430
Total fixed assets	58 868	62 441	62 441
Current assets			
Receivables Group companies	469	436	1765
Other receivables	276	352	111
Prepaid expenses and accrued revenue	177	577	678
Cash on hand	7 739	17 815	10 921
Total current assets	8 661	19 180	13 475
TOTAL ASSETS	67 529	81 621	75 916
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	16 580	11 937	10 710
<i>Non-restricted equity</i>			
Share premium reserve	516 733	484 101	468 198
Profit/loss carried forward	-424 337	-381 719	-381 719
Profit/loss for the period	-42 821	-42 618	-30 897
Total equity	66 155	71 701	66 292
Current liabilities			
Loans payable	0	8 118	7 700
Accounts payable	109	208	449
Liabilities to group companies	94	94	94
Other short term liabilities	314	302	514
Accrued expenses and prepaid revenue	857	1198	867
Total current liabilities	1 374	9 920	9 624
TOTAL EQUITY AND LIABILITIES	67 529	81 621	75 916

Not 1 Equity

Warrant program 2022/2025:1

The 2022 Annual General Meeting decided to introduce incentive program 2022/2025:1 through the issuance of warrants to the Company with subsequent transfer to employees within the Company and the Group. A total of 9,850,000 warrants of series 2022/2025:1 were issued to the Company for further transfer to employees, each of which entitles the holder to subscribe for one new Class B share during the period from October 1, 2025, to October 31, 2025, or the earlier date as stipulated by the terms of the warrants, at a subscription price of SEK 2.50.

The CEO was offered to acquire up to 2,500,000 warrants, other management (up to three individuals) were offered to acquire up to 1,250,000 warrants each, and other employees (up to twelve individuals) were offered to acquire up to 300,000 warrants each. The warrants were acquired at market value, which was calculated by an external valuation institute to be SEK 0.12 per warrant.

The former CEO, Magnus Andersson, acquired 100% of his entitled share, i.e., 2,500,000 warrants at SEK 0.17 each. The difference in subscription prices within the program was due to the external valuation being made directly in connection with the time of each acquisition. Additionally, 315,000 warrants of series 2022/2025:1 were acquired by non-executive employees. The Company received a total of SEK 613,000 from the program in 2022.

Directed issue of units

On April 16, 2025, the company announced that the Board of Directors had decided to carry out a directed issue of units amounting to approximately MSEK 25 million to a number of pre-selected investors, including existing shareholders. A total of 8,417,507 units was issued, consisting of thirty-three (33) Class B shares and five (5) warrants of series TO9 B. The subscription price per unit was SEK 2.97, equivalent to SEK 0.09 per share.

The subscription price in the directed issue was determined based on the volume-weighted average price of the company's shares on Nasdaq First North Premier Growth Market during the period April 7 – 11, 2025, representing a premium of approximately 4.0%. The directed issue is decided in two steps. The first part was decided under the authorization from the Annual General Meeting on May 22, 2024, amounting to approximately MSEK 8.8 (the "first directed issue"). The right to subscribe for units in the first directed issue was granted to Hunter Capital and Milad Pournouri.

The second part was resolved by the Board of Directors and approved by the Annual General Meeting on May 23 and amounted to

approximately SEK 16.2 million. (the "Second Directed Issue"). The right to subscribe for units in the second issue was granted to members of the Board of Directors and management, certain existing shareholders and external investors. In total, the company has received SEK 25 million through the two directed share issues.

Rights issue of units

To compensate the shareholders who did not participate in the Directed Share Issues, the Annual General Meeting resolved to approve the Board of Directors' proposal to carry out a Rights Issue of a maximum of 13,880,714 units. The Rights Issue, which was fully subscribed, provided the Company with approximately MSEK 15 before deduction of issue costs.

One unit in the Rights Issue consists of twelve (12) Class B shares and three (3) warrants of series TO9 B. The warrants are issued free of charge. Shareholders on the record date of April 29, 2025, will receive one (1) unit right for each (1) existing Class B share, and eighty-six (86) unit rights will entitle the holder to subscribe for one (1) unit. The subscription price in the Rights Issue will be SEK 1.08 per unit, equivalent to SEK 0.09 per Class B share, which corresponds to the subscription price in the Directed Share Issues.

Participants in the Directed Share Issues did not receive any unit rights in the Rights Issue for the units subscribed through the Directed Share Issues. The subscription period ran from May 27, 2025, to June 11, 2025.

Offset issue

At the beginning of the third quarter, an additional 19,941,288 Class B shares were issued as compensation to the guarantors in the rights issue, Hunter Capital AB and Scaninvest AB.

Warrant program TO9 B

Each warrant of series TO9 B entitles the holder to subscribe for one (1) new Class B share in the Company. One (1) warrant of series TO9 B entitles the holder to subscribe for one (1) Class B share in the Company at a subscription price of SEK 0.18 (equivalent to 200% of the subscription price per Class B share in the Directed Share Issues and the Rights Issue). Subscription for Class B shares with the support of warrants of series TO9 B will take place during the period from December 1, 2025, to December 15, 2025. Upon full exercise of all warrants of series TO9 B within the framework of the offered units, the Company may receive an additional maximum of approximately SEK 15.1 million.

Financial calendar

2025

24 October Quarterly Report Q3 2025

2026

6 February Year-end Report 2025

7 May

Quarterly Report Q1 2026

22 April Annual Report 2025

20 May

Annual General Meeting 2026

This 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 October 24, 2025

Torgny Hellström
Chairman

Anders Blom
Board member

Magnus Edman
Board member

Mats Fägerhag
Board member

Uwe Brandenburg
Board member

Lars Lindell
CEO

For more information, please contact:

Lars Lindell
CEO
+46 72 583 84 28
lars.lindell@terranet.se

The company's Certified Adviser is:
Mangold Fondkommission AB
+46 8 503 015 50
ca@mangold.se

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 8.00 a.m. CET on October 24, 2025.

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Review report

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, 2025 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 “Financial status”, on page 12 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 continue its operations. Our statement is not modified in this regard.

Malmö, 24 October 2025

Ernst & Young AB

Martin Henriksson

Authorized Public Accountant

Lund - Head office

Mobilvägen 10
223 62 Lund
SWEDEN

Göteborg

Anders Carlssons Gata 7,
4th floor
417 55 Göteborg
SWEDEN

Stuttgart

Augsburger Str. 744
70329 Stuttgart
GERMANY