

## Gapwaves - Funded to scale, setting sail

Redeye resumes coverage and updates its view on Gapwaves following the Q3 report and the completion of a SEK78m rights issue. Tier 1 partners that have reached the start of production (SOP) are ramping up volumes, with Valeo specifically exceeding initial forecasts. While positive for long-term validation, this acceleration has triggered scaling costs that weighed heavily on the gross margin, which came in at 17% against a forecast of 65% (Q3 2024: 49%). Redeye anticipates these additional costs will pressure margins until production is transferred to external supply partners, expected by Q2/Q3 2026. Ultimately, Redeye views this as a transitional issue and remain positive regarding the long-term trajectory of the agreement. As Gapwaves transitions into a production entity, Redeye's forecast now incorporate greater granularity regarding antenna types and customers. Additionally, Redeye has postponed the SOP assumptions for Hella Gen 7 and Veoneer/Magna from 2026 to 2027. Following these revised estimates and accounting for dilution from the rights issue, Redeye update its fair value range.

**Read more and download the Research Update.**

Follow companies at Redeye to receive the latest equity research within Life Science and Technology.

This is a press release from Redeye - Research Powered Investment Banking. [www.redeye.se/](http://www.redeye.se/)

### Attachments

**Gapwaves - Funded to scale, setting sail**