Annual Report 2024

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Every care has been taken in the translation of this annual report. In the event of discrepancies, the Swedish original will supersede the English translation.

This is Gapwaves

Who we are

Gapwaves is an innovative Swedish technology company that develops, designs, manufactures and delivers advanced waveguide products for millimeter-wave applications based on our patented technology.

Gapwaves was founded in 2011 by Professor Per-Simon Kildal at Chalmers University of Technology, and has, since its inception, strived to develop the possibilities of antenna technology through groundbreaking innovation, as well as close collaboration with leaders in both academia and global industrial players.

What we do

With a focus on high-performance, cost-effective antenna solutions, we help companies within the automotive industry, and those in modern industrial and transportation systems, achieve higher radar performance. Gapwaves makes it possible for the telecom industry to build more powerful and cost-effective wireless networks. Our technology stands out by providing high performance and low signal losses in a compact form. In addition, our technology enables cost-effective manufacturing in large volumes with high quality, opening the way to replacing traditional antenna technology (like PCB antenna) in mass markets. Demand for the company's solutions is driven by fundamental trends, such as increased consumer demand for safety, stricter regulatory requirements, and new technical regulations. Improved safety features in vehicles contribute to increased safety for drivers, passengers, and the entire traffic environment.

Our vision

Gapwaves' vision is to be the most innovative provider of mm-wave antenna systems and the preferred partner to those pioneering next generation wireless technology for a safer and more sustainable society.

2011
Founded

24%
CAGR between 2021-2024

>40
Employees

140%
Growth 2024

12 times more
antennas produced vs previous annual volumes

2016
IPO

>40
Patents

33,7%
Improved adjusted EBITDA 2024 vs 2023

>100 000
Produced antennas in 2024

Our technology

Gapwaves has a unique and patented millimeter-wave technology. With this technology at the core, we are developing antenna products for use in radar sensors for example. Our technology enables a high-performance product with a compact form, competitive production cost, and low signal losses.

The need for antennas is on the rise

In the increasingly connected and smart society around us, antennas are needed for a variety of applications. Telecom solutions are a given, but traffic monitoring, smart cities, and vehicles also require antennas and sensors to function. In vehicles, for example, this includes products for lane assistance, adaptive cruise control, and emergency braking systems, while in smart cities this may relate to presence detection, while also respecting personal privacy.

Every radar sensor requires an antenna

Each radar sensor has an antenna that can send and receive radio signals. As new technology develops, customers' expectations grow, and legal requirements for safety become more stringent, the number of radar sensors in cars also increases.

What are millimeter-wave antennas?

Millimeter-wave technology uses the 30 GHz - 300 GHz frequency band. In comparison, for instance, the 5G network, Wi-Fi, and microwave oven operate in the frequency range of 2 GHz to 30 GHz. Using millimeter waves instead provides advantages, such as better resolution for radar, allowing more details to be detected at longer distances, and, for telecom, that more data can be transmitted. The frequency band is regulated by authorities, and divided into different areas of use so that different types of radars do not interfere with each other. In line with developments in a number of different areas, such as the 6G network, it will be necessary to use increasingly higher frequencies to leverage these advantages, which places greater demands on antennas.

Advantages of Gapwaves' technology

Our patented gap waveguide technology enables the transmission of electromagnetic waves in contactless waveguide structures, resulting in extremely thin and high-performance antennas. These antennas and waveguides are compact, meaning they can be integrated into space-constrained applications without compromising performance - something that is extremely important in modern vehicle design, for example. Thanks to the gap waveguide structure, which allows slightly larger tolerances in manufacturing without affecting performance, our products can be produced cost-effectively in high volume.

Important events

Full-service supplier
A new strengthened agreement with Frencken Group at the beginning of the year positioned Gapwaves as a full-service supplier of waveguide antennas.

Series production now underway
We achieved start of production (SOP) for our first antennas during the first half of the year; one for Hella and one for Smartmicro. SOP marks the transition from development to series production, which, after the ramp-up phase, results in increased revenue.

Research
Gapwaves was awarded funding from Vinnova for three research projects during the year. Two of these projects focus on 6G and Gapwaves' technology at higher frequencies (140 GHz). The third project aims to develop new antenna solutions for vehicle radars at 77 GHz and future sensors at 140 GHz.

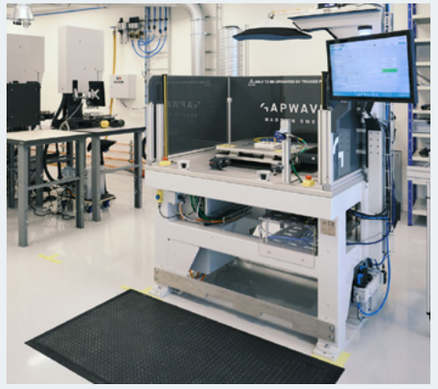
First customer in Asia
Gapwaves received its first commercial customer order in the Asian market for vehicle radar in June, from a new Tier 1 supplier.

Sensrad's progress
Sensrad, Gapwaves' associated company, delivered solid growth during the year, with several evaluation orders from prominent, globally recognized customers in various industry segments. The company entered into a framework agreement with Tianyi in China, for applications in intelligent infrastructure regarding traffic flows in cities.

New world unique antenna solution
At the European Microwave Week conference in Paris, Gapwaves introduced a new generation of waveguide antenna, which has superior performance compared to existing radar antennas with such a small and compact form factor. Its compact size combined with full-band coverage from 76 GHz to 81 GHz makes it a unique solution for high-resolution radar applications. It is developed and produced for Sensrad's 4D imaging radar, Hugin D1.

Valeo and Gapwaves agreement
In October, Gapwaves and Valeo entered into a joint development and supply agreement for radar antennas, with production starting in 2025. Read more on page 18.

New production facility in Gothenburg
Gapwaves inaugurated a production facility in Gothenburg in November, further confirming the company's transition from a research and development company to a commercial and industrial technology company with delivery capability. Read more on page 15.



New North American Automotive customer
Gapwaves made advances in December in the North American market, in the form of a new collaboration with a leading Tier 1 automotive customer.

New agreement with Smartmicro
Gapwaves and Smartmicro entered into a new product sales agreement for volume deliveries of waveguide antennas for high-resolution radar sensors at the end of the year, intended for an American automotive OEM.

CEO Comment

A year of growth on many levels

Gapwaves made several strategic and commercial advances during 2024. Development accelerated, with a marked increase in revenue and a ramp-up in volume production. 2024 was our strongest year to date in terms of revenue, and we signed further agreements with both new and existing customers. We also continued to take important steps in the transition from a research and development company to a commercial and industrial technology company with significant delivery capacity.

Gapwaves operates in a growing market driven by strong trends, such as increased consumer demand for active safety, stricter regulatory requirements, and new technical regulations related to radar sensors in vehicles. This is driving demand for our waveguide technology, and we saw revenue increase by 140% to MSEK 66.1 (MSEK 27.5) in 2024.

Higher performance and better overall economy

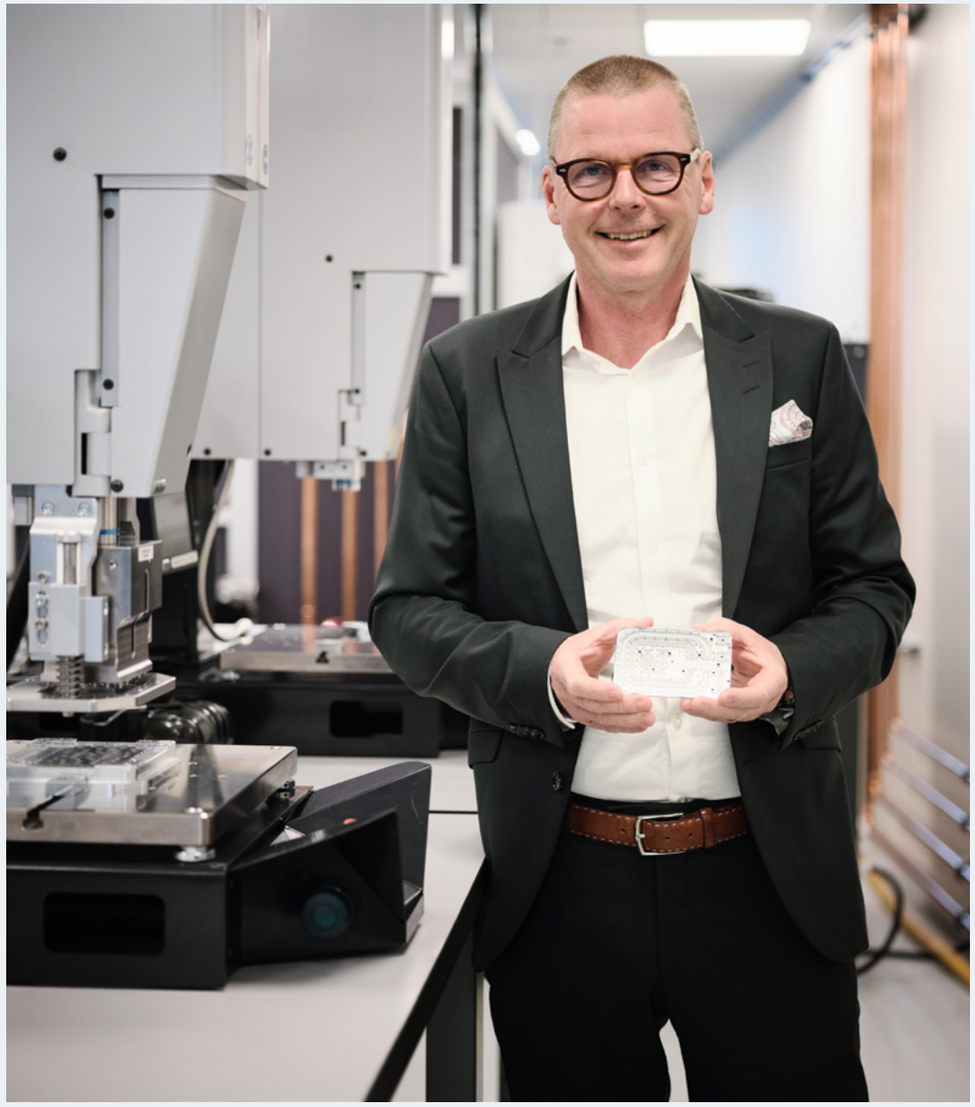
The automotive industry needs solutions in order to meet these demands in combination with cost-effective production. Our patented waveguide technology provides just that.

We help customers by developing and producing radar antennas that are robust, more cost-effective, and with significantly higher performance than traditional antenna technology. Despite the fact that some manufacturers in the automotive industry are currently experiencing problems, these trends remain strong and continue to drive demand for new and competitive technologies, and as such our products.

Geographical diversification

We were, of course, disappointed when the agreement with Bosch ended due to changed market demand for a future radar sensor product from Bosch. The intended radar solution was highly advanced, designed for automated driving (level 3 or higher) in the passenger car segment, and was set to launch in 2028. Nevertheless, our customer base grew during 2024. We are currently collaborating with, or having ongoing dialogues with, the majority of leading Tier 1 companies. We have undertaken collaborations with new customers in Asia and North America and signed a long-term production and supply agreement with French Valeo, as well as a new agreement with Smartmicro. These collaborations and orders are a sign of strength for Gapwaves, which has succeeded in establishing itself as a full service supplier within the global automotive industry. The focus is now on securing even more customers and agreements.

”During the year, we transitioned from being a purely research and development company to a commercial and industrial technology company.”



”Gapwaves is based on on world-leading research and development, which remains crucial to ensuring our future success.”

A new phase – industrialization

During the year, we moved from being a purely research and development company to a commercial and industrial technology company. The establishment of our production facility in Gothenburg is clear evidence of this move. The facility is central to our operational model, where scalable production processes are developed and validated before being transferred to external production partners worldwide. By producing where it is most advantageous geographically and adapting production to the different needs of customers, we gain a significant competitive advantage. This has proved of even greater importance in a world marked by significant uncertainties in relation to tariffs and trade terms, for example.

Innovation for continued technical leadership

Gapwaves is based on world-leading research and development, which remains crucial to ensuring our future success. Our Multi-Layer Waveguide (MLW) technology is an innovation we launched in 2023, and which proved to be a key success factor in 2024. MLW is attracting significant interest from customers, and our progress within the automotive industry, for example, clearly demonstrates that our innovative solutions are stronger than ever. Our ongoing research projects, including the Vinnova-funded projects in 6G and antenna solutions for vehicle radar at higher frequencies for future sensors, continue to drive our technological development forward.

Sensrad is opening up new markets

Application areas such as intelligent transport systems, mobility and surveillance, need ready-made radar sensors. During the year, our associated company, Sensrad, launched its new commercial sensor, Hugin D1, which is equipped with a world-unique antenna developed by Gapwaves that offers superior performance, . Sensrad entered into a framework agreement during the year with Tianyi in China, for the supply of Hugin D1 imaging radar, with application within intelligent traffic solutions in cities.

Well positioned for growth

With flexible production capacity, a competitive offer, and world-leading technology, we are well positioned for future growth. By expanding what we offer to new (for Gapwaves) applications, we gain further competitive advantages going forward.
We look forward with great confidence to the opportunities that await us. I would like to thank our fantastic employees, whose efforts are the main reason we are able to look back on a strong year. I would also like to extend a big thank you to our partners and customers for the excellent collaboration during the year. With everyone's commitment and expertise, we can continue to implement Gapwaves’ technology, contributing to a safer society and improved quality of life.

Gothenburg, 11 april 2025
Jonas Ehinger, CEO Gapwaves AB (publ)

Investment case

World-leading, with patented technology and unique know-how

Gapwaves has developed a world-leading technology for high-performance waveguide antennas which can be produced cost-effectively. The technology is founded on a large number of patents, which provide protection against competitors. This type of waveguide antenna is well suited for advanced radar systems where demands on performance and price are crucial.

Demand is driven today by increased safety requirements and the need for new features

Stricter safety requirements and new features are increasing the demand for radar sensors, where Gapwaves' world-leading antenna technology is central.

» Automotive industry:
Automatic braking systems, collision avoidance, and adaptive cruise control, and the like, are driven by legal requirements. In parallel, the number of radar sensors in regular passenger cars is increasing in line with the technology within them becoming increasingly advanced.

» Smart cities:
The growing need for traffic control is beneficial to radar, which works in all weather conditions and provides better privacy protection than cameras.

The company has proven itself, and volume production is underway

The first volume production began in 2024, and Gapwaves' technology is now incorporated in vehicles that will be launched on the market in 2025. This means that Gapwaves has, through development, fully transitioned from a research company to a commercial technology and product company, where both the technology and business model have proven to be competitive. A fact confirmed by customers in the automotive industry, such as Valeo, HELLA and Frencken Group.

Huge future potential in a number of areas

Gapwaves holds a strong position within the automotive industry and smart cities. Further growth areas are creating even more business opportunities:

» Telecom:
Increased data volume in 5G and upcoming 6G require higher frequencies – where Gapwaves antenna technology creates value.

» Strategic investment: Gapwaves owns 30 percent of Sensrad, strengthening its position in the value chain and opening up for new customers who demand complete radar solutions beyond the traditional automotive industry.

Smart business model for both customers and owners

Gapwaves is developing customer-funded prototypes which in turn transition to the delivery of products in volume. Gapwaves has in-house capacity for prototyping, production, assembly and testing of smaller volumes, while large-scale production is carried out by selected partners. This set up allows for flexibility and scalability, customized and tailored production, and low capital commitment compared to proprietary manufacturing.

Trends and drivers

The market for Gapwaves' various application areas is driven by several strong and clear trends. When it comes to vehicle radar, the trend is towards an ever-increasing number of radar sensors per vehicle, driven by increasing requirements and legislation in relation to safety and advances in autonomous driving, whereas wireless communication is significantly affected by the need for higher frequencies and greater bandwidth.

SAE levels of automated driving

Radar is the sensor that increase most in number in the higher levels of automated driving. The illustration describes how the number of sensors is linked to the different levels of automated driving.

Source: SAE International, Yole Automotive report 2022

Radar

The market for vehicle radar continues to show strong growth, and is estimated to be worth $13.6 billion by 2028, driven by safety regulations and innovations in imaging radar*.

Frequency shift place higher demands on antenna solutions

The shift towards 76-81 GHz for vehicle radar since 2022 allows the possibility of higher performance and longer range. It also places greater demands on the antenna, which traditional PCB-based antenna technology is not able to fully meet. This drives the need for Gapwaves waveguide antennas.

Legal requirements and safety assessments are increasing the number of radar sensors

The EU has introduced a legal requirement that all new cars manufactured from 2022 onwards must have automatic emergency braking (AEB) systems. Euro NCAP (European New Car Assessment Program), and their counterparts in other markets, set strict assessment criteria around Advanced Driver Assistance Systems (ADAS). Vehicles need to be equipped with multiple sensors, including radar and cameras, capable of detecting objects such as animals, cyclists, and pedestrians, to meet these legal requirements and assessment criteria.

Radar is crucial for autonomous driving

As the level of autonomous driving capability increases, a larger number of high-performance sensors are required. To achieve complete and functional safety, multiple cooperating sensors are required, which together form a system consisting of multiple cameras, lidar and radar. The biggest advantage of radar is that, unlike cameras and lidar, it can maintain high performance in most weather conditions and circumstances. Despite snow, fog, dust or dirt, it can detect and classify other vehicles, as well as the most vulnerable in traffic, such as pedestrians and cyclists.

Automation in industry and transportation

Automation in various industrial applications, such as robot taxis, autonomous delivery systems, as well as, for example, in mining, requires reliable sensors that can provide accurate information on the surrounding area in real time. Driverless vehicles can provide benefits, such as increased efficiency and safety, but also place high demands on the technology, which must work effectively, even in difficult weather conditions. This is where radar is a key product, as it maintains high performance in all weathers, and contributes to the safety of autonomous vehicles and other automated transportation solutions.

Gapwaves technology gives high-performance, cost-effective antennas

Gapwaves is capitalizing on the market's increasing demand for ADAS and autonomous vehicles by offering high-performance, cost-effective waveguide antennas. Our antenna solutions meet the needs of short-, medium- and long-range radar for ADAS, as well as 4D imaging radar for autonomous vehicles. Using proven technology, Gapwaves delivers radar antennas with low loss and high reliability, ensuring superior performance in all weather conditions. In addition to the automotive industry, we provide antennas for static radar applications, such as traffic monitoring and intrusion detection.

**Source: Yole Automotive report 2022*

Wireless communication

Increased bandwidth

The need for increased bandwidth and subsequent increased need for higher frequencies is driving technological advancements within both telecom and satellite communications. When it comes to telecom, the transition to 5G means a requirement for lower latency and higher data rates, especially for connected cities, IoT (Internet of Things) and autonomous vehicles. This increases the need for antenna technology that can handle higher frequencies. Similarly, new generation satellites require antennas with waveguide technology that offers high performance and greater bandwidth to users. Both areas are looking for solutions that combine high performance and cost-effectiveness in order to meet future demands.

Gapwaves technology gives better signal quality, increased coverage, faster speeds

Gapwaves is addressing the growing wireless communications market by offering waveguide technology that improves signal quality, increases coverage, and enables faster network speeds.
Our high-performance 5G antenna solutions include phased array platforms and customized antennas for base stations, indoor solutions, and fixed wireless access points. By continuously developing applications where our technology provides advantages compared to traditional antenna technology, Gapwaves is helping to drive the performance of next-generation wireless networks forward.

Strategy & Business model

Strategy

Gapwaves strategy is based on four cornerstones

Unique technology and world-leading position

Gapwaves has a patented technology that makes us a world leader in millimeter-wave antenna systems. The company origins lie within academia and research, and we maintain our technological lead through our proprietary research and development, as well as a number of collaborations with the academic world. Our unique technology and position are the foundation of our business.

Creating solutions in numerous market segments

Our unique technology can provide huge benefits in many different industries. By being pragmatic and identifying these market segments, we can reach out to various types of customers, which increases our addressable market and reduces dependence on individual industries and customers.

Flexible and capital-light volume manufacturing

Our business model is based on customer-funded development of prototypes and, in the next stage, large-scale production that is carried out by selected partners. We produce in locations that are geographically most suitable, plus adapt production to the customer's needs. This business model commits significantly less capital compared to manufacturing in own factories. We also have in-house production capacity in Gothenburg for the production, assembly, and testing of smaller series volumes, as well as prototypes.

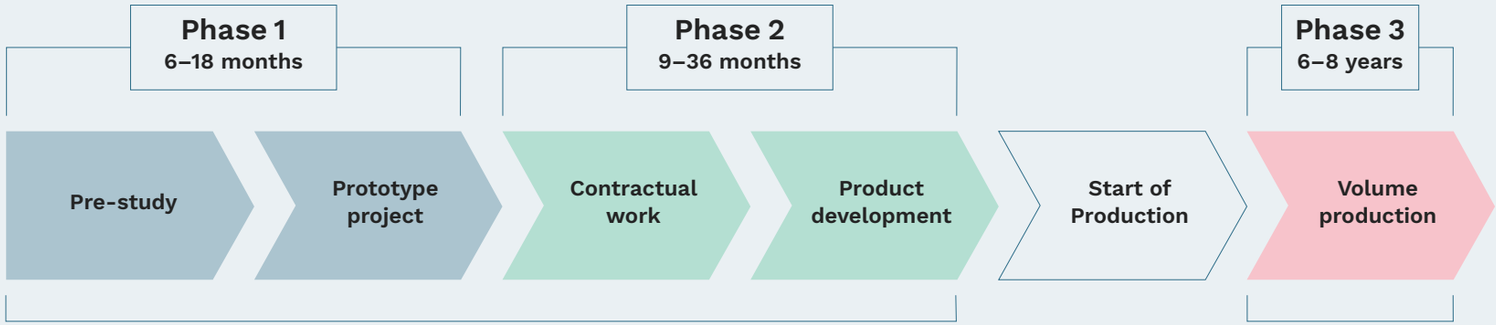
Sensrad – a strategic investment in complete radar sensors

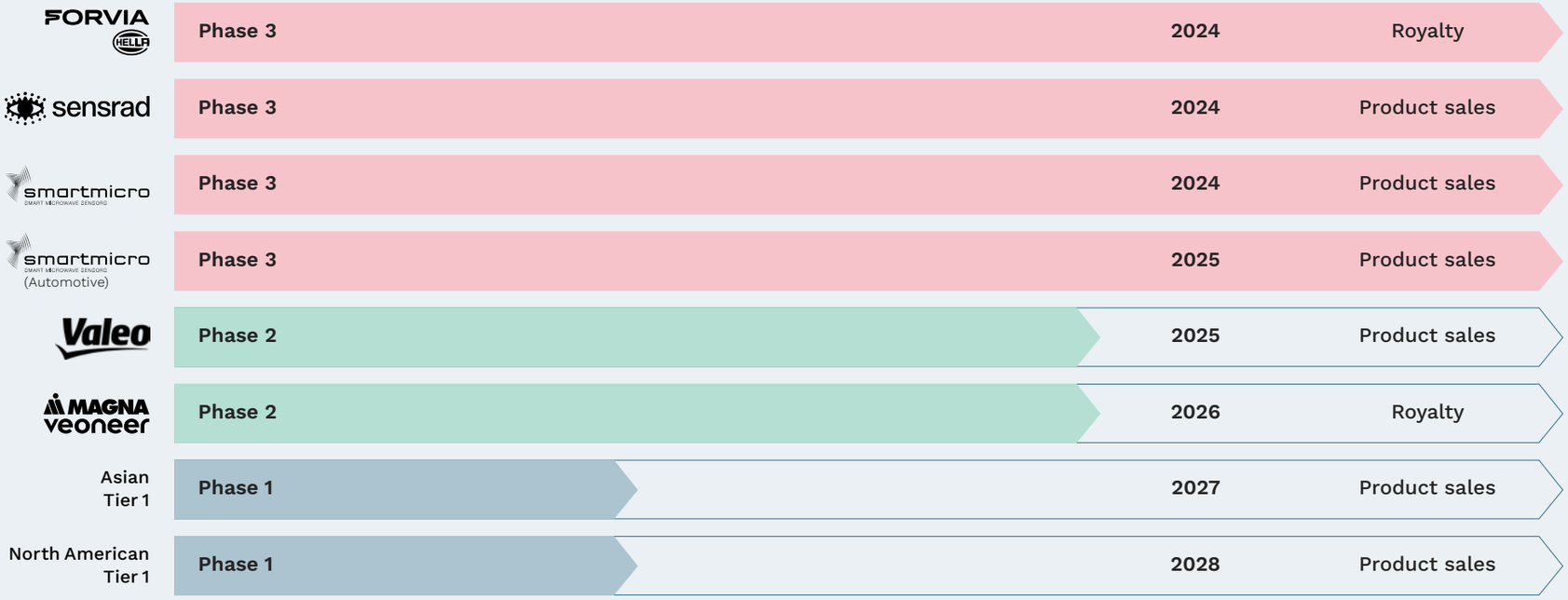
Through the investment in Sensrad, Gapwaves has claimed a strategic position higher up the value chain within the radar market. Sensrad offers a unique 4D Imaging Radar sensor based on the latest software and hardware technology, including Arbe's leading chipset and Gapwaves' antenna technology. Gapwaves owns 30 percent of Sensrad.

Business model

Generating revenue at every step

Gapwaves' business model generates revenue at every stage of the project model, which spans three phases: from the first phase, which includes pre-studies and prototype development, to the second phase involving contract work and product development, and finally moving to Start of Production (SOP) and the third and final phase of volume manufacturing.

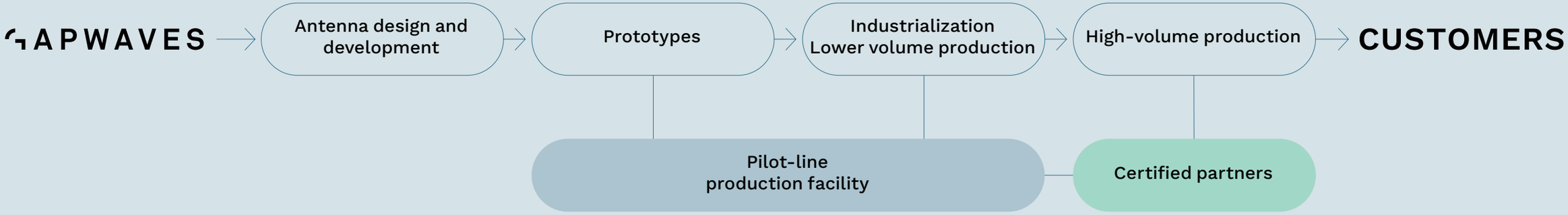




Business model

Scalable and flexible operational model with minimized Capex

Gapwaves production occurs where it geographically fits best and adapts the product according to the customer's needs. In our own pilot facility, located near key suppliers and Gapwaves headquarters, our scalable production processes are developed and validated before being transferred to Gapwaves' qualified high-volume production partners worldwide.



→ Read more on the next page

A strategic investment for future growth

New production facility in Gothenburg

Gapwaves inaugurated a new production facility in Gothenburg at the end of 2024. The facility serves as a production and industrialization hub, which is an important step towards becoming a certified supplier of waveguide antennas to the automotive industry and meeting demand from other market segments.

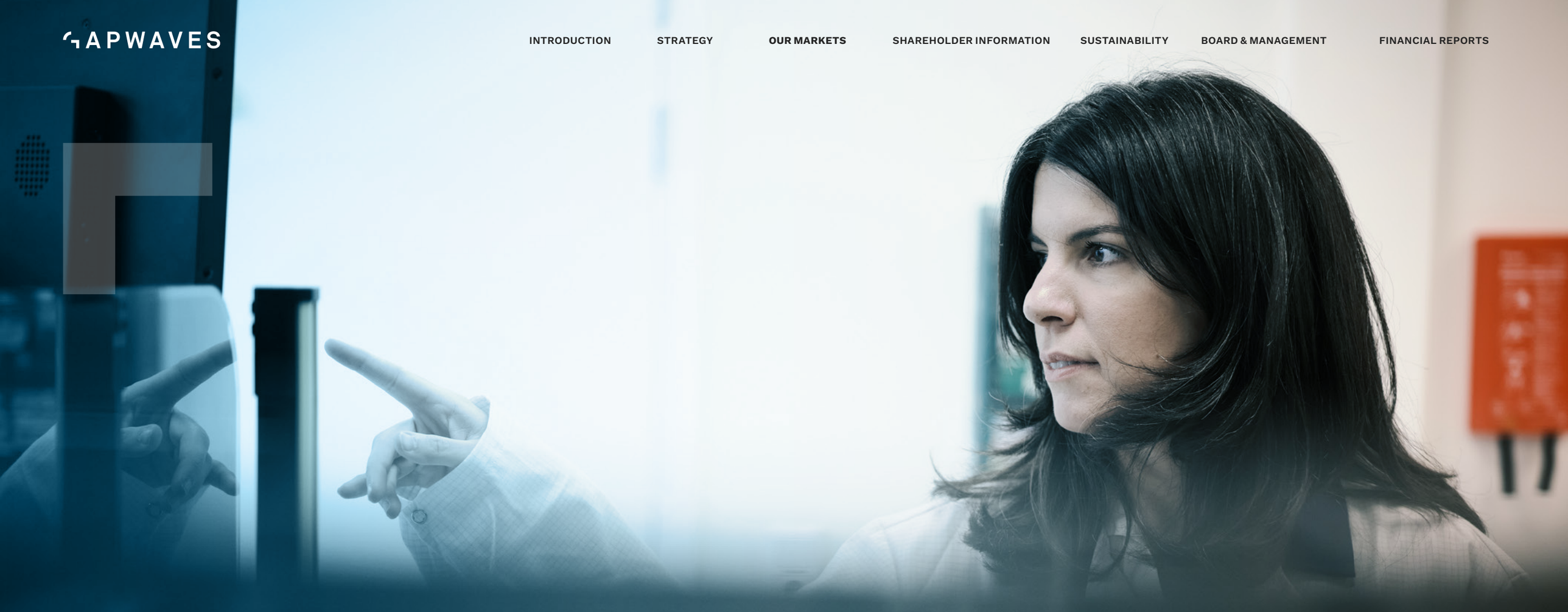
When it comes to the production of complex products, it is a significant advantage to have development and manufacturing facilities near to each other. Being located close to key suppliers and Gapwaves' headquarters reinforces this advantage even more.

The facility assembles and tests IMW (Injection Molded Waveguide) and MLW (Multi Layer Waveguide) antennas developed by Gapwaves for our partners and customers, such as Valeo, Smartmicro and Sensrad, among others. This is a pilot facility, where scalable production processes are being developed and validated before being transferred to Gapwaves' qualified high-volume production partners worldwide. Even lower series volumes can be produced in their entirety in the facility.

The facility reduces the time between order and delivery, ensures high quality, and enables rapid scale-up for high-volume orders, which benefits our customers. This has already resulted in an earlier start of production for Valeo. Our competitive advantage is enhanced by offering products with higher performance, lower costs, and faster deliveries.

Boasting a capacity of up to 300 000 antennas per year, the facility is central to achieving the automotive industry's quality management system IATF certification, which is a requirement for suppliers to customers within the industry. The certification is a global quality standard that ensures high demands on product quality, process control, and the supply chain. Our aim is to implement IATF in 2025.

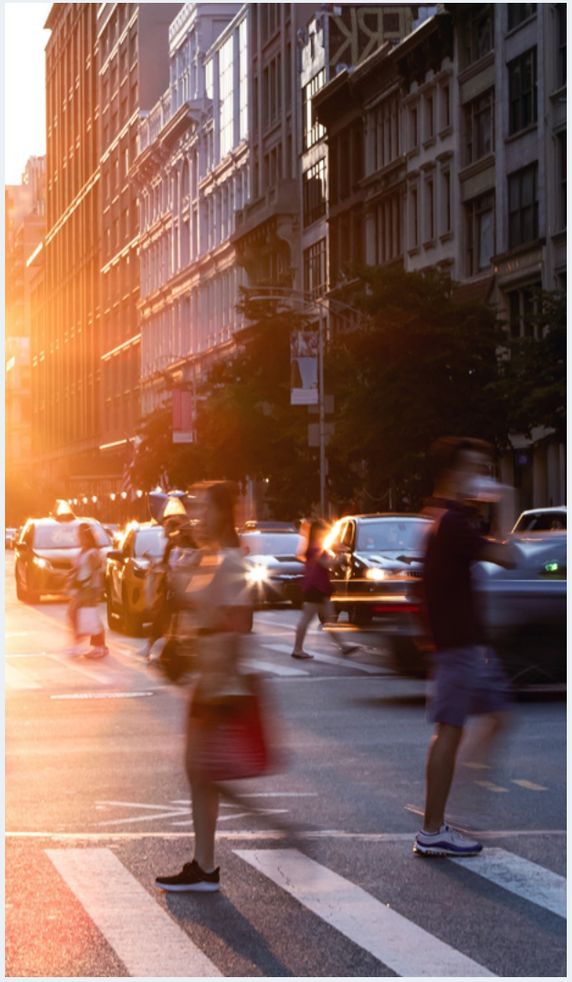
With this facility, we are equipped to meet both current and future contractual commitments. It is central in Gapwaves' strategy, and enables the transition from research to commercial production, and will help to scale operations and meet increasing customer demand. It will strengthen Gapwaves' position as a reliable supplier, as well as open up new business opportunities.



Market segments

Radar

Gapwaves is currently focusing on two markets for waveguide antennas – radar and wireless communications – and is actively working to implement waveguide technology in each market. Gapwaves divides the radar market for frequencies between 76-81 GHz and above into three segments; Automotive, Smart Cities and Mobility, with each segment having a range of different and growing application areas.



Automotive

Gapwaves' biggest market and focus segment is in the automotive industry for passenger cars. The market for Gapwaves' antenna technology is growing in line with the need for radar sensors. Radar sensors are required for advanced driver assistance systems (ADAS), and enable functions such as adaptive cruise control, blind spot warning, parking assistance, and automatic emergency braking (AEB), as well as for autonomous driving. These are functions that make driving easier, and which create safer vehicles and reduce the risk of traffic accidents. Gapwaves' customers include several important Tier 1 suppliers in Europe, the United States, and Asia, and well-known companies such as Valeo, Hella, and Smartmicro.

Smart Cities

With an increasing need to optimize and monitor traffic flows in cities, radar is playing an important role in the development of smart cities. The technology is used to improve traffic flows, and increase safety and efficiency through presence detection in public areas or at vulnerable facilities and infrastructure. Radar provides better integrity and performance than cameras in difficult weather conditions, making it a key component in traffic and surveillance systems. It is crucial for creating sustainable and efficient solutions in the cities of the future.

Mobility

The mobility market is developing rapidly, with new technologies such as autonomous vehicles, robotaxis and self-driving trucks. Antenna solutions and radar sensors are needed in everything from autonomous vehicles in transport and industry, such as mining, to passenger transport in buses, trains and aircraft. Even in this application area, the superior performance of radar compared to lidar (light detection and ranging) and cameras is pivotal, especially when it comes to weather and lighting conditions, where radar withstands harsh environments, with darkness, rain, fog and dirt. This is a critical factor in the development of safe and efficient transport systems of the future.

How our solutions create value for customers

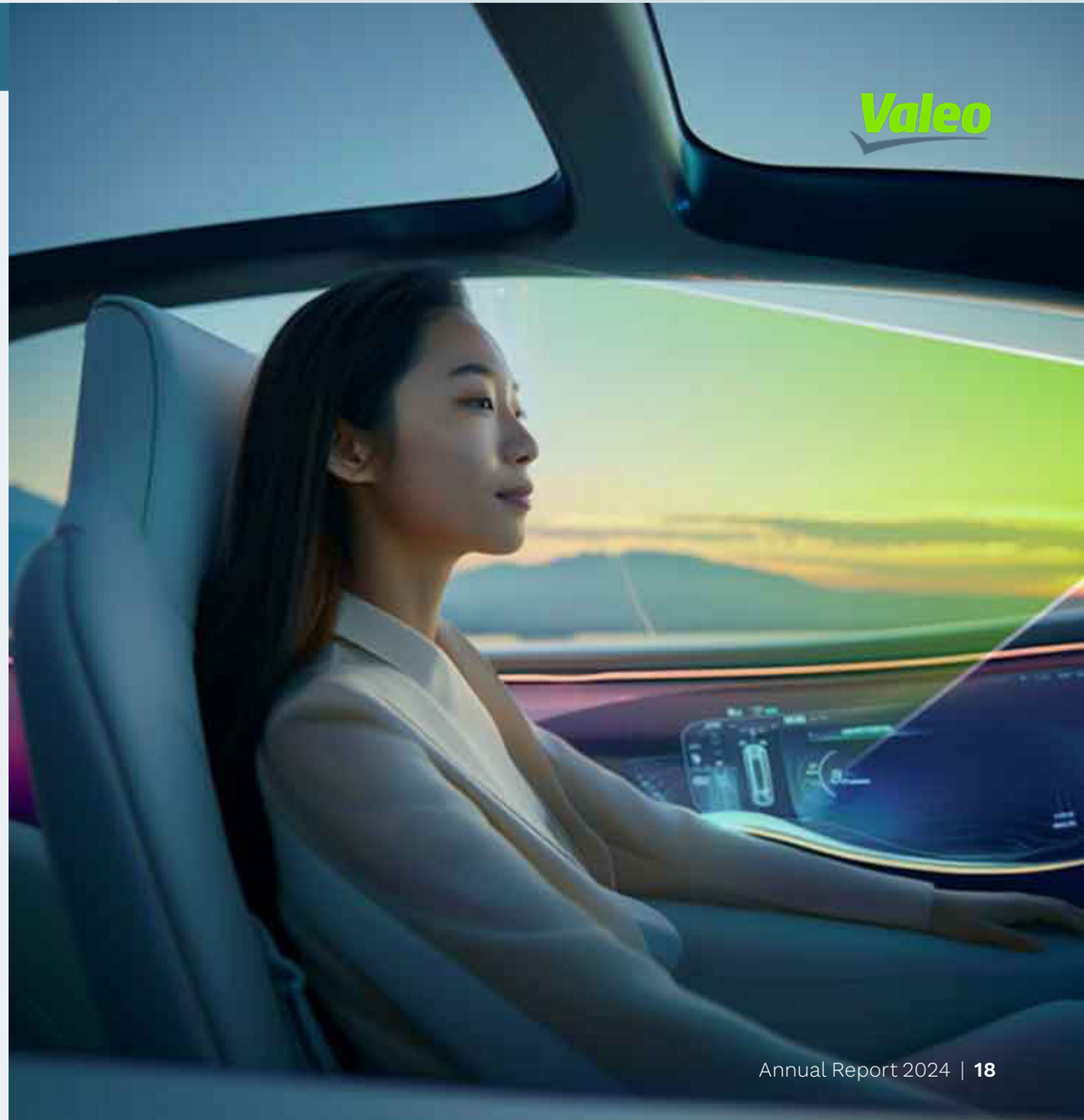
Valeo selects Gapwaves for increased performance in their radar sensors

To be able to offer new functions for increased comfort and safety, vehicles must be equipped with sensors that detect and analyze their surroundings. The market for radar sensors with high-performance waveguide antennas is expected to grow significantly in the coming years, and in order to meet the demands, Valeo, a French world-leader in Advanced Driver Assistance Systems (ADAS), and Gapwaves have been collaborating since early 2023. Valeo, which has been mass-producing radar technology since 2006, offers a complete portfolio of ADAS on the market, and is continuously developing new technologies.

In this collaboration, Gapwaves' waveguide technology is integrated into antennas for Valeo's next-generation automotive radar. Together, we have developed a new antenna, based on Gapwaves' proprietary Multi-Layer Waveguide (MLW) technology, which will allow Valeo to offer its customers cost-effective radar sensors with significantly improved performance. By using Gapwaves' solutions, Valeo can both improve and expand its ADAS products' performance, most notably its radar-based functions, such as blind-spot monitoring and front and rear cross-traffic warning systems. The results of the collaboration have demonstrated that the integration of Gapwaves' technology improves the radar sensor's ability to detect objects at longer distances and with higher precision.

The collaboration transitioned into a new phase when Gapwaves and Valeo entered into an agreement in October 2024 relating to the large-scale serial production and delivery of waveguide radar antennas, with production starting in 2025. The initial ramp-up phase will take place at Gapwaves' production facility in Gothenburg. There, production processes will be developed and validated before being transferred to Gapwaves' appointed production partner's, Frencken Group, production facility in Chuzhou, China, for automated high-volume production.

The collaboration with Valeo illustrates Gapwaves' strategy to establish itself as a full-service partner and supplier for our automotive customers. It also demonstrates how our innovative antenna technology can help improve radar sensors for ADAS and advanced automated driving.



Wireless communication

Gapwaves is continuously working to develop applications in the wireless communication market within two focus areas: Telecom and Satcom.

Telecom

Smart cities, IoT (internet of things), and autonomous vehicles require communication with minimal latency and higher data rates. As the number of connected individuals or devices in a location increases, for example, in an airport, office or hospital, so does the need for data speed. This is driving the use of higher frequencies (24 GHz to 100 GHz and beyond) with several GHz of bandwidth, where traditional antenna technology (such as PCB antennas for mid-band, 2-6 GHz) does not perform as well as Gapwaves' antenna technology.

The technology can also be used in FWA (Fixed Wireless Access), where it offers a wireless solution for broadband services that can replace traditional fiber connections to homes and businesses.

Satcom

The satellite communications market is growing rapidly, with new low- and medium-earth orbit (LEO and MEO) satellites that enable global coverage and higher data transfer. These satellites require advanced antenna technology in order to handle higher frequencies and ensure high performance and reliable communication.

The market is driven by the need for increased bandwidth for applications such as IoT, global connectivity, and faster data transfer, especially in remote areas.

Shareholder information

Share and shareholders

Share

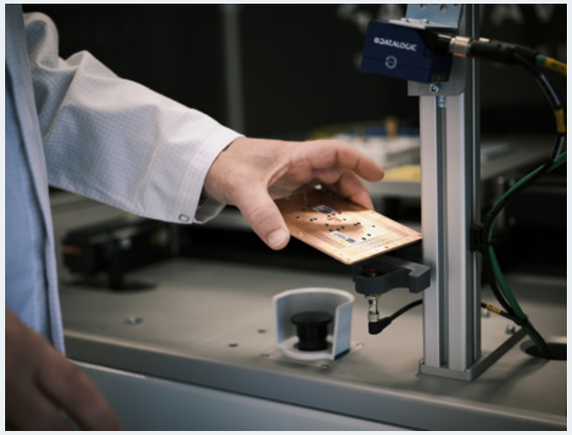
Gapwaves' B share has been listed on Nasdaq First North Growth Market Stockholm since November 18, 2016, and trading takes place under the ticker GAPWB. As of December 31, 2024, the company had approximately 6,200 shareholders. The company has a total of 31,146,299 shares, of which 7,667,500 are A shares and 23,478,799 are B shares. Each A share entitles the holder to ten votes and each B share entitles the holder to one vote. As of December 31, 2024, the share capital was SEK 1,868,778 which represents a quotient value of SEK 0.06 per share.

Certified adviser
G&W Fondkommission is the company's certified adviser. www.gwkapital.se

Analysts following Gapwaves
Carnegie – Jakob Söderblom
Redeye – Rasmus Jacobsson
SEB – Erik Lindholm-Röjestål

Calendar

2025-04-30	Interim report Q1 2025
2025-05-06	Annual general meeting
2025-07-25	Interim report Q2 2025
2025-10-24	Interim report Q3 2025
2026-02-06	Year end report 2025



10 largest shareholders based on no. of votes per 31 december 2024 (A- and B-shares)

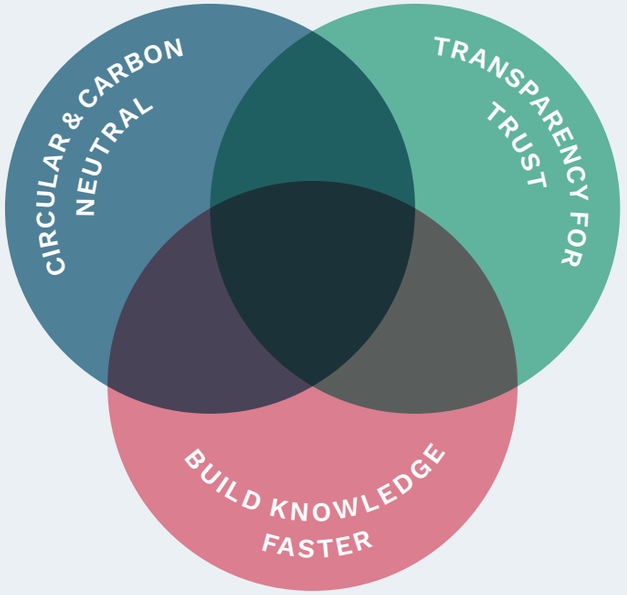
	A-shares	B-shares	Shares	Share of equity, %	Share of voting power, %
Kildal Antenn AB, incl. related parties	5 618 000	390 200	56 570 200	19,29%	56,48%
Lars-Inge Sjöqvist with company	748 000	76 744	7 556 744	2,65%	7,55%
HELLA GmbH & Co. KGaA	300 000	2 844 000	5 844 000	10,09%	5,84%
Jian Yang	409 500	142 551	4 237 551	1,77%	4,23%
Abbas Vosoogh with company	265 000	536 829	3 186 829	2,57%	3,18%
Peter Enoksson	185 500	92 750	1 947 750	0,89%	1,94%
Nordnet pensionsförsäkring AB	-	1 399 374	1 399 374	4,49%	1,40%
Avanza Pension	-	1 389 138	1 389 138	4,46%	1,39%
Ashraf Uz Zaman	65 000	200 000	850 000	0,85%	0,85%
Bright Peter Leo Ebenezer	-	500 000	500 000	1,61%	0,50%
Others	76 500	15 907 213	16 672 213	51,32%	16,65%
Total	**7 667 500**	**23 478 799**	**100 153 799**	**100,00%**	**100,00%**

Source: Modular Finance & Euroclear

Sustainability

Sustainability

Sustainability is an integral part of Gapwaves' business model, working methods and values. In order to manage the company's impact, risks and opportunities, attract competent personnel, appeal to investors, and create competitive products and services, it is central for us to work actively on these topics.



Gapwaves' three focus areas within sustainability

The three focus areas 'Circular and carbon neutral', 'Building knowledge faster', and 'Transparency for trust' form Gapwaves' sustainability framework and guide us in our work.

Circular and carbon neutral

Circularity and carbon neutrality are of great importance in the automotive industry in order to address the climate crisis. The Automotive sector is at the forefront of introducing innovative solutions. Customers set high demands, and legislation is strict due to the significant impact of the automotive industry on emissions. It is therefore important for Gapwaves to be able to deliver and make an impact in this area.

Build knowledge faster

Knowledge is one of the most valuable assets, and is a central driver for success and survival in a competitive market. Building knowledge quickly contributes to increased competitiveness by promoting innovation and developing new products and processes. This competitive advantage allows Gapwaves to implement its technology faster in the market, which we believe has a positive impact on the environment and society.

Transparency for trust

We act and conduct our operations based on transparency, both internally and externally. To create trust with all our stakeholders, we need to be open about the impact our operations have on the world around us. This is equally applicable to negative and positive aspects.

Global goals for sustainable development

Gapwaves is committed to contributing to the UN's 17 Sustainable Development Goals. The four goals related to planetary boundaries (Goals 6, 13, 14 and 15) have been included, and additional goals relevant to Gapwaves' operations have been identified. Prioritization was based on the seriousness of potential negative impacts, and took into account factors such as their severity and scale, and the difficulty of addressing them. Our contributions primarily relate to the following goals:

- **Goal 5:** Gender equality
- **Goal 8:** Decent work and economic growth
- **Goal 11:** Sustainable cities and communities
- **Goal 12:** Responsible consumption and production

We believe that we can contribute to a positive environmental impact. By implementing technologies that enable driver assistance and autonomous driving, we can reduce resource consumption in society. What's more, advances in antenna technology, such as the use of smaller antennas that can be produced in more recyclable materials, can improve our environmental impact even further. Our technology also contributes to increased safety for car drivers, passengers, and the entire traffic environment, which reduces the risk of traffic-related accidents and leads to major gains for society, both in relation to lives and reduced costs. The technology also paves the way for self-driving and more resource-efficient transport systems in the future. We operate under our code of conduct and our supplier code of conduct to ensure responsible behavior at all levels of our operations.

Sustainability year 2024

"As part of increasing transparency, we have chosen to report in this year's report in accordance with the basic module of the voluntary ESRS standard VSME (Voluntary Standard for Small and Medium Enterprises).

Read more on the next page.

As our company grows, so does our commitment to sustainability and our ambitions in this area. We face increasing reporting requirements as we will eventually fall under the scope of CSRD (Corporate Sustainability Reporting Directive). Over the year, it has therefore been crucial to strengthen our internal expertise in these areas, while also implementing concrete measures to actively meet both the upcoming requirements and our own ambitions.

Measures in 2024

Work on sustainability in the organization

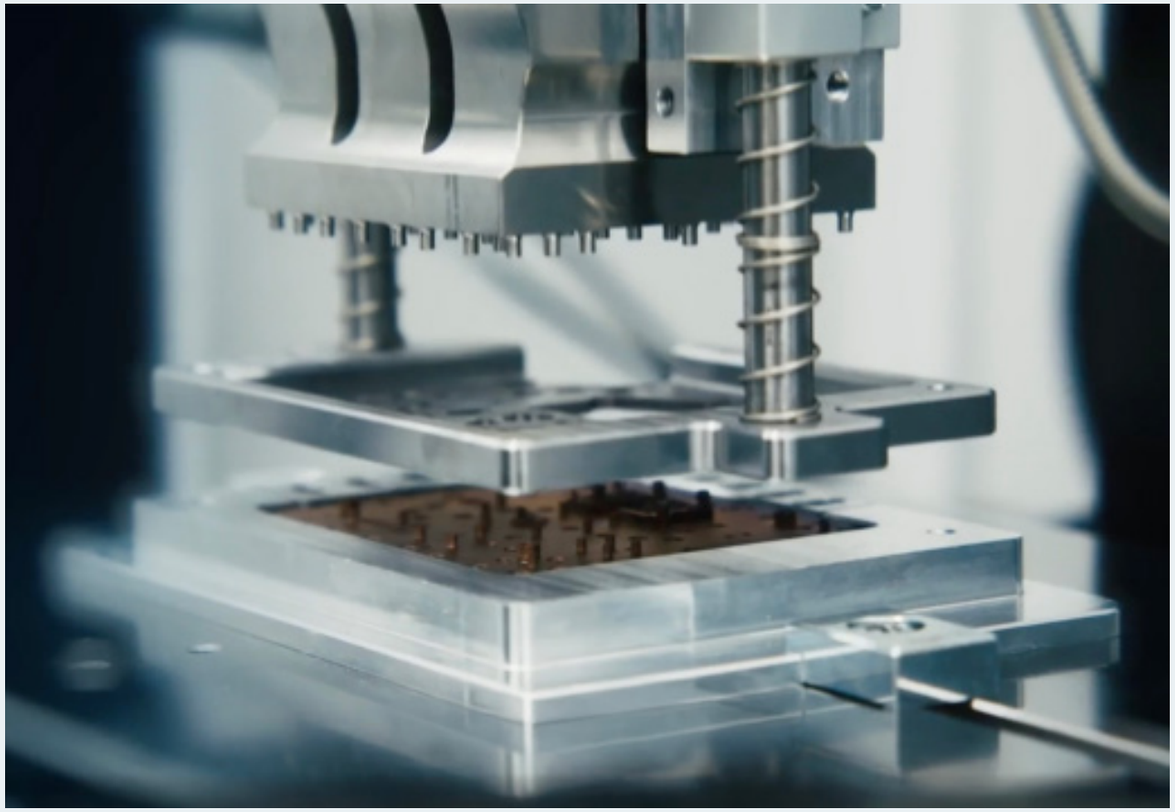
- Sustainability skills development, including through focused networks, such as the West Sweden Chamber of Commerce's Green Circular Transition Network.
- Preparatory measures in the build-up to CSRD, including by mapping ESRS (European Sustainability Reporting Standards) requirements and identifying relevant follow-up areas for sustainability reporting.
- We worked to become a bicycle-friendly workplace, and now offer our staff free access to bicycles, as part of our commitment to sustainability and health.

Sustainability measures for our products

- Several projects focusing on our materials and material use, where we have, for example, developed a method for reusing some components, and are investigating possibilities for thinner coatings on our plastic parts.
- Completed the life cycle assessments initiated in 2023, according to the cradle-to-grave model, for our Multi-Layer Waveguide (MLW) and Injection Molded Waveguide (IMW) technologies.
- We have registered one of our customer products in the International Material Data System (IMDS), where we have reported its weight, material content and recycling rate, and ensured that it does not contain hazardous substances, which resulted in a certificate of conformity. IMDS is an important and established database used in the automotive industry to ensure that products meet environmental requirements and standards, meaning this is an important step for Gapwaves.

Focus for 2025

In 2025, we will continue preparations for CSRD, even though it is being revised in the EU*. We will establish a plan for the most central aspects, as well as remaining focused on streamlining our material flows and choice of materials.



**The new Omnibus proposal from the EU Commission aims to simplify the CSRD by limiting its application to large companies with over 1,000 employees, postponing reporting requirements by two years, and reducing the number of mandatory data points.*

Sustainability data

B1 – B1 - Basis for preparation

This is Gapwaves' first published sustainability data. We have chosen to report according to option A, in the "Basic Module", as described in the VSME from EFRAG (European Financial Reporting Advisory Group). This means that we report on the applicable data points as described in this "Basic Module". The reporting relates to Gapwaves' Parent Company. All available information has been included. Certain specific information has, however, been excluded due to legitimate competitive reasons in accordance with the standard.

B2 – Practices for transitioning towards a more sustainable economy

Energy and greenhouse gas emissions	Existing sustainability practices/ policies/ future initiatives that address any of the following sustainability issues? YES/NO	Are they publicly available? YES/NO	Do the policies have any targets? YES/NO]
Climate Change	Yes	No	Yes
Pollution	No	No	No
Water and Marine Resources	No	No	No
Biodiversity and Ecosystems	No	No	No
Circular Economy	No	No	No
Own Workforce	Yes	No	No
Workers in the Value Chain	Yes	Yes	No
Affected Communities	No	No	No
Consumers and end users	No	No	No
Business conduct	Yes	No	No

B3 – Energy and greenhouse gas emissions

Gapwaves only uses renewable electricity, that is free from fossil fuel and nuclear power. All company cars are electric. As such, we are carbon dioxide neutral for scope 1 and 2 according to the GHG (green house gas) protocol. Our reported electricity consumption is shown in the company's electricity invoices.

Energy and greenhouse gas emissions	2024
Fossil fuels (MWh)	0
Electricity (MWh)	90,3
Renewable electricity (MWh)	90,3
Non-Renewable electricity (MWh)	0
Gross greenhouse gas (GHG) emissions	
Scope 1 tCO_2 eq	0
Scope 2 tCO_2 eq	0

B4 – Pollution of air, water and soil

Our processes do not emit any pollutants: Not to the air, water or soil.

B5 – Biodiversity

The fact our operations are located on one floor of a multi-storey building means that we share the used space with other tenants. Therefore, the total usable space is very limited.

Biodiversity	2024
Total use of land	98 sqm
Total sealed area	98 sqm
Total nature-oriented area on-site	-
Total nature-oriented area off-site	-

B6 – Water

Our production does not consume water and does not involve water withdrawal in areas with high water stress. Water use is limited to office use, and the data is based on the property's total consumption ratio.

Water	2024
Total water withdrawal (liter)	258 000

B7 – Resource use, circular economy and waste management

During the year, Gapwaves produced antennas that are made of either plastic or copper. We carried out a weighting of the recycling and reuse rate based on the number of antennas produced for each technology. The copper antennas are recyclable and 30% is recycled material. The plastic antennas are not made from recycled plastic and are not recyclable.

Resource use, circular economy and waste management	2024
Recycled content in products	16%
Recycled content in packaging	50%
Recyclable content in products	48%
Recyclable content in packaging	100%
Non-hazardous waste produced	280 kg cardboard paper 200 kg polyethen plastic
Hazardous waste produced	0

B8 – Workforce – General characteristics

Workforce – General characteristics	2024
Headcount	(female/male)
Temporary employees	1/2
Permanent employees	7/37

B9 – Workforce – Health and safety

Workforce – Health and safety	2024
Work related accidents	-
Work related fatalities	-

B10 – Workforce – Remuneration, collective bargaining and training

Workforce – Remuneration, collective bargaining and training	2024
Percentage of employees covered by collective bargaining agreements	0
Annual training hours per employee (female/male)	40hrs/40hrs

B11 – Convictions and fines for corruption and bribery

Fall av korruption och mutor	2024
Convictions and fines for corruption and bribery	-

Board & Management

Board

Magnus Jonsson

Chairman
(b. 1956)

Magnus has an M.Sc. from Chalmers in Gothenburg. He has an extensive experience from SAAB and Volvo with focus on product development, design and engineering. Magnus has been SVP Product Development at Volvo Cars. Magnus has broad operational and strategic experience working in complex and global business models with large technology content. Magnus is currently Chairman at PowerCell. Furthermore Magnus is boardmember of SmartEye AB, and Insplorion AB.

Independent in relation to larger shareholders
Independent in relation to the company

Member of the board since 2021

A-shares: –
B-shares: 8 000
Warrants 2022/2025: 20 000

Madeleine Schilliger Kildal

Board member
(b. 1987)

Representing the majority owner Kildal Antenn AB.

Madeleine Schilliger Kildal has a M.Sc. degree in engineering physics from Lunds University in 2013 and a Ph.D. degree from the Antenna-systems group at Chalmers University of Technology in 2020. Her thesis covered over-the-air characterization of antenna systems and wireless devices. Currently she is working as a System and application engineer at RanLOS AB.

Dependent in relation to larger shareholders
Dependent in relation to the company

Member of the board since 2021

Madeleine Schilliger Kildal owns through companies 24,8% of Kildal Antenn AB's shares in Gapwaves AB.

A-shares: 5,618,000 indirectly through ownership in Kildal Antenn AB
B-shares: 25,200 directly and 365,000 indirectly through ownership in Kildal Antenn AB

Torbjörn Gustafsson
Board member
(b. 1976)

Torbjörn has an M.Sc. from The School of Economics and Management in Lund. Torbjörn has an extensive experience within finance, business controlling and M&A from various positions at Christian Berner Tech Trade, Kappahl, AB Volvo and Powercell Sweden AB. Torbjörn is currently Group CFO at Uniwater AB.

Independent in relation to larger shareholders
Independent in relation to the company

Member of the board since 2019

A-shares: –
B-shares: 10 000
Warrants 2022/2025: 20 000

Dietmar Stapel
Board member
(b. 1970)

Representing the minority owner HELLA GmbH & Co. KGaA.

Dr. Dietmar Stapel has a Ph.D. degree in Physics from the University of Münster and is a German citizen and resident in Germany. Dietmar Stapel started his career as a systems engineer in control systems at Bosch in 2001, where he continued in various roles until 2009. In 2009, Dietmar Stapel started at HELLA as a project manager in radar sensors. In 2014, Dietmar Stapel took over program responsibility for autonomous vehicles at HELLA.

Dependent in relation to larger shareholders
Dependent in relation to the company

Member of the board since 2021

A-shares: –
B-shares: –

Ulrika Molander
Board member
(b. 1966)

Ulrika has an B.Sc. in Textile Engineering from Borås University and is an experienced leader with well-documented experience in industry, technology, and product development through several leading positions at among others GreenIron H2 AB, Systemair AB, BDX Företagen AB, Sapa Profiler AB, and Strömma Textil AB. Ulrika Molander is currently a director of Good Solutions AB, a SaaS company specialising in improving efficiency and sustainability in manufacturing companies, and has previously been a director of Nilar International AB.

Independent in relation to larger shareholders
Independent in relation to the company

Member of the board since 2024

A-shares: –
B-shares: 2 000

Management

Jonas Ehinger
CEO
(b. 1969)

Experienced executive leader leader with more than 20 years experience and background as CEO in several innovation and technology driven companies. The focus has been growth strategy execution and international business development. His track record includes former positions such as CEO and President of Mentice AB (publ) and Osstell AB, along with several board assignments.

Education: Master of Science, Biochemistry

Employed since 2022

A-shares: –
B-shares: 43 916
Warrants 2022/2025: 40 000

Robert Berhof
CFO
(b. 1983)

Robert has extensive experience from international M&A transactions, strategy and finance. Most recently, he came from a role as M&A Manager at OptiGroup and previous experiences includes transaction advisory at PwC and EY.

Education: Master of Science, Business and Economics

Employed since 2021

A-shares: –
B-shares: 2 500
Warrants 2022/2025: 38 900

Nils Dagås
VP R&D
(b. 1972)

With over 25 years' work history in radar technology, Nils has extensive industrial experience of leading and developing technology teams at SAAB and Ericsson, most recently as Deputy Development Manager at Radar Solutions at SAAB.

Education: Master of Science, Electronics

Employed since 2023

A-shares: –
B-shares: 6 000

Financial reports

Statutory Administration Report

The Board of Directors and the CEO of Gapwaves AB (publ), corporate ID number 556840-2829, hereby submit the Annual Report and Consolidated Financial Statements for the financial year 2024. All amounts are in MSEK, unless otherwise stated.

General information on the business
Gapwaves develops waveguide antennas for applications in radar and wireless communication. The business is founded on a technical invention of waveguide technology. The Company's business model is based on revenue being created through product development that is co-financed by customers, and which subsequently leads to product sales revenue once the product is fully developed and the antennas are mass-produced. In addition, revenue is received from IPR licensing and from the sale of production equipment. Gapwaves has a degree of in-house production for assembly and testing of lower volumes and prototypes, and when it comes to high-volume production, established collaborations are in place with specialized external production partners.

Multi-year overview

TSEK	2024	2023	2022	2021	2020
Net sales	66 079	27 510	64 023	34 860	16 263
Loss after financial items	–52 070	–69 235	–18 020	–36 312	–44 324
Operating margin	neg.	neg.	neg.	neg.	neg.
Balance sheet total	130 987	171 579	251 511	253 592	98 690
Equity/assets ratio	78,3%	89,4%	88,2%	89,9%	80,4%
No of employees at the end of the period	44	42	31	26	23

For further information, please see Note 28: Definitions of Key Performance Indicators. Please note that all key figures in the multi-year overview refer to the parent company Gapwaves AB for 2020 to 2021, and to the Group for 2022-2024. Since the Group was formed in 2022, we do not have any comparable figures from previous periods. The most significant difference in the consolidated accounts, when compared to the Parent Company's accounts, relates to the share of profits from associated companies.

Significant events during the financial year
2024 was a year of continued focus on investments in the business, and the Company's ability to become a supplier to the automotive industry on a large scale. Our strategy involves us transitioning from a technology company to a full-service supplier of antennas for our global customers based on our antenna technology. We have made progress during the year through the development of our technology, our production capacity, our supply chains, and our customer and partner collaborations.

Orders
- Gapwaves received several orders during the year from Hella in relation to antenna development and antenna prototypes.
- An order for production equipment was received from the Frencken Group.
- Gapwaves and Sensrad entered into a supplier agreement.
- Gapwaves received an order from a new Asian Automotive Tier 1 customer for Gapwaves, relating to the design, development and prototypes of waveguide antennas for vehicle radars.
- Gapwaves entered into an agreement with Smartmicro during the year for the sale and delivery of waveguide antennas for high-resolution radar sensors.
- Gapwaves and Valeo entered into a joint development and delivery agreement for radar antennas, with production starting in 2025. During the year, Gapwaves received a number of orders from Valeo.
- Gapwaves received an order from a North American Automotive Tier 1 customer new to Gapwaves regarding the initial design and development of a waveguide antenna for vehicle radar.

Customer agreements
In October, Gapwaves and Valeo entered into a development and supply agreement for high-volume radar antennas.
In November, Gapwaves and Bosch terminated the development agreement for high-resolution radar antennas, based on perceived weak market demand for a particularly advanced radar product for automated driving.
In December, Gapwaves and Smartmicro entered into a new product sales agreement for volume deliveries of waveguide antennas in the automotive industry.

Own production capacity
In June, Gapwaves gained access to the production facility next to the head office in Gothenburg. The production facility, which was inaugurated in November, houses a flexible production line intended for prototypes and low-volume series deliveries.

Continued upscaling in Sensrad AB
On April 27, 2023, Gapwaves invested in Sensrad AB in the form of a new emission and with that became a minority owner with 30 percent of the shares. The investment provides a strategic position in the market for complete radar, with a focus on intelligent transportation systems, mobility, and surveillance. During the year, Sensrad launched its first commercial sensor, Hugin D1, which is equipped with a world-unique antenna developed by Gapwaves and offers superior performance.
Gapwaves decided to not exercise the right to acquire an additional stake of in Sensrad AB, in part due to the increased interest in the

company's antenna technology and the need to focus on the core business to ensure deliveries for existing and new customer contracts. Gapwaves has continued to support Sensrad with capital for further upscaling, and intends to be an active owner and supplier of high-performance waveguide antennas.
Sensrad has made both technological and commercial progress during the year, including the announcement of four new evaluation orders, one of which is from a global agricultural machinery manufacturer. In addition, Sensrad entered into a framework agreement with Tianyi in China, for the supply of Hugin D1 imaging radar, which includes Gapwaves' antenna technology, for applications in intelligent traffic solutions in cities.
Gapwaves' long-term strategy is to take a strong position in the value chain in the market for radar sensors outside the automotive segment. In line with Sensrad's commercial development, the Company will continuously evaluate an increased ownership stake in Sensrad.

Revenue and result
The Group's net turnover during the year amounted to MSEK till 66.1 (27.5), which corresponds to an increase of 140 percent from the previous year. Net turnover is mainly attributable to project and prototype revenues from Hella, Valeo, Sensrad and the Asian Tier 1 customer. The Company also received revenue of approximately MSEK 19.9, which related to the sale of production equipment to the Frencken Group. In addition to sales revenues, research grants amounting to MSEK 1.4 (3.3), exchange rate gains of MSEK 0.5 (0.7), and re-invoiced costs to Sensrad AB and Qamcom Research and Technology AB of MSEK 2.5 (2.2), were recognized under Other operating income.
The Group's operating result, before depreciation and impairment of intangible and tangible fixed assets (EBITDA), during the period amounted to MSEK -47.1 (-62.8). Operating expenses, excluding depreciation and the share of profits from associated companies, amounted to MSEK 102.5 (82.1). The improved EBITDA for the period is largely due to the higher turnover, but is in part offset by increased operating expenses, mainly driven by higher personnel costs during the period, totaling MSEK -50.4 (-40.1). Personnel costs do not include expenses affecting cash flow for LTI 2022, totaling MSEK 1.5 (0.9). EBITDA includes the share of profits from associated companies of MSEK -15.0 (-14.5), which was mainly derived from amortization of Goodwill of MSEK -4.3 (-2.7) and the Group's share of the associated company's profit of MSEK -10.6 (-11.6). Adjusted for this, EBITDA during the period amounted to MSEK -32.0 (-48.3).
The operating result during the period amounted to MSEK -54.4 (-71.3), and MSEK -39.4 (-56.8) adjusted for the share of profits in associated companies.

Financial position and cash flow
The Group's financial position and liquidity are satisfactory. Cash and cash equivalents amounted to MSEK 40.8 (89.3) on December 31, 2024, and the equity/assets ratio to 78.3% (89.4%). The Board of Directors deems that the available cash and cash equivalents as of December 31, 2024, are sufficient to finance operations in 2025, which is why the Annual Report is prepared on the basis that the assumption of continued operations is fulfilled. The Management Team and the Board of Director's also deem that the Company's liquidity and capital situation remain stable and create the conditions for growth according to the established strategy.
Cash flow from operating activities after changes in working capital strengthened and amounted to MSEK -28.1 (-47.5). Cash flow from investment activities amounted to MSEK -21.3 (-48.6), of which MSEK -19.5 relates to long-term loans provided to Sensrad AB. Total cash flow during the year amounted to MSEK –49.3 (–96.1).

Organization
One of Gapwaves' most important success factors is the Company's personnel. The average number of employees in the Group during the year amounted to 41 (34), of which 6 (6) were women. The number of employees at the end of the year amounted to 44 (42) full-time employees, of which 6 (6) were women. The education level of personnel is generally high, with several having doctorates in antenna and wireless communication, or alternatively having higher university degrees. In addition to its full-time employees, the Company has a number of consultants and part-time employees, as well as doctoral students, continuously associated with the business.

Significant events after the end of the financial year
Gapwaves appointed Frencken Group as production partner for high-volume manufacturing of waveguide antennas for Valeo.
Gapwaves entered into an agreement for the sale of production equipment intended for high-volume production to the Frencken Group.
Gapwaves received a follow-up order from the North American Tier 1 customer.

Proposal for appropriation of profits

SEK	2024
The following are at the disposal of the Annual General Meeting:	
Share premium account	426 146 467
Retained earnings	–257 724 343
Result for the year	–33 330 225
The Board of Directors proposes that the profits be allocated as follows:	
To be carried forward	135 091 899

Outlook for 2025
Gapwaves' overall objective is to continue the development, commercialization, and production of antennas for vehicle radar, and for integration into telecom systems at higher frequencies. Antenna development is expected to continue to be largely financed by the Company's customers, which is likely to continue in the coming years. Upon successful development, Gapwaves is expected to transition to becoming a supplier of antennas and components to the customer, similar to the agreement with Valeo. The majority of the production in series volume will be carried out by a third-party supplier, while both lower series volumes and prototype series will be manufactured in Gapwaves' own production facilities in Gothenburg.
The strategy and goal are to attract additional customers, even within customer and product segments outside the traditional automotive industry, for long-term collaborations, and to further strengthen the Company's supply chain by adding more production partners and starting series production in the Company's own production line in Gothenburg.

Environmental impact
Gapwaves does not carry out any activities subject to notification or permit requirements according to the Environmental Code.

Research and development
The Company conducts research and development of products in the millimeter wave area. The research is carried out in close collaboration with Chalmers University of Technology, while development mainly takes place in-house and with the support of subcontractors.

Means for continued operation
The Board of Directors deems that the Company, with the available cash and cash equivalents, has the financing to carry out planned operations during 2025. Gapwaves does not provide any financial forecasts.

Risks and Risk Management
Gapwaves is influenced by a number of factors that can have a direct or indirect negative impact on the business. It is therefore of great importance to consider relevant risks in parallel with the Company's growth opportunities. Risk factors are described below, in no particular order and without claims to be comprehensive. For obvious reasons, risk factors should not be assessed without first carrying out an overall evaluation of the Company's operations, together with a general assessment of the environment.

Market and customers
Gapwaves' business areas have relatively few, but large, existing and potential customers. If any collaboration with these existing or potential customers were to cease, there is a risk that this could have a negative impact on the Company's operations, financial position, and results. Gapwaves is constantly seeking out relationships with new companies, and in new application areas, where Gapwaves' knowledge and technology can be applied.

Subcontractors
Gapwaves operates based on an efficient organizational and business model, where parts or all of the production are outsourced and carried out against customer orders. This entails a dependence on subcontractors fulfilling their commitments in relation to, among other things, delivery precision and quality. Gapwaves works actively and long-term with several partners, and is reducing its supplier dependency through contact with a number of suppliers in important areas and in different geographies. The Company sees great value in its flexible production model, which provides the opportunity for large-scale series production with the help of certified production partners in different geographies, as well as the possibility to adapt to customer wishes, and at the same time allows flexibility in relation to possible trade barriers (such as customs duties and tariffs). High quality is always prioritized in Gapwaves' supplier assessment.

Competition and IP
The Company may be exposed to competition from several other companies with ventures in the same segment. Companies of this kind may have greater financial resources than Gapwaves. Gapwaves has a strong patent portfolio and is constantly striving to develop this in order to prevent IP infringement. Furthermore, Gapwaves works to quickly commercialize its products, and as such gain an advantage by being early on the market.

Key personnel and recruitment
Gapwaves is still in an expansive phase, which means that the Company is dependent on the ability to recruit, develop, and retain qualified employees. If the Company does not succeed in recruiting the expertise, or at the rate required, there is a risk that development will not continue at the desired rate. The Company works actively to market itself as an attractive employer, where employees are given the opportunity to work with antenna technology at the forefront. The Company also has collaborations with several Technical Universities. In addition, Gothenburg, with its strong roots in both microwave technology and the automotive industry, is considered a good base in terms of skills supply.

Financing and capital needs
Gapwaves is financed through equity. Even though the Company generates revenue, capital needs may arise as the Company grows. In such a case, the Company is also exposed to financial risks. Should Gapwaves, in whole or in part, fail to raise sufficient capital, it could have a negative impact on the Company's operations and financial position. The Company and the Board of Directors continuously monitor the Company's liquidity situation. Since the direct emission carried out in 2021, the Company has had a stable cash flow, and the Company's Board of Directors and Management Team therefore do not see any immediate liquidity needs. However, the Company and the Board of Directors are evaluating alternative financing solutions in order to further strengthen the long-term development of the business, and to ensure financial sustainability and opportunities for continued expansion.

Income statement
Consolidated Group

TSEK	Note	2024	2023
OPERATING INCOME			
Net sales	2	66 079	27 510
Other operating income	3	4 396	6 233
Total operating income		**70 475**	**33 743**
OPERATING EXPENSES			
Goods for resale		–23 384	–9 833
Other external costs	4, 5	–28 137	–31 061
Personnel costs	6, 7	–50 400	–40 082
Depreciation/amortization of property, plant and equipment and intangible assets	12, 13, 14	–7 340	–8 498
Other operating expenses		–596	–1 105
Total operating expenses		**–109 857**	**–90 578**
Results from shares in associated companies	8	–15 015	–14 469
EBIT		**–54 398**	**–71 304**
FINANCIAL ITEMS			
Financial income	9	4 637	2 075
Financial expenses	10	–2 310	–9
Total financial items		**2 327**	**2 066**
Loss after financial items		**–52 070**	**–69 238**
TAX	11		
Tax on result for the year		-	3
LOSS FOR THE PERIOD		**–52 070**	**–69 235**
No. of shares at the end of the period		31 146 299	31 146 299
Average no. of shares during the period before dilution		31 146 299	31 146 299
No. of shares at the end of the period after full dilution*		31 648 840	31 648 840
Average no. of shares during the period after full dilution*		31 648 840	31 648 840
Earnings per share before and after dilution (SEK)		Neg.	Neg.

**Including potential shares attributable to outstanding options as of the balance sheet date.*

Balance sheet
Consolidated Group

TSEK	Note	2024	2023
Assets			
Non-current assets			
Intangible assets			
Capitalized expenditure on research and development and similar works	12	1 229	2 727
Concessions, patents, licenses, trademarks and similar rights	13	9 345	13 089
Total intangible assets		**10 574**	**15 816**
Property, plant and equipment			
Equipment, tools, fixtures and fittings	14	4 594	6 647
Construction in progress	15	2 221	429
Total property, plant and equipment		**6 815**	**7 076**
Financial assets			
Shares in associated companies	17	17 461	32 476
Long-term receivables in associated companies	18	19 457	-
Deferred tax	22	1 914	2 680
Long-term deposits		665	680
Total financial assets		**39 498**	**35 836**
Total non-current assets		**56 887**	**58 728**
Current assets			
Inventories			
Raw materials and consumables		2 091	1 811
Total inventories		**2 091**	**1 811**
Current receivables			
Accounts receivable		14 099	5 084
Short-term receivables in associated companies		2 646	2 580
Other receivables		1 047	621
Accrued but unbilled revenue	19	4 750	-
Prepaid expenses and accrued income	20	8 714	13 424
Total current receivables		**31 256**	**21 708**
Cash and bank balances			
Cash and bank balances		40 752	89 332
Total cash and bank balances		**40 752**	**89 332**
Total current assets		**74 100**	**112 851**
TOTAL ASSETS		**130 987**	**171 579**

Balance sheet
Consolidated Group

TSEK	Note	2024	2023
EQUITY AND LIABILITIES			
Equity			
Share capital	26	1 869	1 869
Other contributed capital		426 146	426 146
Other equity including loss for the period		–325 447	–274 705
Total equity		**102 567**	**153 309**
Provisions			
Deferred tax	23	1 914	2 680
Total provisions		**1 914**	**2 680**
Current liabilities			
Accounts payable		6 024	4 452
Current tax liabilities		780	365
Other liabilities	21	6 715	3 728
Billings in excess of costs	19	1 177	-
Accrued expenses and deferred income	22	11 809	7 045
Total current liabilities		**26 505**	**15 590**
TOTAL EQUITY AND LIABILITIES		**130 987**	**171 579**

Statement of changes in equity
Consolidated Group

			Other equity including loss for the period	
TSEK	Share capital	Other contributed capital	Retained earnings, etc	Total equity
Opening balance Jan 1, 2023	**1 869**	**426 146**	**-206 134**	**221 881**
Share options programme	-	-	663	663
Loss for the year	-	-	-69 235	-69 235
Closing balance Dec 31, 2023	**1 869**	**426 146**	**-274 706**	**153 309**
Opening balance Jan 1, 2024	**1 869**	**426 146**	**–274 705**	**153 309**
Share options programme	-	-	1 328	1 328
Loss for the year	-	-	–52 070	–52 070
Closing balance Dec 31, 2024	**1 869**	**426 146**	**-325 447**	**102 567**

Cash flow statement
Consolidated Group

TSEK	Note	2024	2023
Operating activities			
EBIT		–54 398	–71 304
Adjustments for non-cash items, etc*	24	23 797	24 116
Interest received		-	2 075
Interest paid		–156	–1
Paid tax		415	301
Cash flow from operating activities before changes in working capital		**–30 342**	**–44 813**
Changes in working capital			
Changes in operating receivables		-7 345	9 498
Changes in operating liabilities		9 904	–11 998
Changes in inventories		–280	–202
Cash flow from operating activities		**–28 063**	**–47 515**
Investing activities			
Paid shareholders contribution		-	–4 000
Acquisition of intangible assets		-	–69
Acquisition of property, plant and equipment		–1 824	–1 520
Acquisition of associated companies		-	–42 945
Long-term deposits		-	-38
Loans provided		-19 457	-
Cash flow from investing activities		**–21 281**	**–48 572**
Financing activities			
Share option programme		-	-
Cash flow from financing activities		**-**	**-**
Cash flow for the period		**–49 344**	**–96 087**
Cash and cash equivalents at beginning of period		**89 332**	**185 428**
Exchange rate effects		**763**	**–9**
Cash and cash equivalents at end of period		**40 752**	**89 332**

Income statement
Parent Company

TSEK	Note	2024	2023
OPERATING INCOME			
Net sales	2	66 079	27 510
Other operating income	3	4 396	6 233
Total operating income		**70 475**	**33 743**
OPERATING EXPENSES			
Goods for resale		–23 384	–9 833
Other external costs	4, 5	–28 129	–31 054
Personnel costs	6, 7	–50 400	–40 082
Depreciation/amortization of property, plant and equipment and intangible assets	12, 13, 14	–3 624	–4 781
Other operating expenses		–596	–1 105
Total operating expenses		**–106 132**	**–86 854**
EBIT		**–35 658**	**–53 112**
FINANCIAL ITEMS			
Financial income	9	4 637	2 075
Financial expenses	10	–2 310	–9
Total financial items		**2 327**	**2 066**
Loss after financial items		**–33 330**	**–51 045**
TAX	11		
Tax on loss for the year		-	-
LOSS FOR THE PERIOD		**–33 330**	**–51 045**
Earnings per share before and after dilution (SEK)		Neg.	Neg.
Average no. of shares for the period		31 146 299	31 146 299

Balance sheet
Parent Company

TSEK	Note	2024-12-31	2023-12-31
ASSETS			
Non-current assets			
Intangible assets			
Capitalized expenditure on research and development and similar works	12	1 229	2 727
Concessions, patents, licenses, trademarks and similar rights	13	53	80
Total intangible assets		**1 282**	**2 807**
Property, plant and equipment			
Equipment, tools, fixtures and fittings	14	4 594	6 647
Construction in progress	15	2 221	429
Total property, plant and equipment		**6 815**	**7 076**
Financial assets			
Shares in subsidiaries	16	15 464	15 464
Shares in associated companies	17	46 945	46 945
Long-term receivables in associated companies	18	19 457	-
Long-term deposits		665	680
Total financial assets		**82 531**	**63 089**
Total non-current assets		**90 628**	**72 971**
Current assets			
Inventories			
Raw materials and consumables		2 091	1 811
Total inventories		**2 091**	**1 811**
Current receivables			
Accounts receivable		14 099	5 084
Short-term receivables in associated companies		2 646	2 580
Other receivables		1 047	623
Accrued but unbilled revenue	19	4 750	-
Prepaid expenses and accrued income	20	8 714	13 422
Total current receivables		**31 256**	**21 708**
Cash and bank balances			
Cash and bank balances		40 719	89 291
Total cash and bank balances		**40 719**	**89 291**
Total current assets		**74 066**	**112 810**
TOTAL ASSETS		**164 694**	**185 782**

Balance sheet
Parent Company

TSEK	Note	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	26	1 869	1 869
Development expenditure fund		1 229	2 727
Total restricted equity		**3 098**	**4 595**
Non-restricted equity			
Share premium reserve		426 146	426 146
Retained earnings		-257 724	-209 505
Loss for the period		-33 330	-51 045
Total non-restricted equity		**135 091**	**165 596**
Total equity		**138 189**	**170 191**
Current liabilities			
Accounts payable		6 024	4 452
Current tax liabilities		780	365
Other liabilities	21	6 715	3 728
Billings in excess of costs	19	1 177	-
Accrued expenses and deferred income	22	11 809	7 045
Total current liabilities		**26 505**	**15 590**
TOTAL EQUITY AND LIABILITIES		**164 694**	**185 782**

Statement of changes in equity
Parent Company

	Restricted equity		Non-restricted equity			
TSEK	Share capital	Development expenditure fund	Share premium reserve	Retained earnings	Loss for the year	Total equity
Opening balance Jan 1, 2023	**1 869**	**5 260**	**426 146**	**-193 041**	**-19 659**	**220 574**
Reallocation profit/loss prev. year	-	-	-	-19 659	19 659	-
Share options programme	-	-		663	-	663
Changes in development expenditure	-	-2 532	-	2 532	-	-
Annual result	-	-	-	-	-51 045	-51 045
Closing balance Dec 31, 2023	**1 869**	**2 727**	**426 146**	**-209 505**	**-51 045**	**170 191**
Reallocation profit/loss prev. year	-	-	-	-51 045	51 045	-
Share options programme	-	-	-	1 328	-	1 328
Changes in development expenditure fund for the year	-	-1 498	-	1 498	-	-
Loss for the period	-	-	-	-	–33 330	–33 330
Closing balance Dec 31, 2024	**1 869**	**1 229**	**426 146**	**–257 725**	**–33 330**	**138 189**

Cash flow statement
Parent Company

TSEK	Note	2024	2023
Operating activities			
EBIT		–35 658	–53 112
Adjustments for non-cash items, etc*	24	5 065	5 929
Interest received		-	2 075
Interest paid		–156	–1
Paid tax		415	301
Cash flow from operating activities before changes in working capital		**–30 334**	**–44 807**
Changes in working capital			
Changes in operating receivables		–7 344	9 495
Changes in operating liabilities		9 904	–11 999
Changes in inventories		–280	–202
Cash flow from operating activities		**–28 054**	**–47 512**
Investing activities			
Paid shareholders contribution		-	–4 000
Acquisition of intangible assets		-	–68
Acquisition of property, plant and equipment		–1 824	–1 520
Acquisition of associated companies		-	–42 945
Long-term deposits		-	–38
Loans provided		-19 457	-
Cash flow from investing activities		**–21 281**	**–48 571**
Financing activities			
Share option programme		-	-
Cash flow from financing activities		**-**	**-**
Cash flow for the period		**–49 335**	**–96 083**
Cash and cash equivalents at beginning of period		**89 291**	**185 384**
Exchange rate effects		**763**	**–9**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**40 719**	**89 291**

Notes

Note 1
Accounting principles

General accounting policies
This annual report has been prepared in accordance with the Swedish Annual Accounts Act and Swedish Accounting Standards Board general advice BFNAR 2012:1 Annual reports and consolidated financial statements (K3). The accounting policies are unchanged compared with previous years.

Expenditure on research and development
Expenditure on research, that is planned and systematically searching for the purpose of obtaining new scientific or technical knowledge and insights is recognised as costs when it arises. The capitalisation model is used when recognising expenditure on development. That means that expenditure that has arisen during the development phase is recognised as an asset when all of the following conditions have been met:

- It is technically feasible to complete the intangible asset so that it can be used or sold.
- The intention is to complete the intangible asset and use it or sell it.
- The conditions exist to use or sell the intangible fixed asset.
- It is probable that the intangible asset will generate future economic benefits.
- There are the requisite and adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Internally generated intangible assets are recognised at historical cost less accumulated amortisation. The historical cost of an internally generated Intangible asset consists of all directly attributable costs (e.g. materials and salaries). Indirect manufacturing costs that constitute more than a negligible portion of the total cost for manufacturing and that exceed an insignificant amount are included in the historical cost. The company conducts an impairment test of capitalised development expenditure each year.

Other intangible assets
Other intangible assets that have been acquired by the company are recognised at historical cost less accumulated amortisation. Expenditure for internally generated goodwill and trademarks is recognised in the income statement as an expense when it arises.

The company's net sales consist of the following items;

Sales of goods
Revenue is recognised at the fair value of what the company has received or will receive. That means that the company recognises revenue at nominal value (invoiced amount) if the company receives remuneration in cash or cash equivalents directly at the time of delivery. Deductions are made for discounts provided.
When goods are sold, the income is normally recognised as revenue when the material benefits and risks associated with ownership of the goods have been transferred from the company to the purchaser.

Service contracts
For fixed-price service contracts, the revenue and expenditure that are attributable to a completed service contract are recognised as revenue and expenditure respectively in relation to the contract's degree of completion on the balance sheet date (percentage-of-completion method). The degree of completion is determined by comparing expenditure incurred on the balance sheet date with estimated total expenditure. Feared losses on a contract are recognised immediately as an expense.

Licensing revenue
Gapwaves AB (publ) has granted external companies rights to use products it has developed in-house. Income is obtained on the basis of the volume produced and is recognised under income once production has taken place. The same policies are used for those parts of licensing agreements that can be connected to technology transfer where revenue is recognised for the period in which the company has an obligation to offer assistance connected to the technology.

Public grants
In those cases where no future achievement is required in order to obtain the grants, the company recognises public grants as revenue once the conditions for obtaining the grants have been fulfilled. Public grants are measured at the fair value of what company has received or will receive.

Leases
The company reports both finance and operating leases as operating leases. Operating leases are recognised as an expense on a straight-line basis over the term of the lease.
→ *Further information is provided in Note 5.*

Employee benefits
Employee benefits means all types of benefits that the company provides to its employees. The company's benefits include salaries, paid holidays, paid leave, bonuses and post-employment benefits (pensions). Reporting takes place when the benefit is earned.

Post-employment benefits
Post-employment benefits means defined contribution or defined benefit pension plans. Defined contribution plans refers to plans where fixed contributions are paid and there are no obligations, legal or informal, to pay anything else in excess of these contributions.

Other plans are classified as defined benefit pension plans. The company has no other long-term employee benefits. The company only has defined-contribution pension plans. Expenditure on defined contribution plans is recognised as an expense in the period in which the employees perform the services that form the basis of the obligation.
→ *Further information is provided in Note 6.*

Share-based payment transactions
The company has a share-based payment plan where the Group receives services from employees and where the Group' issues equity instruments in the form of stock options to the employees as a form of remuneration. The total amount which must be expensed reported in the income statement as a personnel cost and in equity in the item Other contributed capital, distributed over the earning period. When an assessment is changed for how many equity instruments that will be earned, this deviation is reported in the income statement in the period that changed assessment is made. The social security contributions arising from the allocation of share options are reported as a personnel cost and a liability. Subsequent revaluations are reported in the income statement.
→ *Further information is provided in Note 7.*

Translation of items in foreign currencies
Receivables and liabilities in foreign currencies have been measured at the exchange rate in force on the balance sheet date. Exchange gains and exchange losses on operating receivables and operating liabilities are recognised under operating income, while exchange gains and exchange losses on financial receivables and liabilities are reported as financial items.

Tax
Total tax consists of current and deferred tax. Taxes are reported in the income statement, except when underlying transactions are reported directly against equity, in which case the associated tax effect is reported in equity.

Current tax
Current tax means income tax for the current financial year and that part of previous financial years' income tax that not yet been reported. Current tax is calculated on the basis of the tax rate that applies on the balance sheet date.

Deferred tax
Deferred tax is income tax that pertains to future financial years as a result of past events. Reporting takes place in accordance with the balance sheet method. Under this method, deferred tax liabilities and deferred tax assets are reported for temporary differences that arise between the book value and tax base of assets and liabilities, and for other tax deductions or tax losses.
Deferred tax assets are only reported net against deferred tax liabilities if they can be paid with a net amount. Deferred tax is calculated on the basis of a decided tax rate on the balance sheet date. Effects of changes in the applicable tax rates are taken up as income in the period in which the change becomes legally binding. Deferred tax assets are reduced by the portion of the underlying tax asset that it is unlikely will be possible to realise within the foreseeable future.
→ *Further information is provided in Note 11 and 22.*

Non-current assets
Property, plant and equipment and intangible assets are recognised at historical cost less accumulated depreciation/amortisation and any impairment losses.
The depreciable amount comprises the historical cost minus an estimated residual value, if this is material. Depreciation takes place on a straight-line basis over the expected useful life.

Stock
Stock has been measured at the lower of its historical cost and its net realisable value on the balance sheet date. Net realisable value denotes the estimated sales price less selling expenses.

Depreciation periods

Intangible assets, Capitalised expenditure on development and similar works	5 years
Concessions, Patents, licences, trademarks and similar rights	5 years
Property, plant and equipment, Equipment, tools, fixtures and fittings	3-5 years

Client's funds
Gapwaves AB (publ) administers research projects that involve partners including Chalmers University of Technology. These involve the receipt of research grants that are to be forwarded to the parties involved in the research project in accordance with a predetermined plan. These funds are recognised as current liabilities on the balance sheet and are classified as client's funds.
→ *Further information is provided in Note 21.*

Financial assets and liabilities
Financial assets and liabilities are recorded in accordance with Chapter 11 (Financial instruments measured at historical cost) of BFNAR 2012:1.

Recognition on and derecognition from the balance sheet
A financial asset or financial liability is recognised on the balance sheet when the company becomes party to the instrument's contractual terms. A financial asset is removed from the balance sheet when the contractual right to the cash flow from the asset has expired or been settled. The same applies when the risks and benefits connected

to the holding have been transferred in all material respects to another party and the company no longer has control of the financial asset. A financial liability is removed from the balance sheet when the contractual obligation has been fulfilled or expired.

Measurement of financial assets
At initial recognition, financial assets are measured at historical cost, including any transaction expenses that are directly attributable to the acquisition of the asset.

After initial recognition, current financial assets are measured at the lower of historical cost and net realisable value on the balance sheet date.

Accounts receivable and other receivables that constitute current assets are measured individually at the amount that is expected to be received. After initial recognition, non-current financial assets are measured at amortised cost less any impairment losses and with the addition any appreciation.

Measurement of financial liabilities
Financial liabilities are measured at amortised cost. Expenditure that is directly attributable to the taking out of loans adjusts the historical cost and is allocates to a particular period in accordance with the effective interest method.

Earnings per share
(i) Earnings per share before dilution
Earnings per share before dilution is calculated by dividing:
- profit attributable to the parent company's shareholders,
- with a weighted average number of ordinary shares outstanding during the period.

(ii) Earnings per share after dilution
For the calculation of earnings per share after dilution, the amounts used for the calculation of earnings per share before dilution are adjusted by taking into account:
- the weighted average of the additional common shares that would have been outstanding upon a conversion of all potential common shares.

Warrants
Payments regarding warrants are booked against equity.

Consolidation
The consolidated accounts have been prepared according to the acquisition method. This means that the identifiable assets and liabilities of acquired businesses are reported at market value according to the prepared acquisition analysis. If the acquisition value of the business exceeds the calculated market value of the expected net assets according to the acquisition analysis, the difference is reported as goodwill.
The consolidated accounts include, apart from the parent company, all companies in which the parent company directly or indirectly has more than 50% of the voting rights or otherwise holds the controlling influence and thus has a right to shape the company's financial and operational strategies in order to obtain financial benefits.
A subsidiary's income and expenses are included in the consolidated accounts from and including the time of the acquisition up to and including the time when the parent company no longer has a controlling influence over the subsidiary.
Associated companies are the companies in which the group has significant but not controlling influence, which usually applies to shareholdings comprising between 20% and 50% of the votes. Holdings in associated companies are reported according to the equity method. When applying the equity method, the investment is initially valued at acquisition value and the reported value is subsequently increased or decreased to take into account the group's share of the associated company's profit or loss after the acquisition date. The group's reported value of holdings in associated companies includes goodwill identified at the time of acquisition.
Intra-group receivables and liabilities, income and expenses and unrealized profits or losses arising from transactions between group companies are eliminated in their entirety.

The parent company and the group apply the same accounting policies unless otherwise stated below.

Shares and participations in subsidiaries
Shares and participations in subsidiaries are recognised at historical cost less any impairment losses. The historical cost includes the consideration paid for the shares and acquisition expenses. Any capital contributions are added to the historical cost when they are paid. Dividends from subsidiaries are recognised as revenue.

Equity
Equity is divided into restricted and non-restricted equity, in accordance with the division of the Annual Accounts Act.

Note 2
Net sales per geographic market

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Sweden	4 830	3 507	4 830	3 507
EU	33 018	22 503	33 018	22 503
The rest of the world	28 231	1 499	28 231	1 499
Total	**66 079**	**27 510**	**66 079**	**27 510**

Note 3
Other operating revenue

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Received grants	1 357	3 346	1 357	3 346
Other revenue	88	-	88	-
Exchange gains on receivables and liabilities	482	670	482	670
Other revenue	2 469	2 217	2 469	2 217
Total	**4 396**	**6 233**	**4 396**	**6 233**

Note 4
Fees to auditors

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Öhrlings PricewaterhouseCoopers AB				
Audit engagement	466	591	466	591
Other services	77	2 331	77	2 331
Total	**543**	**2 922**	**543**	**2 922**

Other services mainly refer to transaction costs related to the acquisition of the non controlling interest in Sensrad AB.

Note 5
Leases

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Expensed payments in respect of operating leases	4 619	3 957	4 619	3 957
Future minimum lease payments in respect of non-cancellable operating leases				
To be paid within 1 year	5 334	4 086	5 334	4 086
To be paid later than 1 year but within 5 years	7 027	6 181	7 027	6 181
To be paid later than 5 years	284	853	284	853
Total	**12 646**	**11 120**	**12 646**	**11 120**

Operating lease payments refers to rental agreements, laboratory equipment, leased IT software and leased cars.

Note 6
Number of employees and personnel costs

	Group		Parent Company	
Average number of employees	2024	2023	2024	2023
Men	35	28	35	28
Women	6	6	6	6
Total	**41**	**34**	**41**	**34**

Wages, salaries and other benefits	2024	2023	2024	2023
Board of directors and CEO	3 447	4 910	3 447	4 910
Bonus remuneration to the CEO	588	106	588	106
Other employees	27 478	21 619	27 478	21 619
Total	**31 513**	**26 635**	**31 513**	**26 635**

Pension costs and other social security contributions	Group		Parent Company	
TSEK	2024	2023	2024	2023
Pension costs for board of directors and CEO	781	806	781	806
Pension costs for other employees	3 718	3 634	3 718	3 634
Other social security contributions pursuant to legislation and agreements	9 236	7 183	9 236	7 183
Total	**13 734**	**11 623**	**13 734**	**11 623**

Gender distribution among senior officers				
TSEK	2024	2023	2024	2023
Proportion of women on the board of directors	40%	20%	40%	20%
Proportion of men on the board of directors	60%	80%	60%	80%
Proportion of women among other officers of the company	0%	0%	0%	0%
Proportion of men among other officers of the company	100%	100%	100%	100%

Note 7
Share-based payment

Warrants: Series 2022/2025

At the Extraordinary General Meeting on 10th of June 2022, the shareholders decided to issue a warrant program (Series 2022/2025) for permanent employees (total 540,000 warrants) and the Board of Directors (total 100,000 warrants), all in all a total of 640,000 warrants. The warrants may be exercised for subscription of B-shares in the Company during the period from and including 9th of June 2025 to and including 29th of August 2025. A total of 502,541 warrants were subscribed for with a subscription price of 38.20 SEK. The price per option was set at SEK 7.18 through an external valuation.
The total dilution effect at full utilization is expected to be approx. 2.3% of the outstanding capital and 0.65% of the outstanding votes.

LTI 2022

At the Extraordinary General Meeting on August 19, 2022, the shareholders resolved to approve the Board's proposal to issue a long-term incentive program for senior executives and other key individuals in the Group. The aim of the program is to strengthen the Group's ability to recruit and retain key individuals.

LTI 2022 comprises a maximum of 13 key individuals in the Group. The maximum number of performance share rights that can be allocated in accordance with LTI 2022 is to be limited to 642,595 (same amount as the total shares in the company). The targets for the program were established by the Board at the end of the quarter, at which point five key individuals were invited to participate with the opportunity of earning a maximum of 360,656 performance share rights.

Warrants: Series 2022/2025

Koncernen

	2024		2023	
	Average exercise price in SEK per warrant	Warrants (thousands)	Average exercise price in SEK per warrant	Warrants (thousands)
As of 1 of January	**7**	**503**	**7**	**503**
Assigned				
Outstanding as of 31 of December	**7**	**503**	**7**	**503**

Moderbolaget

	2024		2023	
	Average exercise price in SEK per warrant	Warrants (thousands)	Average exercise price in SEK per warrant	Warrants (thousands)
As of 1 of January	**7**	**503**	**7**	**503**
Assigned				
Outstanding as of 31 of December	**7**	**503**	**7**	**503**

Of the 502 541 warrants, 0 warrants were redeemable

Note 8
Results from shares in associated companies

	Group	
TSEK	2024	2023
Results from shares in associated companies	–15 015	–14 469
Total	**–15 015**	**–14 469**

Note 9
Financial income

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Capital gains financial items	2 916	1 483	2 916	1 483
Interest income*	1 721	2 075	1 721	2 075
Total	**4 637**	**3 558**	**4 637**	**3 558**

*Interest income refers to interest earned from bank deposits and accrued interest on loans to associated companies.

Note 10
Financial costs

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Rate losses financial items	2 153	1 491	2 153	1 491
Interest charges	156	1	156	1
Total	2 310	1 492	2 310	1 492

Note 11
Tax on profit/loss for the year

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Reconciliation of effective tax rate	-	3	-	-
Net profit/loss before tax	-	-	-	-
Tax on net profit/loss in accordance with applicable tax rate (20.6%)	**-**	**3**	**-**	**-**
Tax effect of:				
Non-deductible expenses	–52 070	–69 238	–33 330	–51 045
Tax-free income	10 726	14 263	6 866	10 515
Increase in loss carry-forwards without corresponding capitalisation of deferred tax				
Reported tax	–44	–35	–44	–39
Effective tax rate	1	2	1	2
Accumulated tax loss carry-forwards	–10 682	–14 226	–6 822	–10 477
The value of the deferred taxes attributable to these losses amounts to	**-**	**3**	**-**	**-**
Effective tax rate	0%	0%	0%	0%
Accumulated tax loss carry-forwards	341 169	289 317	305 884	272 772
The value of the deferred taxes attributable to these losses amounts to	70 281	59 599	63 012	56 191

In the annual accounts for 2024.12.31 and 2023.12.31, the company has chosen not to report the value of the loss carry-forwards on the balance sheet as the board of directors does not believe it will be able to utilise the loss carry-forwards within the foreseeable future.

Note 12
Capitalised expenditure on development and similar expenditures

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Opening balance	36 018	36 018	36 018	36 018
Closing balance	**36 018**	**36 018**	**36 018**	**36 018**
Opening balance, depreciations	–29 991	–27 459	–29 991	–27 459
Depreciation for the year	–1 498	–2 532	–1 498	–2 532
Closing balance, depreciations	**–31 489**	**–29 991**	**–31 489**	**–29 991**
Opening balance, impairment	–3 300	–3 300	–3 300	–3 300
Closing balance, impairment	**–3 300**	**–3 300**	**–3 300**	**–3 300**
Book value	**1 229**	**2 727**	**1 229**	**2 727**

Note 13
Concessions, patents, licences, trademarks and similar rights

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Opening balance	19 319	19 250	734	665
Acquired during the year	-	69	-	69
Closing balance	**19 319**	**19 319**	**734**	**734**
Opening balance, depreciations	–6 230	–2 495	–655	–637
Depreciation for the year	–3 744	–3 735	–27	–18
Closing balance, depreciations	**–9 974**	**–6 230**	**–682**	**–655**
Book value	**9 345**	**13 089**	**53**	**80**

Note 14
Equipment, tools, fixtures and fittings

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Opening balance	14 337	12 698	14 337	12 698
Acquired during the year	45	1 091	45	1 091
Sales/disposals	–43	-	–43	-
Reclassifications	43	548	43	548
Closing balance	**14 382**	**14 337**	**14 382**	**14 337**
Opening balance, depreciations	–7 688	–5 457	–7 688	–5 457
Depreciation for the year	–2 099	–2 231	–2 099	–2 231
Closing balance, depreciations	**–9 787**	**–7 688**	**–9 787**	**–7 688**
Book value	**4 594**	**6 647**	**4 594**	**6 647**

Note 15
Ongoing new equipment

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Opening balance	429	598	429	598
Acquired during the year	1 793	429	1 793	429
Sales/disposals	-	–50	-	–50
Reclassifications	-	–548	-	–548
Book value	**2 221**	**429**	**2 221**	**429**

Note 16
Shares in the group

	Parent company	
TSEK	2024	2023
Opening balances	15 464	15 464
Book value	**15 464**	**15 464**

Specification of shares in associated companies

Name	Corp-nummer	Residence	Share of equity
Metasum AB	559131-0072	Gothenburg	100%

Note 17
Shares in associated companies

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Opening balances	32 476	-	46 945	-
Acquired during the year	-	46 945	-	46 945
Results from shares	–15 015	–14 469	-	-
Book value	**17 461**	**32 476**	**46 945**	**46 945**

Specification of shares in associated companies

Name	Corp-nummer	Residence	Share of equity
Sensrad AB	559389-8769	Gothenburg	30%

During the year, 30% of Sensrad AB, 559389-8769, was acquired by the parent company and included in the consolidated accounts with amounts relating to the time after the acquisition date 27 April 2023. During the year, Gapwaves conducted an impairment test of its investment in associate Sensrad AB based on estimated future cash flows and concluded that no adjustment is currently needed.

Note 18
Long-term receivables in associated companies

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Opening balances	-	-	-	-
Additional receivables	19 457		19 457	
Amortizations, outgoing receivables	-	-	-	-
Book value	**19 457**	**-**	**19 457**	**-**

Note 19
Ongoing engagements

Upparbetad men ej fakturerad intäkt

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Accrued but not invoiced revenue	19 941	-	19 941	-
Invoiced amounts	-15 191	-	-15 191	-
Book value	**4 750**	**-**	**4 750**	**-**

Invoiced but unearned revenue

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Accrued revenue	-599	-	-599	-
Invoiced amounts	1 776	-	1 776	-
Book value	**1 177**	**-**	**1 177**	**-**

Note 20
Prepaid costs and accrued income

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Prepaid rents	904	908	904	908
Accrued income	5 102	10 074	5 102	10 074
Other prepaid costs	2 708	2 440	2 708	2 440
Total	**8 714**	**13 422**	**8 714**	**13 422**

Note 21
Other liabilities

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Grant/client's funds	5 923	2 926	5 923	2 926
Employee tax	792	802	792	802
Total	**6 715**	**3 728**	**6 715**	**3 728**

The increase from 2023 is primarily attributable to the three Vinnova projects awarded to Gapwaves in 2024.

Note 22
Accrued expenses and deferred income

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Accrued holiday pay	3 377	3 459	3 377	3 459
Accrued bonus	4 777	455	4 777	455
Accrued directors' fees	594	594	594	594
Accrued social security contributions	2 259	2 053	2 259	2 053
Other accrued expenses	800	483	800	483
Total	**11 809**	**7 045**	**11 809**	**7 045**

Note 23
Deferred taxes

	Group		
TSEK	Temporary difference	Deferred tax claim	Deferred tax liability
Opening balance	16 726	2 680	2 680
Asset acquisition patent	–3 718	–766	–766
Closing balance	**13 008**	**1 914**	**1 914**

Note 24
Items not affecting cash flow

	Group		Parent Company	
TSEK	2024	2023	2024	2023
Depreciation	7 340	8 497	3 624	4 781
Exchange gains	113	435	113	434
Results from shares in associated companies	15 015	14 469	-	-
Other	1 328	716	1 328	713
Total	**23 797**	**24 117**	**5 065**	**5 929**

Note 25
Group affiliation
The company is a subsidiary of Kildal Antenn AB, org. reg. no. 556423-0794. This company holds 561,800 A shares and 390,200 B shares. The ultimate parent company is Kildal Inventors AB, org. reg. no. 559005-1776. Both companies have their registered offices in Härryda Municipality.

Note 26
Share capital
As of 31 December 2024, the share capital was TSEK 1,869 (TSEK 1,869). The number of shares is 31,146,299 (31,146,299), which gives a nominal value of SEK 0.06 per share.

Note 27
Significant events after the end of reporting period
- Gapwaves appointed Frencken Group as a production partner for high-volume production of waveguide antennas for Valeo. Gapwaves subsequently entered into an agreement for the sale of high-volume production equipment to Frencken Group.
- Gapwaves received a follow-up order from a North American Tier1.
- Gapwaves received follow-up development orders from Hella.

Note 28
Definitions of key performance indicators
Operating margin - Operating income as a percentage of net sales.

Equity/assets ratio at end of period - Equity at the end of the period divided by total assets at the end of period.

Basic and diluted earnings per share - Earnings attributable to the parent company's shareholders divided by average number of shares during the period.

Note 29
Related party transactions
There are no material transactions with related parties during the year.

Signatory of annual accounts 2024

The board of directors and the CEO certify that the consolidated accounts have been prepared in accordance with the Annual Accounts Act and Swedish general accepted accounting principles (K3) and gives a true and fair view of the group's financial position and results. The annual report has been prepared in accordance with Annual Accounts Act and Swedish general accepted accounting principles (K3) and gives a true and fair view of the parent company's financial position and results

Gothenburg, 11 April 2025
Gapwaves AB (publ)

Magnus Jonsson
Chairman

Torbjörn Gustafsson
Director

Madeleine Schilliger Kildal
Director

Dietmar Stapel
Director

Ulrika Molander
Director

Jonas Ehinger
CEO

Our auditor's report has been signed

Gothenburg, 11 April 2025
Öhrlings PricewaterhouseCoopers AB

Johan Malmqvist
Authorised Public Accountant

For more information
More information about Gapwaves is available on the company's website:
www.gapwaves.com

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This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Auditor's report

To the general meeting of the shareholders of Gapwaves AB (publ), corporate identity number 556840-2829

Report on the annual accounts

Opinions
We have performed an audit of the annual accounts of Gapwaves AB (publ) for year 2024. The annual accounts of the company are included on pages 32-61 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Gapwaves AB (publ)s as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Gapwaves AB (publ).

Basis for opinions
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Gapwaves AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other information than the annual accounts
This document also contains other information than the annual accounts and is found on pages 1-31. The Board of Directors and the Managing Director are responsible for this other information.
Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. It disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, cease operations or has no realistic alternative to doing any of this.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions
In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Gapwaves AB (publ) for year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Gapwaves AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Gothenburg, the date indicated by our electronic signature

PricewaterhouseCoopers AB

Johan Malmqvist
Authorized Public Accountant

GAPWAVES

Tech that sees the human side of things.

About Gapwaves AB (publ)
Gapwaves AB (publ) originates from research conducted at Chalmers University of Technology and was founded in 2011. Gapwaves' vision is to be the most innovative provider of mm-wave antenna systems and the preferred partner to those pioneering next generation wireless technology for a safer and more sustainable society. By leveraging the disruptive Gapwaves technology, we help pioneers in automotive and telecom to create highly efficient mm-wave antenna systems that contribute to redefining everyday life.

Gapwaves' share (GAPW B) is traded on the Nasdaq First North Growth Market Stockholm with G&W Fondkommission as certified adviser.

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