

Parallel systems to launch first commercial pilot in April following Federal Railroad Administration approval as company closes \$38 million Series B funding round

World's first autonomous battery-electric rail system poised for full commercialization

Company has raised approximately \$100 million in total funding

April 15, 2025 (Los Angeles, CA): Parallel Systems, the world's first autonomous battery-electric rail system, will launch its first commercial pilot in April after securing approval from the Federal Railroad Administration (FRA) to deploy its railcars along a 160-mile stretch of two Georgia railroads. The company has also closed its Series B funding round of \$38 million, led by Anthos Capital and Collaborative Fund, as well as Congruent Ventures, Riot Ventures and others. To date the company has raised approximately \$100 million in funding.

Parallel Systems is a U.S. based manufacturer and transportation technology innovator whose mission is to deliver a safer, more efficient and sustainable alternative to short-haul trucking. The company's autonomous battery-electric system delivers significant benefits, including: 1) enables railroads to grow by increasing their role in shorter-route transportation; 2) makes America's busiest roadways safer for motorists by decongesting; 3) reduces the costs of shipping; 4) creates high-skilled, high-wage jobs; 5) reduces pollution.

"Federal Railroad Administration approval and closing our Series B funding round are two critical milestones for Parallel Systems," said Matt Soule, Founder and CEO. "Together with our strategic partnerships within the rail industry, Parallel Systems is now poised to fully commercialize our battery-electric rail system, starting with the FRA-approved project in Georgia," added Mr. Soule.

The Parallel freight system allows for small groupings of vehicles, typically 10-30 vehicles, to operate in a platoon without couplings between the vehicles. Railroad operations become far more nimble, safe, and cost competitive with Parallel's technology operating system.

FRA Approval Clears The Way For US Commercial Deployment

Following FRA approval, Parallel Systems, in partnership with Genesee & Wyoming Railroad (G&W), will soon begin the first commercial deployment of Parallel's autonomous battery-electric railcars. The 160-mile stretch connects the Port of Savannah to major arterial distribution operations serving the East Coast. Georgia stands to realize significant benefits from

decongestion of local highways and increased freight transportation availability for communities in southern Georgia.

New Funding To Fuel Commercial Scale-up

The latest funding round will be used to propel commercialization of Parallel Systems' with strategic railroad partners in the United States and Australia. The company already has a backlog of 300+ autonomous battery-electric vehicles with leading railroads and expects to launch initial commercial operations by 2026.

Parallel Systems is scaling production of its Generation 3 vehicle and accompanying train control systems and autonomy software. In collaboration with Union Pacific Railroad, the company has tested the new technology's compatibility with Positive Train Control for its safe use on the nation's railroad network.

Roadway Congestion Impact on the U.S. Economy and Opportunity for Commercial Rail

In the US, rail is an \$80 billion industry that provides one of the most energy efficient modes of freight transportation. According to the Association of American Railroads, the US rail system moves \$1.7 trillion worth of goods each year. Until the 1950s when the US interstate system was built to create an interconnected system of roads to make longhaul trucking more efficient, rail was the preeminent form of transporting goods across the country.

Commercial truck travel has doubled over the past two decades, materially contributing to congestion, especially near ports and high density warehouse districts, leading to an estimated \$74 billion negative impact on the U.S. economy. According to the American Trucking Association, the industry moves about 70-75% of all domestic freight by weight and 80-85% by value in the U.S, far surpassing that of the US rail system.

Per the Federal Highway Administration (FHWA), congestion means longer travel times, increased costs, and less reliable pick-up and delivery times for truck operators. To compensate, motor carriers typically add vehicles and drivers and extend their hours of operation. Over time, most of these costs are passed along to shippers and consumers. The FHWA estimates that increases in travel time costs shippers and carriers an additional \$25 to \$200 per hour depending on the product carried. The cost of unexpected truck delays can add another 50 percent to 250 percent.

Parallel Systems exists to enable the railroad industry to address this societal issue. The company's innovation allows railroads to offer faster, more regular, and cost competitive service by eliminating the need for large batch sizes in rail services today.

About Parallel Systems

Founded in 2020, Parallel Systems is the world's first autonomous battery-electric rail system. The company is a U.S. based manufacturer and transportation technology innovator whose

mission is to deliver a safer, more efficient and sustainable alternative to short-haul trucking. The company provides significant benefits, including: 1) enables railroads to grow by increasing their role in shorter-route transportation; 2) makes America's busiest roadways safer for motorists by decongesting; 3) reduces the costs of shipping; 4) creates high-skilled, high-wage jobs; 5) reduces pollution. To date the company has raised nearly \$100 million in venture capital funding as well as an ARPA-e grant.

For more information please visit: www.moveparallel.com

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