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Gapwaves intends to carry out a rights issue of units of approximately SEK 62.5 million to accelerate the company's industrial upscaling and commercial expansion

The Board of Directors of Gapwaves AB (publ) ("Gapwaves" or "the Company") intends to resolve on a rights issue of units, consisting of shares of series B and warrants, of approximately SEK 62.5 million (the "Rights Issue"). In addition, the Company may receive further proceeds upon the exercise of the warrants included in the units to be issued in the Rights Issue. The Board of Directors intends to resolve on the Rights Issue by virtue of the authorization which an Extraordinary General Meeting is proposed to resolve on (the "Issue Authorization"). The Rights Issue, including the full terms and conditions, is expected to be resolved by the Board of Directors on or around 13 November 2026, provided that the Extraordinary General Meeting resolves on the Issue Authorization and that the Issue Authorization has been registered with the Swedish Companies Registration Office. Approximately 90 per cent of the Rights Issue is covered by guarantee undertakings from Schonfeld Global Master Fund L.P. and Aqurat Fondkommission AB ("Aqurat"). Notice to the Extraordinary General Meeting to resolve on the Issue Authorization, which will be held on 10 November 2026, will be published in a separate press release. The net proceeds are intended primarily to be used to scale up commercial operations, improve margins, establish a new growth platform within defense, and commercialize the next-generation waveguide antenna.

The Rights Issue

The Board of Directors of Gapwaves today, 22 October 2026, announces its intention to carry out the Rights Issue on the following indicative terms:

- The Rights Issue is intended, upon full subscription, to raise approximately SEK 62.5 million for the Company before deduction of issue costs. The final issue amount depends on the final subscription price and the final number of units and may be slightly higher or lower than SEK 62.5 million, but not exceeding SEK 63 million. In addition, the Company may receive further proceeds upon the exercise of the warrants included in the units to be issued in the Rights Issue.

- Gapwaves intends to use the net proceeds from the Rights Issue to accelerate commercial upscaling, improve margin potential, establish a new growth platform within the defense sector, and commercialize the next-generation waveguide antenna.
- Existing shareholders will receive unit rights in proportion to their existing shareholding on the record date for the Rights Issue, which gives preferential rights to subscribe for units in the Rights Issue.
- Each unit is intended to consist of two (2) new shares of series B and one (1) warrant, or a combination with the same ratio between the number of shares and the number of warrants.
- The subscription price per share of series B is intended to correspond to 70 per cent of the volume-weighted average price paid for the Company's shares of series B on Nasdaq First North Growth Market during the period immediately preceding the Board of Directors' resolution on the Rights Issue, but not less than SEK 8.00 and not more than SEK 12.00 per share of series B. However, the Board will take into account the circumstances prevailing at the time of its resolution and intends, in consultation with the financial adviser, to determine the subscription price accordingly. The warrants are intended to be issued free of charge.
- Each warrant is intended to entitle the holder to subscribe for one (1) share of series B. The warrants are intended to be exercisable during the fourth quarter of 2027. The subscription price upon exercise of the warrants is intended to be set at 70 per cent of the volume-weighted average price paid for the Company's shares of series B on Nasdaq First North Growth Market during the period immediately preceding the exercise period, but not less than 125 per cent and not more than 150 per cent of the subscription price per share of series B in the Rights Issue.
- The subscription period for the Rights Issue is intended to run from and including 24 November 2026 until and including 8 December 2026.
- Approximately 90 per cent of the Rights Issue is covered by guarantee undertakings, amounting to a maximum of SEK 56.7 million, of which SEK 20.0 million is from Schonfeld Global Master Fund L.P. and SEK 36.7 million from Aquarat. All guarantee undertakings consist of so-called bottom-up guarantees.
- In addition, board members and senior executives, including the CEO and the chairperson of the Board of Directors, have expressed their intention to subscribe for units in the Rights Issue, with and without preferential rights, in a total of approximately SEK 1.0 million.
- The Rights Issue is conditional upon the Extraordinary General Meeting, to be held on 10 November 2026, resolving on the Issue Authorization. The notice of the meeting will be published in a separate press release.
- The Rights Issue, including full terms and conditions such as the subscription price, number of units and increase in share capital, is expected to be resolved by the Board of Directors by virtue of the Issue Authorization around 13 November 2026, after the authorization has been registered with the Swedish Companies Registration Office.

Gapwaves' CEO Jonas Ehinger Comments

Over the past year, Gapwaves has taken decisive steps in its commercial development. We have moved from technology development and industrialization to a stage where our technology is now being used in mass-produced vehicles and manufactured in high volumes in collaboration with leading international partners. We have secured new mass-production agreements, expanded our industrial capacity and created a strong platform for continued growth. We are now in a phase where we are set to accelerate further. Our focus is on significantly increasing volumes, strengthening margins and translating our commercial progress into a growing and long-term profitable business.

At the same time, we see significant opportunities to take our proven and already industrialized technology into new markets. In the fields of defense-related radar and drone defense, we see a highly attractive opportunity to establish a new growth platform where our combination of high technical performance and cost-effective high-volume production can create significant competitive advantages.

The planned Rights Issue is a proactive step to give Gapwaves further financial strength and the freedom to take advantage of the business opportunities ahead of us and accelerate our path towards sustainable profitability. Through a rights issue, we are giving our existing shareholders the opportunity to continue to be part of the journey as we now step up the pace of Gapwaves' growth, whilst welcoming new investors to become part of the next phase.

Background and Rationale

Gapwaves is in a phase of expansion where the Company's long-term investments in technology and industrialization are now translating into clear commercial progress and rapidly increasing production volumes. During 2026, industrial upscaling has accelerated through the commencement of high-volume production for Valeo at the Frencken Group in China, expanded production capacity driven by high demand, and a new five-year series production agreement with the Chinese Tier 1 supplier Desay SV, which represents a strategic step into the Chinese market. At the same time, Gapwaves has received an initial development order from Valeo for next-generation radar sensors, with production scheduled to commence in 2030.

Gapwaves has previously announced that the total annual volume of antennas based on the Company's waveguide technology, including licensed production, is expected to increase from approximately 4.5 million in 2026 to approximately 10 million in 2027. This sharp increase in volume creates significant opportunities for increased sales, improved margins and enhanced profitability.

The planned Rights Issue aims to accelerate this development by strengthening the Company's commercial capacity, streamlining the supply chain and speeding up the commercialization of next-generation antenna technology. The ambition is to take advantage of the growing international demand and strengthen Gapwaves' position as a leading supplier of advanced radar antennas and millimeter-wave solutions.

Drone defense – a new commercial growth platform within defense

In parallel with its expansion in the automotive industry, Gapwaves is making a proactive push into defense-related radar and counter-unmanned aerial systems (C-UAS), where the Company sees significant and growing market potential. With its patented and already large-scale industrialized waveguide technology, Gapwaves is well placed to combine high radar performance with cost-effective production in large volumes.

Gapwaves has recently been awarded SEK 1.7 million from Vinnova for the development of a radar demonstrator for drone defense. However, the Company's ambitions extend considerably further. Through the planned Rights Issue, Gapwaves intends to accelerate product development and the commercialization of advanced components for radar target acquisition within C-UAS, with the aim of establishing a new, scalable growth platform within the defense sector. By utilizing its already industrially established technology platform in new market areas, the Company intends to create further growth opportunities and build a broader business with attractive long-term revenue and margin potential.

Use of the Issue Proceeds

In order to implement its ongoing growth strategy and take advantage of the significant commercial opportunities the Company has identified, Gapwaves intends to carry out the Rights Issue, which, if fully subscribed, is expected to raise approximately SEK 62.5 million before deduction of issue costs. The net proceeds from the Rights Issue are intended to be allocated primarily across four strategic priorities with the aim of accelerating Gapwaves' commercial expansion, strengthening margins and profitability, and establishing new areas of growth:

- **Accelerated commercial upscaling – approximately 33 per cent**

Taking advantage of the ongoing high-volume production, significantly increasing growth within existing customer programs, and converting new customer agreements and commercial opportunities into further deliveries and revenue.

- **Improved margin potential – approximately 12 per cent**

Optimizing the supply chain, streamlining manufacturing and strengthening the Company's cost structure to improve margins as volumes increase and accelerate the path to sustainable profitability.

- **New growth platform in defense – approximately 22 per cent**

Further developing and commercializing Gapwaves' proven and industrialized waveguide technology in the form of advanced components for radar target acquisition and counter-unmanned aerial systems (C-UAS), with the aim of establishing a scalable and long-term profitable business within the defense sector.

- **Commercialization of the next-generation waveguide antenna – approximately 33 per cent**

To accelerate product development, customer engagement and improvements to the product's cost structure in order to strengthen Gapwaves' position ahead of future high-volume radar programs, with the aim of commencing production in 2030.

Overall, the Board of Directors considers that the Rights Issue will create improved conditions for Gapwaves to maintain a high pace of expansion, strengthen the Company's competitiveness and accelerate the development towards a larger and more profitable industrial operation.

Extraordinary General Meeting and the Issue Authorization

In order to facilitate the Rights Issue, the Extraordinary General Meeting will be proposed to resolve on the Issue Authorization, whereby the Board of Directors is authorized, until the next Annual General Meeting, on one or several occasions, to resolve on issues of new shares of series B and/or issue of warrants with an accompanying right to subscribe for shares of series B. The Extraordinary General Meeting will be held on 10 November 2026, and the notice of the meeting will be published in a separate press release.

Guarantee Undertakings and Declarations of Intent

The Company has entered into agreements regarding guarantee undertakings on customary terms with Schonfeld Global Master Fund L.P. and Aqurat, amounting to a maximum of SEK 56.7 million, corresponding to approximately 90 per cent of the Rights Issue. Of this amount, Schonfeld Global Master Fund L.P. is responsible for SEK 20.0 million and Aqurat for SEK 36.7 million. All guarantee undertakings are so-called bottom-up guarantees. The guarantee undertakings are conditional upon the Extraordinary General Meeting resolving on the Issue Authorization and the Board of Directors subsequently resolving to carry out the Rights Issue.

Provided that the Rights Issue is carried out, guarantee commission of ten (10) per cent of the guaranteed amount will be paid in cash, or twelve (12) per cent should a guarantor choose commission in the form of units instead. In the event that the Rights Issue is not carried out, a guarantee commission equivalent to 50 per cent of the guarantee commission that would have been payable had the Rights Issue been carried out shall be paid. In the event that the guarantors choose to receive commission in the form of units, the Board of Directors intends, by virtue of the Issue Authorization, to resolve on a directed issue of units to the guarantors. The subscription price in such a directed issue will correspond to the subscription price in the Rights Issue. The guarantee commission has been determined following arm's-length negotiations and is deemed to reflect prevailing market conditions.

Aqurat holds the necessary authorization to act as guarantor and has entered into, or may enter into, separate agreements with a number of investors, to whom Aqurat, under the terms of the agreements, is entitled to sell any units subscribed for and allocated to Aqurat as guarantor in the Rights Issue, at a price corresponding to the subscription price in the Rights Issue. Aqurat is the Company's counterparty under the guarantee undertaking and is solely liable to the Company for the fulfillment of its guarantee commitment, regardless of how these investors fulfill their obligations towards Aqurat.

The Company has no contractual relationship with the investors with whom Aqurat has entered into or will enter into agreements. The guarantee commission is paid to Aqurat, which in turn reimburses the investors.

In addition, board members and senior executives of Gapwaves, including the CEO, Jonas Ehinger and the chairperson of the Board of Directors, Per Norén, have expressed their intention to subscribe for units in the Rights Issue, with or without preferential rights, amounting to approximately SEK 1.0 million, corresponding to approximately 1.6 per cent of the Rights Issue. These declarations of intent are not binding and no remuneration is payable in respect of them.

The guarantee undertakings are not secured by a bank guarantee, blocked funds, pledges or similar arrangements; consequently, there is a risk that the undertakings may not be fulfilled, either in whole or in part.

Detailed information regarding the parties that have provided guarantee undertakings will be included in the information document intended to be published prior to the start of the subscription period.

Information Document

The full terms and conditions of the Rights Issue, as well as other information about the Company, will be set out in the information document which the Company intends to publish prior to the start of the subscription period.

Expected Timetable for the Rights Issue

Subject to the Extraordinary General Meeting resolving on the Issue Authorization, following which the Issue Authorization is registered with the Swedish Companies Registration Office, the Board of Directors intends to make the formal resolution on the Rights Issue around 13 November 2026. A detailed timetable and the full terms and conditions of the Rights Issue will be published in connection with the Board of Directors' formal resolution on the Rights Issue.

Advisers

Corpura Fondkommission AB, www.corpura.se, is acting as Sole Coordinator and Bookrunner in connection with the Rights Issue. MAQS Advokatbyrå AB (Keelion Law Advokatbyrå AB from 1 January 2027) is acting as legal adviser to the Company in connection with the Rights Issue. Aqurat is acting as issuing agent.

Important information

Publication, release, or distribution of this press release may in certain jurisdictions be subject to legal restrictions and persons in the jurisdictions where this press release has been made public or distributed should inform themselves of and follow such legal restrictions. The recipient of this press release is responsible for using this press release and the information herein in accordance with applicable rules in each jurisdiction. This

press release does not constitute an offer or an invitation to acquire or subscribe for units, shares, warrants or other securities issued by the Company, either from the Company or from any other party, in any jurisdiction where such an offer or invitation would contravene applicable regulations or require further registration or other measures.

No steps have been taken, nor will any be taken, to permit an offer to the public in any jurisdictions other than Sweden.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and has not been approved by any regulatory authority in any jurisdiction. No prospectus has been or will be prepared in connection with the Rights Issue referred to in this press release. The Company has not, and will not, prepare and publish an information document in the form prescribed in Article 1(4)(db) and Annex IX of the Prospectus Regulation. In an EEA Member State other than Sweden, this announcement is directed solely at “qualified investors” in the respective Member State within the meaning of the Prospectus Regulation.

This press release does not identify, or purport to identify, risks (direct or indirect) that may be associated with an investment in the Company. The information contained in this announcement is for background purposes for the Rights Issue only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Any investment decision to acquire or subscribe for shares in connection with the Rights Issue must be made solely on the basis of publicly available information relating to the Company and the Company’s shares.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States of America. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States of America or to make a public offering of the securities in the United States of America. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States of America, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland, or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth entities and other persons to whom this notice may lawfully be directed, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**relevant persons**”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertakes to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is required by law or Nasdaq First North Growth Market rule book for issuers.

For more information, please visit www.gapwaves.com or contact:

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About Gapwaves AB (publ)

Gapwaves AB (publ) develops wireless solutions based on unique and patented waveguide technology for millimetre-wave applications. Our products are primarily used in antennas for radar systems enabling autonomous driving and advanced safety solutions within the automotive industry. Through collaborations with leading players in the sector, we contribute to the development of safer and more efficient transport systems. The technology is cost-efficient, combines high performance with a compact design and is also suitable for industrial automation, telecommunications, smart cities, and civil-military applications – areas where precision and reliability are crucial. Gapwaves was founded in 2011 from research at Chalmers University of Technology and is listed on Nasdaq First North Growth Market Stockholm (GAPW B).

This information is information that Gapwaves is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2026-10-22 19:56 CEST.

Attachments

[Gapwaves intends to carry out a rights issue of units of approximately SEK 62.5 million to accelerate the company's industrial upscaling and commercial expansion](#)