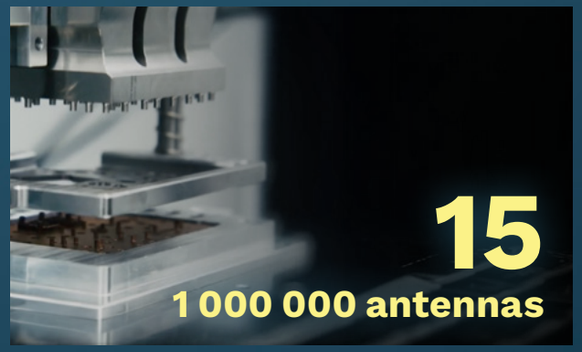
GAPWAVES

Annual Report 2025

Table of contents



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 AB is an innovative Swedish technology company that develops wireless solutions based on unique and patented waveguide technology for millimeter-wave applications. We develop, design, manufacture, and deliver products for use in radar systems for driver assistance and autonomous driving, advanced safety solutions within the automotive industry, and application areas including industrial automation, telecom, smart cities, and civil-military applications.

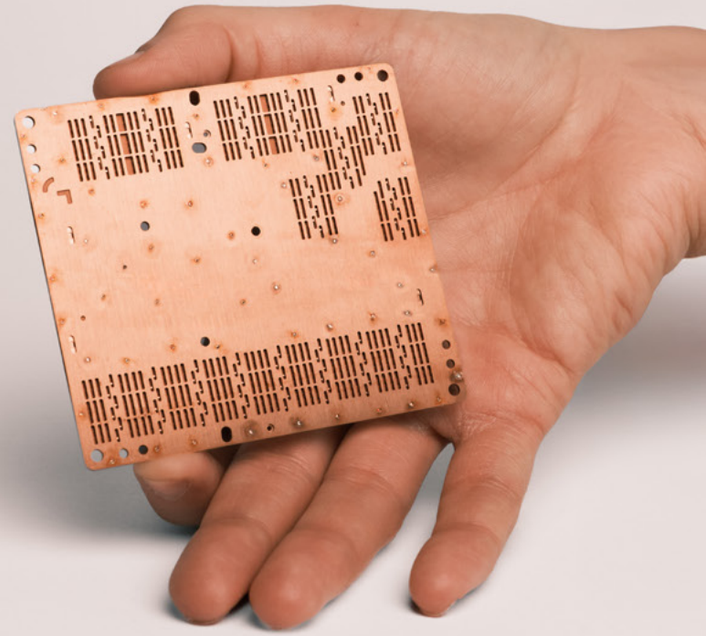
Gapwaves was founded in 2011 by Professor Per-Simon Kildal at Chalmers University of Technology and has, since its inception, striven to develop the potential of waveguide technology - primarily in various antenna solutions - through pioneering innovation and close collaboration with leading players, both global industrial partners and within academia.

What we do

With a focus on high-performance, cost-effective antenna solutions, we help companies in the automotive industry, smart cities, and mobility to achieve superior radar performance. Our products contribute to critical safety functions through radar sensors in the automotive industry, safer and improved traffic flows in smart cities, and a higher degree of autonomous vehicles within mobility. Our technology also enables the telecom industry to build more powerful and cost-effective wireless networks and meet the growing demand for increased bandwidth. The patented technology is distinguished by its ability to deliver high performance and low signal losses in a compact form factor. Furthermore, it enables cost-effective high-volume manufacturing at very high quality, opening the door to replacing conventional antenna technology in mass markets such as the automotive industry.

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

27%
CAGR between 2021-2025

>40
Employees

37%
Growth 2025

2016
IPO

>40
Patents

>1 000 000
Produced antennas since inception

Our technology

Gapwaves has a unique and patented millimeter-wave technology, and based on it we develop products such as antenna solutions for use in radar sensors across a variety of application areas. Our technology enables high-performance products with compact form factors, competitive production costs, and low signal losses.

The need for antennas is growing

In our increasingly connected and smart society, antennas are needed for a wide range of applications. Telecom solutions are an obvious example, but traffic monitoring, smart cities, and vehicles also require antennas and sensors to function. In vehicles, this includes products for lane keeping assist, emergency braking systems, dynamic cruise control with braking capability, and child presence detection. In smart cities, this may involve detecting the presence of vehicles, cyclists, and pedestrians while remaining respectful of personal privacy.

Every radar sensor requires an antenna

Every radar sensor contains an antenna that transmits and receives radio signals. As new technology develops, customer expectations increase, and safety legislation becomes more stringent, the number of radar sensors in a vehicle also increases.

What are millimeter-wave antennas?

Millimeter-wave technology uses the frequency band 30 GHz – 300 GHz. By comparison, 5G networks, Wi-Fi, and microwave ovens operate in the frequency band 2 GHz – 30 GHz. Using millimeter waves instead offers advantages such as better resolution - enabling a radar to detect more details - as well as very low signal losses, which provide longer range. For telecom, this means that more data can be transmitted. The frequency band is regulated by authorities and divided into different areas of use to prevent different types of objects from interfering with one another. As development progresses across a range of areas - such as 6G networks - increasingly higher frequencies will need to be utilised to exploit these advantages, placing 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-performing antennas. These antennas and waveguides are compact and can be integrated into space-constrained applications without compromising performance - something that is highly important in, for example, today's vehicle design. Thanks to the gapwaveguide structure, which allows for slightly larger manufacturing tolerances without affecting performance, our products can be produced cost-effectively in high volumes.

Important events

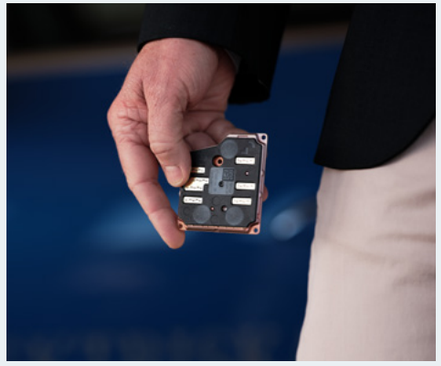
Gapwaves in the new Mercedes-Benz CLA EQ Technology

Our technology began rolling on Swedish roads in the fall, in Mercedes-Benz's new and much sought-after CLA models - a clear proof that our technology works in vehicles under real-world conditions and in high-volume production. → Read more on page 19

Industrial scale-up

During the fourth quarter, we reached the milestone of one million Gapwaves antennas produced in series production, the majority manufactured under licence by Frencken for Hella.

→ Read more on page 15



Research in civil-military and next-generation radar

Towards the end of the year, we were awarded funding from Vinnova for two research projects. One of the projects is a civil-military initiative aimed at leveraging the compact and cost-effective antenna technology Gapwaves has developed for the automotive industry to create products for new applications within the defense sector. The second project aims to further develop our Multi-Layer Waveguide (MLW) technology for next-generation imaging radar for fully autonomous vehicles. The project is carried out in collaboration with Waymo, a global leader in autonomous vehicle (AV) technology and robotaxi services, headquartered in Mountain View, California, USA. → Read more on page 18

Sensrad continues to grow

Gapwaves' associated company Sensrad has during the year increased its commercial activity with several evaluation orders from international customers, with particularly strong interest in autonomous vehicle solutions for military applications, as well as a new application for marine use on larger private vessels.

New partnership in China

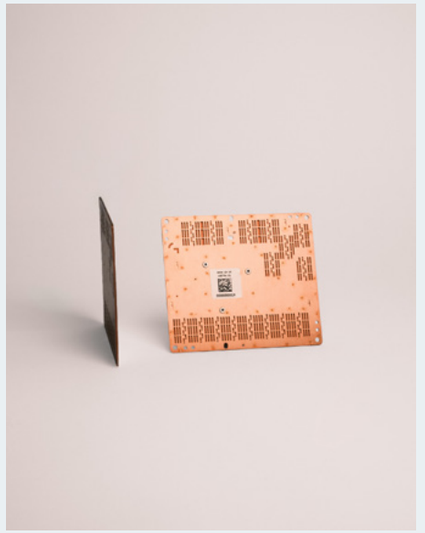
In the spring, Gapwaves initiated its first collaboration with Desay SV, a leading Chinese automotive Tier 1 supplier, opening up new commercial opportunities in one of the world's largest automotive markets.

Strengthened financial position

In November, Gapwaves raised new financing through an oversubscribed rights issue, demonstrating strong interest from both existing and new investors. The capital contribution of MSEK 71,6 after fees and costs strengthens Gapwaves' financial position and enables continued growth and industrialization.

Group management

Gapwaves' Group Management changed during the year, with Nils Dagås taking over as VP R&D in March, and Nils Mösko being appointed CFO in October. The new Group Management bolsters the Company's growth strategy and strengthens its focus on industrialization and innovation.



Faster time-to-market with CARKIT

During the summer, Gapwaves also initiated a collaboration with Infineon Technologies to integrate MLW antennas into two of Infineon's CARKIT radar modules for ADAS. The collaboration shortens development time and delivers ready-made antenna solutions that are straightforward and quick to adapt for series production, creating added value for automotive industry customers.

CEO Comment

A transformative year

2025 was a strong year, one in which we took further steps in our development from a company with a technological concept to industrialization for the high-volume market. While revenue increased by 37 percent, to the highest annual revenue to date of MSEK 90,6 (66,1), several very important milestones were also achieved during the year: the start of production for Valeo, which accelerated sharply during the fall due to high demand; our antennas for Hella's 77 GHz radar sensors being part of the new Mercedes-Benz CLA, becoming the first series-produced vehicles on Swedish roads with Gapwaves' technology; and passing the one million mark for produced antennas in the final month of the year.

An automotive industry in transformation

The global automotive industry is undergoing a period of dramatic transformation. The market is also marked by continued macroeconomic and geo-political uncertainty, which creates limited and short-term visibility for the entire sector, while competition among car manufacturers is intensifying further.

China's automotive industry is built on rapid technological development, efficient cost structures, and a pronounced global expansion strategy. In this landscape, our collaboration with Desay SV confirms the value of our technology and our competitiveness. Following an initial project in 2025, we have also, in early 2026, signed a new agreement for collaboration on the development of prototypes for next-generation front radar for ADAS functionality – a central part in Chinese regulations that have been tightened, with higher performance requirements. This collaboration demonstrates, in a broader perspective, the strength of our technology, and our ability to meet the high industrial requirements in one of the world's most challenging industries – the automotive industry.

Diversification to broaden our position

Although our position in the automotive industry remains strong, and has significant growth potential, it is important to broaden our market. We are therefore intensifying our work towards new segments. The mobility area is once again showing marked vitality, not least thanks to the progress of leading players such as Waymo. At the same time, interest from the defense sector is increasing - a natural step as the demands for compact and cost-effective solutions with high performance that characterize the automotive industry are transferable to military applications and the needs for new technology that have arisen in that area. As the industry directs greater attention towards advanced techno-

logies – in sensors, surveillance, and autonomous systems, for example – the conditions for Gapwaves are strengthened. This confirms our relevance across a growing number of application areas.

Innovation that drives our technological edge

Gapwaves is built on innovative and world-leading research and development, which remains crucial for our long-term value creation. In 2025, we continued to commercialize and further develop our Multi-Layer Waveguide (MLW) technology. Examples include the two Vinnova-funded investments relating to next-generation imaging radar in collaboration with Waymo, as well as defense-related applications. Our position was further strengthened through strategic partnerships – including with Infineon. Together, we have begun the integration of MLW antennas into two CARKIT radar modules for ADAS, shortening development times and enabling solutions ready to be easily adapted for series production. These initiatives and other long-term technology developments lay the foundation for our future competitiveness and growth.

On the path to high-volume production

2025 was the year Gapwaves demonstrated its industrial capabilities. The start of production for Valeo in the summer was followed by a strong ramp-up, and licensed production for Hella continued to increase - both clear evidence that our technology keeps pace in industrial production with high volumes and quality requirements. The next step will be the relocation of the Valeo production to Frencken facility in China for high-volume production. Surpassing one million antennas produced since our inception was both a symbolic and industrially significant step, confirming the maturity of our processes, and the strength of our operating model for the market.

We are continuing to implement our strategic plan. Gapwaves has evolved from a research company to a strategic supplier with a proven ability to deliver customized solutions on a commercial scale. We have started volume production for customers in the automotive industry, and the transition involves lower income per unit, but builds the scalability and higher volumes that are crucial for long-term growth. The oversubscribed rights issue of MSEK 71,6 that was completed in the fall strengthens our financial position and creates the conditions to complete this industrialization. 2026 will be a transition year, with a focus on scaling up production, continued streamlining of the cost base, and exploration of new growth segments outside the automotive industry - work that takes time, but which expands our market base in the long term.

We are now embracing our long-term potential with confidence. I would like to express a warm thank you to our employees – your commitment and expertise are the core to us being able to sum up a strong year. Warm thanks also go out to our partners, customers, and shareholders for their invaluable cooperation and continued trust. Together we will continue to roll out Gapwaves' technology!

Gothenburg, 14 April 2026
Jonas Ehinger, CEO Gapwaves AB (publ)

Investment case

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

Gapwaves has developed a world-leading waveguide technology for antennas with high performance that can be produced cost-effectively at large scale. The technology is based on a large number of patents. This type of waveguide antenna is ideally suited for demanding applications such as advanced automotive radar systems, where performance and cost are critical factors.

Demand driven by stricter legislation and consumer requirements for increased safety

Strong driving forces such as increased demand for vehicle safety, stricter legislative requirements, and new technical regulations are clearly increasing the need for radar sensors - in which Gapwaves' world-leading antenna technology is central.
» Automotive: Automatic emergency braking systems are now required by law, and functions such as collision avoidance, adaptive cruise control, and child presence detection are becoming increasingly common and part of safety requirements, driving up the number of radar sensors needed in standard passenger vehicles.
» Smart Cities: There is a growing need for radar-based traffic management, which functions in all weather conditions and provides better privacy protection than cameras.

The company has proven itself and volume production is under way

Hella's volume production under licence commenced in 2024, and Gapwaves' technology is incorporated in the Mercedes-Benz CLA EQ Technology, which began rolling out on Swedish roads during 2025.
Gapwaves' own high-volume production will commence during 2026. This means that Gapwaves has gone all the way from a research company to a commercial technology and product company, with both its technology and business model proven in the market - as confirmed by automotive industry customers such as Valeo, Hella, Veoneer, and Desay SV, among others.

Attractive business model for both customers and owners

Gapwaves typically develops customer-funded prototypes that subsequently transition into volume product delivery. For the development of prototypes and the production, assembly, and testing of smaller volumes, Gapwaves has its own capacity, while large-scale production is carried out via selected partners. This provides flexibility and scalability, adapted and tailored production based on customer requirements, and low capital tie-up compared to company-owned factories.

Strong future potential across multiple areas

Gapwaves holds a strong position within the automotive industry and smart cities. Additional growth areas create further business opportunities:

» Telecom and Satcom: Increasing data volumes in 5G and the upcoming 6G require higher frequencies - where Gapwaves' technology creates value.
» The Mobility market has a growing need for advanced radar technology, where waveguide antennas enable high performance and reliable perception of the surrounding environment.
» Strategic investment: Gapwaves owns 30 percent of Sensrad, which strengthens its position in the value chain and opens up new customers seeking complete radar solutions outside the traditional automotive industry.

Trends and drivers

The market for Gapwaves' various application areas is driven by several strong and clear trends. Within automotive radar, development is moving towards an increasing number of radar sensors per vehicle, driven by growing consumer demand for improved vehicle safety, stricter legislative requirements and technical regulations, and advances in autonomous driving - factors that increase both the number of sensors per vehicle and performance requirements. Advances in wireless communication are being driven by the growing need for higher frequencies and greater bandwidth.

SAE levels of automated driving

Radar is the sensor that increases 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 automotive radar market continues to show strong growth and is estimated to be worth USD 13 billion by 2030, driven by, among other things, safety regulations and innovations in imaging radar.*

Frequency shift places greater demands on antenna solutions

The shift to 76–81 GHz for automotive radar brings the opportunity for higher performance. It also places greater demands on the antenna, which traditional PCB-based antenna technology cannot fully meet. This drives the need for Gapwaves' waveguide antennas, which, thanks to their low losses, also provide longer range.

Legal requirements and safety assessments are driving up the number of radar sensors

In both the EU and the United States, regulations are being tightened - for example through legal requirements for automatic emergency braking (AEB) systems, as well as new guidelines for pedestrian protection via the New Car Assessment Programme (NCAP) and Federal Motor Vehicle Safety Standard (FMVSS) 127 in the United States - raising performance requirements, particularly in darkness and at high speeds. Euro NCAP and their counterparts in other markets also have stringent assessment criteria regarding 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, in order to meet these legal requirements and criteria.

Radar is critical for autonomous driving

As the level of autonomous driving capability or advanced driver assistance increases, a greater number of high-performance sensors is required. To achieve complete and functional safety, multiple collaborating sensors are needed, which together form a system comprising several cameras, radar, and also lidar. The greatest advantage of radar is that, unlike cameras and lidar, it can maintain high performance in most weather conditions and circumstances involving poor visibility. Despite snow, fog, dust, or dirt, it can detect and classify other vehicles, as well as the most vulnerable road users, such as pedestrians and cyclists.

Automation in industry and transport

Automation across various applications - such as robotaxis, autonomous delivery systems, and industrial applications such as mining or agriculture - requires reliable sensors capable of providing precise information about the surrounding environment in real time. Driverless vehicles can offer advantages such as increased efficiency and safety, but also place high demands on the technology, which must function effectively even in adverse weather conditions.

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 2025**

Wireless communication

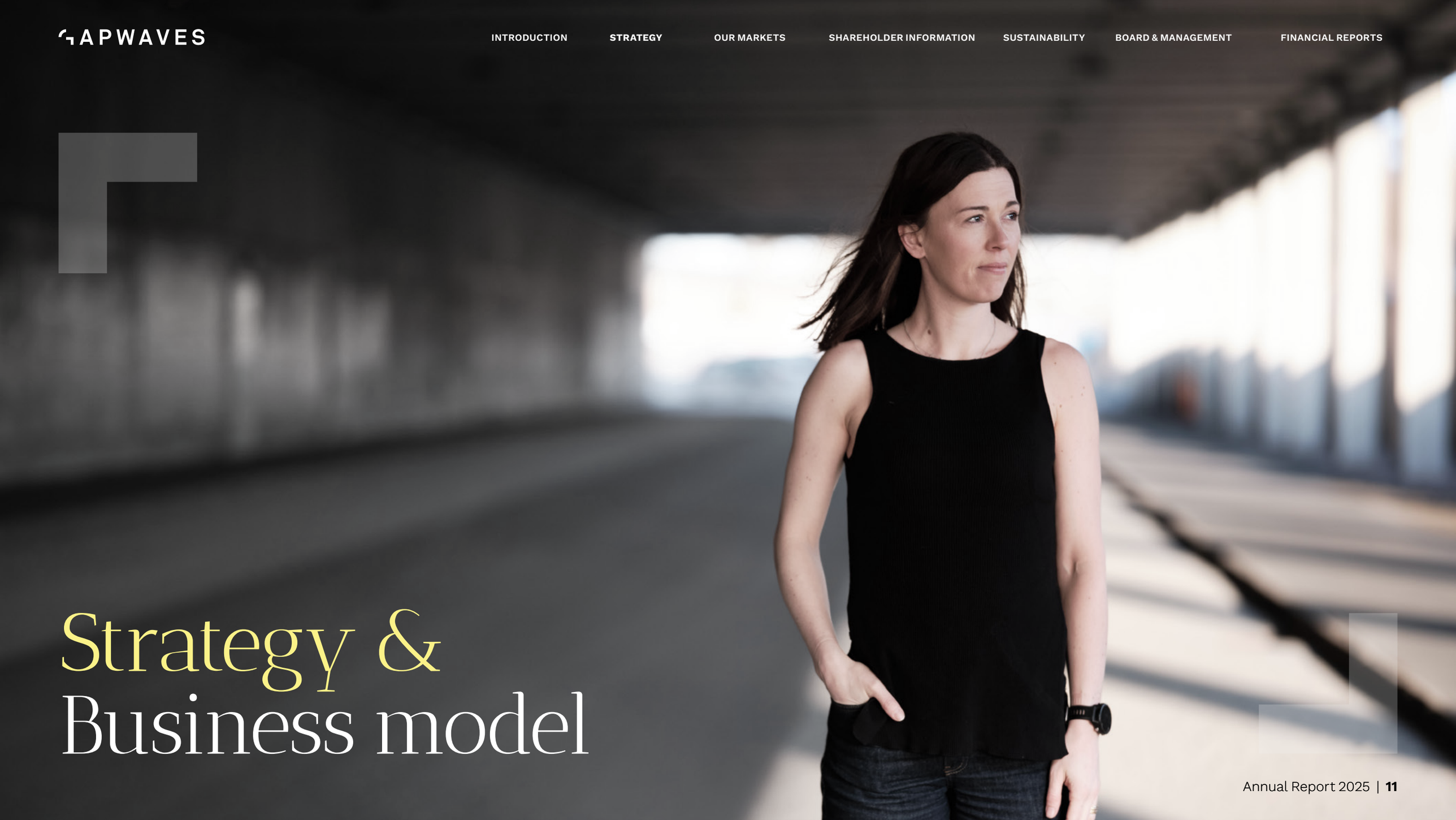
Increased bandwidth

Within both telecom and satellite communications, there is a growing need for increased bandwidth, which can be achieved at higher frequencies, which in turn requires technological advances. For telecom, the transition to 5G/6G demands lower latency and higher data rates, particularly for connected cities, the Internet of Things (IoT), and autonomous vehicles. This increases the need for antenna technology capable of handling higher frequencies. In the same way, next-generation satellites require antenna technology with waveguide technology to offer high performance and greater bandwidth to users. Both areas are seeking solutions that combine high performance and cost-effectiveness to meet the demands of the future.

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 research, and we maintain our technological lead through our own 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 across diverse market segments

Our unique technology can deliver significant value across a wide range of industries. By taking a pragmatic approach and identifying these market segments, we reach a broader range of customers, expanding our addressable market and reducing dependence on any single industry or customer.

Flexible volume manufacturing

Our business model is built on customer-funded development of prototypes, followed by high-volume production carried out by selected partners worldwide. We manufacture where it makes the most geographic sense and adapt production to each customer's requirements. This business model ties up significantly less capital compared to operating our own manufacturing facilities. We also maintain in-house production capacity in Gothenburg for the production, assembly, and testing of smaller series volumes and prototypes.

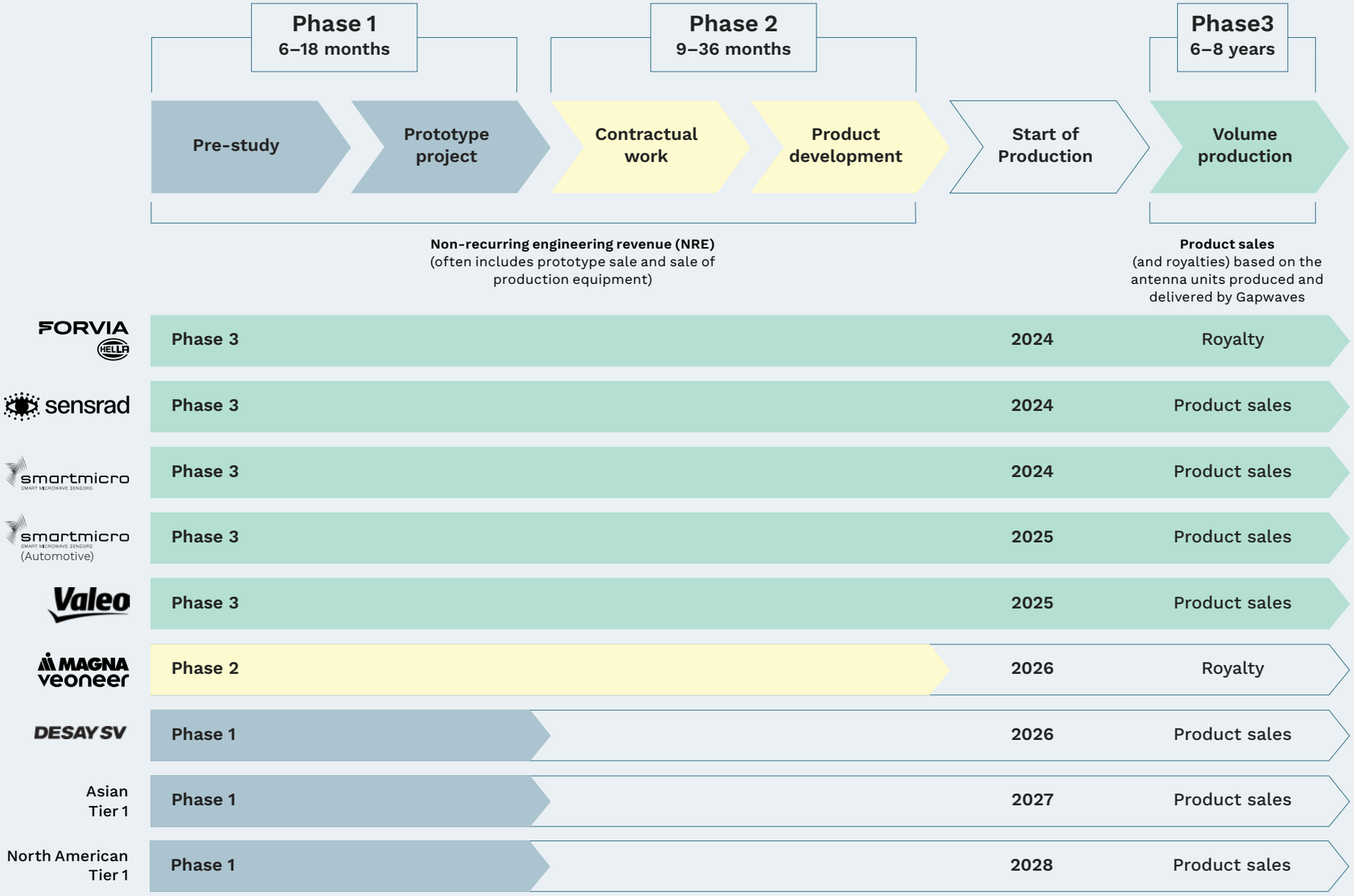
Sensrad – a strategic investment in complete radar sensors

Through its investment in Sensrad, Gapwaves has secured a strategic position higher up the value chain in 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 holds a 30 percent stake in Sensrad.

Business model

Generating revenue at every step

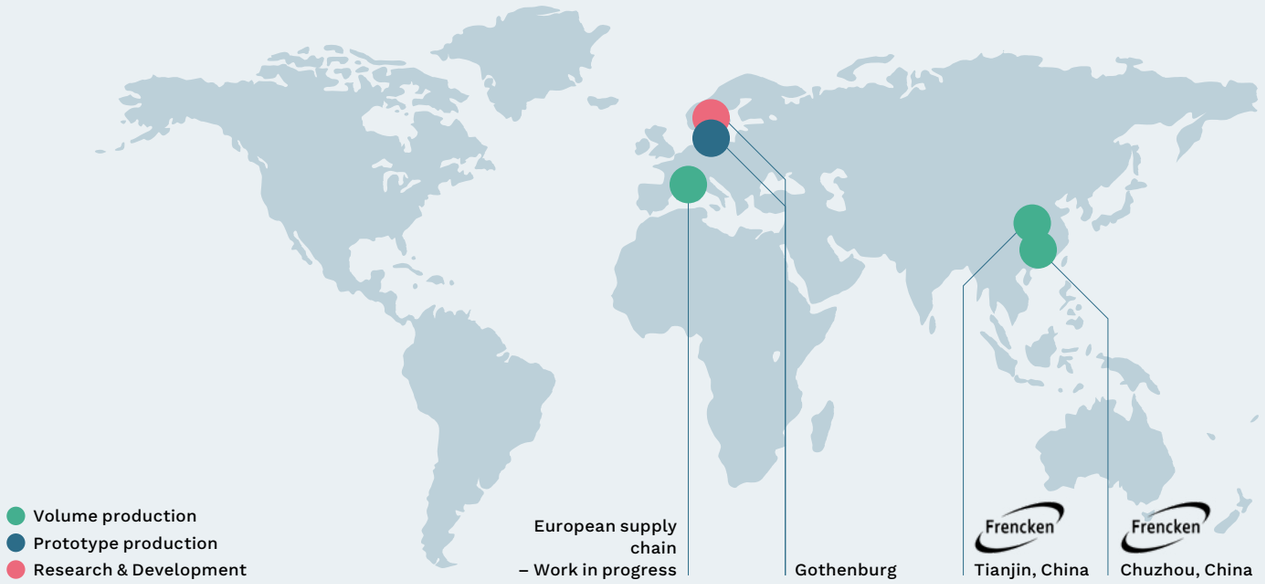
Gapwaves' business model generates revenue at every stage of the project model, which spans three phases: from the first phase, which includes pre-studies and prototype development, to the second phase involving contract work, product development and sale of production equipment, and finally moving to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

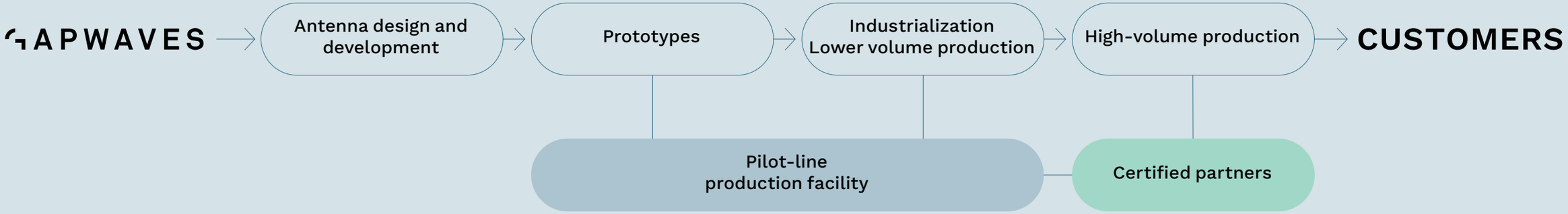


Business model

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





Towards the high-volume market

1 000 000 antennas produced

By the end of the year, Gapwaves had reached the milestone of one million antennas produced, the majority of which were manufactured under license by Frencken for Hella. This milestone marks an important step in the company's scaling up toward high-volume production and demonstrates that the technology is both attractive and scalable.

After production of several antenna models began gradually starting in 2024, volumes increased sharply in 2025. In the third quarter of 2025, production reached 500 000 antennas, a figure that doubled before the end of the year.

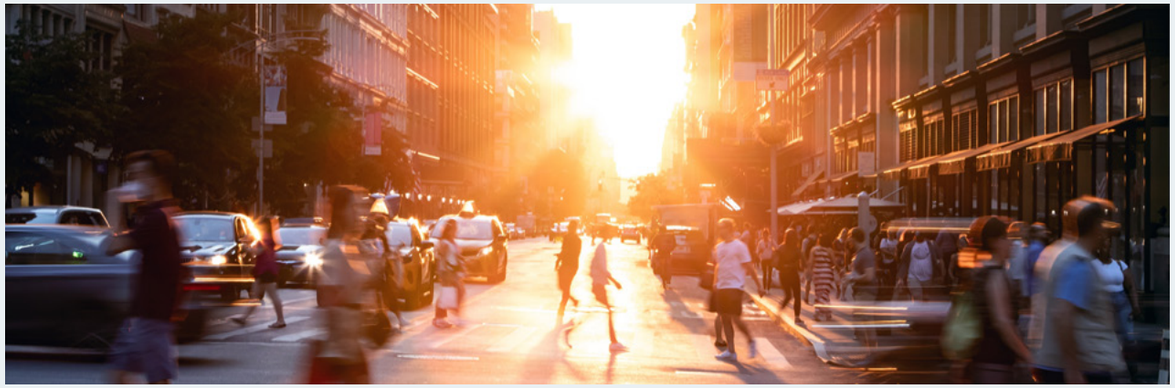
Valeo's in-house production in Gothenburg has grown rapidly since production began in early summer. The collaboration with Valeo has demonstrated Gapwaves' ability to move from development to series production in less than eight months. Demand from the end customer exceeded initial expectations, and Gapwaves was able to deliver eight times more antennas than the planned volume.

This milestone strengthens confidence among both existing and potential customers. The experience gained from the startup and ramp-up shortens lead times and strengthens the company's capacity to industrialize new projects. Gapwaves is thus well-positioned to become a high-volume supplier of waveguide antennas, ready to meet growing needs in the automotive industry and other market segments that demand high-performance antenna solutions.

Market segments

Radar

Gapwaves currently focuses on two markets for waveguide antennas - radar and wireless communication - and is actively working to implement waveguide technology in each respective market. Gapwaves divides the radar market for frequencies between 76–81 GHz and above into four segments: Automotive, Smart Cities, Mobility, and Defense, each of which encompasses a range of distinct and growing application areas.



Automotive

The automotive industry represents the Company's largest and most mature market segment. The market for Gapwaves' antenna technology grows in line with increasing demand for radar sensors. Radar sensors are required for ADAS and enable functions such as adaptive cruise control, blind spot warning, automatic emergency braking (AEB), and autonomous driving. Radar is also a reliable solution for child presence detection, as it detects micro-movements such as breathing even in darkness or under blankets. The average passenger vehicle is expected to be equipped with a minimum of three radar sensors. These functions facilitate driving, create safer vehicles, and reduce the risk of traffic accidents. Among Gapwaves' customers are several globally leading Tier 1 suppliers in Europe, the United States, and Asia, including Valeo, Hella, Smartmicro, and Desay SV, among others.
→ Read more about Gapwaves' technology in the new Mercedes-Benz CLA on page 19.

Smart Cities

With the growing need to optimise and monitor traffic flows in urban environments, radar plays an important role in the development of smart cities. The technology is used to improve traffic flows and enhance safety and efficiency through presence detection in public areas or at sensitive facilities and infrastructure. Radar offers superior privacy protection and better performance than cameras in adverse weather conditions, making it a key component in traffic and surveillance systems. It is instrumental in creating sustainable and efficient solutions for the cities of the future.

Mobility

The mobility market is evolving rapidly with new technologies such as autonomous vehicles, robotaxis, and self-driving trucks. Antenna solutions and radar sensors are required across a wide range of applications, from autonomous vehicles in transport and industry - such as mining - to passenger transport by bus, train, and aircraft. In this application area too, radar's superior performance compared to lidar and cameras is critical, particularly with regard to weather and lighting conditions, where radar is capable of operating in challenging environments involving darkness, rain, fog, and dirt. This is a critical factor in the development of the safe and efficient transport systems of the future.
→ Read more about Gapwaves' research project in collaboration with Waymo on the next page.

Defense

Demand for advanced radar solutions is accelerating. Radar sensors are required in, for example, autonomous vehicles and on smaller platforms such as unmanned aerial vehicles (UAVs) and equipment for individual soldiers. Radar's superior performance compared to other types of sensors is critical, particularly with regard to range, robustness, and the ability to operate in challenging environments involving darkness, smoke, fog, and various sources of interference. Gapwaves' mm-wave technology enables a compact form factor - a critical consideration for tactical radar sensors in defense environments where space and weight are constrained. This is instrumental in the development of the advanced and reliable defense systems of the future.
→ Read more about Gapwaves' research project within the civil-military innovation programme on the next page.

Vinnova-funded research in new growth segments

MLW technology for fully autonomous vehicles and defense applications

Since its inception, Gapwaves has developed its patented technology for high-performance antenna solutions. The technology enables compact, cost-effective, and scalable radar antennas with high performance, and has already been deployed in automotive radar sensors. To broaden the range of applications and identify new market segments, Gapwaves is participating in two Vinnova-funded research projects, providing the opportunity to combine technological development with strategic market exploration.

Next-generation imaging radar for fully autonomous vehicles in collaboration with Waymo
The project is carried out in collaboration with Waymo, a leading American company in autonomous vehicle (AV) technology and robotaxi services, and aims to further develop Gapwaves' MLW technology for next-generation imaging radar for fully autonomous vehicles. The objective is to create high-resolution radar sensors that meet the stringent safety and performance requirements of fully autonomous vehicles. The project focuses on developing scalable, cost-effective radar solutions that can be integrated into commercial fleets of self-driving vehicles, thereby addressing the regulatory requirements, safety considerations, and economic constraints that currently impede the widespread adoption of high-resolution imaging radar.

Development of MLW technology for defense applications
In parallel, Gapwaves is participating in a Vinnova-funded project within the civil-military innovation programme. The aim is to adapt and verify MLW technology for applications within the defense sector, where the need for systems operating at higher frequencies has many use cases. The project addresses a growing demand for high-frequency technology in the defense sector, where sensors and antenna solutions in compact form factors are required for smaller platforms - such as drones, individual soldiers, or light vehicles - while the cost of current systems frequently constrains adoption. Gapwaves is also participating in an accelerator programme to develop a complementary business strategy targeting the military and defense-related market.

From the lab to the road in the new Mercedes-Benz CLA

Gapwaves' technology on the road - integrated in the new Mercedes-Benz CLA

In the fall of 2025, Gapwaves took another important step in its development when the company's patented waveguide antenna technology began rolling on Swedish roads in the new Mercedes-Benz CLA models. The all-new CLA with EQ Technology, launched earlier in 2025, is the first model in Mercedes-Benz's new family of electric cars and is now equipped with Hella's 77 GHz radar sensors featuring Gapwaves technology.

The collaboration with Hella, which began in 2021, has resulted in the integration of Gapwaves' mm-wave technology into Hella's new generation of radar sensors. In radar sensors, Gapwaves' antennas ensure reliable detection of the surrounding environment in critical traffic situations thanks to longer range and higher signal quality. In radar sensors, Gapwaves is a critical part of functions such as Lane Change Assist (LCA), Rear Crash Protection (RCP), Rear Cross Traffic Alert (RCTA), Exit Assistant (ESTA), Blind Spot Detection (BSD), Front Cross Traffic Alert (FCTA), and Forward Collision Warning (FCW). The new Mercedes-Benz CLA has received a 5-star rating in Euro NCAP's safety assessment and won the Car of the Year 2026 award.

The radar sensors enable critical safety functions within ADAS and contribute to improving road safety. According to the European Commission, ADAS is estimated to save more than 25 000 lives and prevent at least 140 000 serious injuries within the EU by 2038.

This success reinforces Gapwaves' position as an innovative company with patented technology that not only advances technological development, but also delivers tangible societal benefit.

Wireless communication

Within the wireless communication market, Gapwaves continuously works to develop applications across 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 f iber 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, 2025, the company had approximately 6 000 shareholders. The company has a total of 36 337 348 shares, of which 7 617 500 are A shares and 28 719 848 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, 2025, the share capital was SEK 2 180 240,88 which represents a nominal 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

Calendar

2026-04-30	Interim Report Q1 2026
2026-05-06	Annual General Meeting
2026-07-17	Interim Report Q2 2026
2026-10-22	Interim Report Q3 2026
2027-02-11	Year End Report 2026

10 largest shareholders based on no. of votes per December 31, 2025 (A and B shares)

	A shares	B shares	Votes	Capital share%	Voting share%
Kildal Antenn AB, incl. related parties	5 618 000	365 000	56 545 000	16,47%	53,91%
Lars-Inge Sjöqvist incl. company	748 000	137 194	7 617 194	2,44%	7,26%
HELLA GmbH & Co. KGaA	300 000	2 848 200	5 848 200	8,66%	5,58%
Jian Yang	409 500	233 782	4 328 782	1,77%	4,13%
Abbas Vosoogh incl. company	265 000	528 815	3 178 815	2,18%	3,03%
Nordnet Pensionsförsäkring	-	2 998 568	2 998 568	8,25%	2,86%
Peter Enoksson	185 500	139 125	1 994 125	0,89%	1,90%
Avanza Pension	-	1 625 378	1 625 378	4,47%	1,55%
Ashraf Uz Zaman	65 000	217 000	867 000	0,78%	0,83%
Nordea Liv & Pension	-	679 672	679 672	1,87%	0,65%
Others	26 500	18 947 114	19 212 114	52,22%	18,32%
Total	**7 617 500**	**28 719 848**	**104 894 848**	**100,00%**	**100,00%**

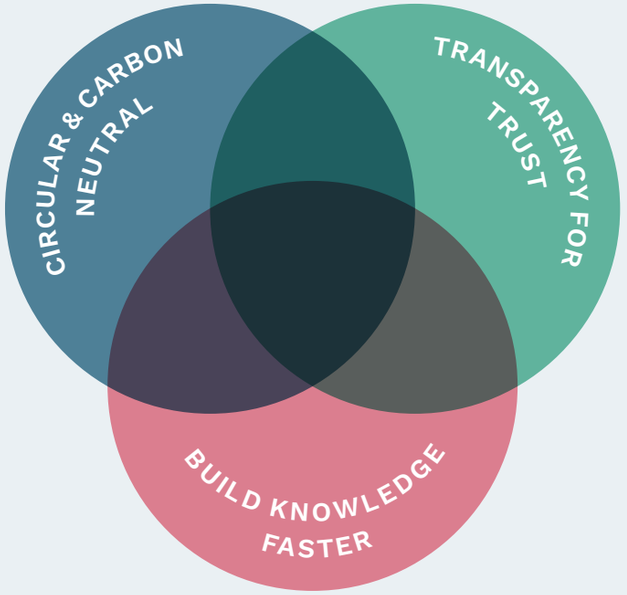
Source: Modular Finance

**The year-end report unfortunately contained incorrect figures regarding voting and capital interests expressed as percentages. The correct figures are presented here.*

Sustainability

Sustainability

Sustainability is an integral part of Gapwaves' operations, innovation, and long-term strategy. Our work is grounded in the responsible management of our impact, risks, and opportunities - while strengthening our attractiveness as an employer, creating value for investors, and developing competitive products.



Gapwaves' three focus areas within sustainability

Gapwaves' sustainability work is structured around three focus areas: Circular and Carbon Neutral, Building Knowledge Faster, and Transparency for Trust - which together form our framework and guide our work.

Circularity and carbon neutrality

Circularity and carbon neutrality are central topics within the automotive industry in addressing climate challenges. The sector is actively developing new solutions, and both customer requirements and legislation set high standards in response to the automotive industry's significant emissions impact. It is therefore essential for us to be able to contribute and deliver in this area.

Build knowledge faster

Knowledge is one of our most important assets and a decisive factor for competitiveness and long-term development. Continuously building knowledge creates the conditions for innovation and the development of new products and processes. We believe this enables us to bring our technology to market at a faster pace, with positive effects for both the environment and society.

Transparency for trust

We conduct our operations with transparency as a guiding principle, both internally and externally. In order to maintain the trust of our stakeholders, we are open about the impact our operations have on the world around us - both negative and positive.

The United Nations Sustainable Development Goals

Gapwaves remains committed to actively contributing to the UN's 17 Sustainable Development Goals (SDGs). In this work, the four goals relating to planetary boundaries (Goals 6, 13, 14, and 15) have been included, together with additional goals assessed as relevant to Gapwaves' operations. The prioritisation has been made on the basis of a comprehensive assessment of potential adverse effects, taking into account their severity, scope, and remediability. Our contributions are primarily linked 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 assess that our technology can contribute to a positive environmental impact. Technologies for driver assistance, autonomous driving, and traffic management can reduce resource consumption, while advances in antenna technology - including smaller antennas in more recyclable materials - can further reduce environmental impact. The technology also contributes to improved road safety for all road users, saving lives and generating socioeconomic benefits. Operations are governed by the Company's code of conduct and supplier code of conduct, which ensure responsible behaviour throughout the business.

Sustainability year 2025

Through the Climate Pledge ("Klimatlöftet"), the West Sweden Chamber of Commerce supports companies in their climate work to reduce emissions and climate impact in the Västra Götaland region, while helping them enhance their green competitiveness. The initiative is aimed at facilitating the transition for companies and preparing them for the requirements and expectations that customers, financiers, and new regulations are progressively introducing.

As we and our production grow, so does our commitment to sustainability. During 2025, we have therefore continued to build internal knowledge in this area, while simultaneously implementing concrete measures to meet both upcoming requirements and our own ambitions.

Actions taken in 2025

During the year, we joined the Climate Pledge - an initiative from the West Sweden Chamber of Commerce that supports companies in the transition towards a lower climate impact. We have selected three focus areas from their action list:

» We are setting targets and developing a plan to reduce our climate impact

We have initiated a structured process to establish long-term targets, interim milestones, and a roadmap. The work is anchored in the 1,5-degree target and the regional climate goals of Västra Götaland, and we intend to align the methodology and objectives during 2026.

» We identify and analyse supply chains and develop an action plan to reduce climate impact

Our operations use renewable electricity and all company cars are electric vehicles, meaning our Scope 1 and Scope 2 emissions are zero. The greatest climate impact in our value chain is found in Scope 3 - that is, in materials, manufacturing by subcontractors, and transportation. During 2025, several employees completed competence development activities linked to sustainability, regulatory requirements, and material flows. This forms the foundation for the more structured supply chain work we are planning for 2026.

» We promote climate-smart commuting

We continue to be a bicycle-friendly workplace, offering staff free access to bicycles as well as bicycle leasing.

Materials and circularity

During the year, we have deepened our work on more sustainable material choices and more efficient manufacturing processes. Within our products, we have continued to work on reducing material consumption, improving yield, and reducing the amount of scrap through improved methods and the evaluation of new materials. During 2025, the proportion of recycled content in our products increased from 16 to 25 percent, and the proportion of recyclable material in our products increased from 48 to 85 percent. This development is attributable to the introduction of series production of an antenna made from copper. One area where we have not yet reached our goals is the plastic antennas we produce, which are currently neither made from recycled plastic nor recyclable. We are evaluating alternative materials and processes with a view to addressing this in due course.

Focus for 2026

The focus during 2026 is on continuing to improve the efficiency of our material flows and material choices, as this is where we have the greatest opportunity to make a real difference.

Sustainability data

B1 – Basis for preparation

This is Gapwave's second published sustainability data. The section is designed with inspiration from option A, the Basic Module as described in the VSME standard from EFRAG (European Financial Reporting Advisory Group). This means that we report on the applicable data points set out in the Basic Module.
The report covers Gapwaves' parent company. All available disclosures have been included. Certain specific data points have, however, been omitted on grounds of legitimate commercial sensitivity, 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 uses only renewable electricity, free from fossil fuels and nuclear power. All company cars are electric vehicles. As a result, we are carbon neutral for scope 1 and 2 according to the GHG (Greenhouse Gas) Protocol. Our reported electricity consumption is based on the company's electricity bills. During 2025, we have started our own production in a facility next to the headquarters. Therefore, electricity and water consumption have increased.

Energy and greenhouse gas emissions	2025 (2024)
Fossil fuels (MWh)	0 (0)
Electricity (MWh)	107,7 (90,3)
Renewable electricity (MWh)	107,7 (90,3)
Non-Renewable electricity (MWh)	0 (0)
Gross greenhouse gas (GHG) emissions	
Scope 1 tCO_2 eq	0 (0)
Scope 2 tCO_2 eq	0 (0)

B4 – Pollution of air, water and soil

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

B5 – Biodiversity

As our operations are located in a multi-storey building, we share the occupied space with other tenants. As a result, the total utilised floor area is very limited. The increase in floor area is attributable to the production facility.

Biodiversity	2025 (2024)
Total use of land	138 sqm (98 sqm)
Total sealed area	138 sqm (98 sqm)
Total nature-oriented area on-site	-
Total nature-oriented area off-site	-

B6 – Water

Our production does not consume water in the manufacturing process, and we have no water withdrawal in areas of high water stress. Water use is limited to office consumption, and the data is based on the proportional share of the property's total water consumption.

Water	2025 (2024)
Total water withdrawal (liter)	447 370 (258 000)

B7 – Resource use, circular economy and waste management

During the year, Gapwaves has produced antennas made from either plastic or copper. A weighted average of the recycling and reuse rate has been calculated based on the number of antennas produced for each respective technology. The copper antennas are recyclable, and 30 percent of the material is recycled content. The plastic antennas are not made from recycled plastic and are not recyclable.

Resource use, circular economy and waste management	2025 (2024)
Recycled content in products	25% (16%)
Recycled content in packaging	50% (50%)
Recyclable content in products	85% (48%)
Recyclable content in packaging	100% (100%)
Non-hazardous waste produced	800 kg cardboard paper (280 kg) 430 kg polyethen plastic (200 kg)
Hazardous waste produced	0 (0)

B8 – Workforce – General characteristics

Workforce – General characteristics	2025 (2024)
Headcount	(female/male)
Temporary employees	6/3 (1/2)
Permanent employees	7/31 (7/37)

B9 – Workforce – Health and safety

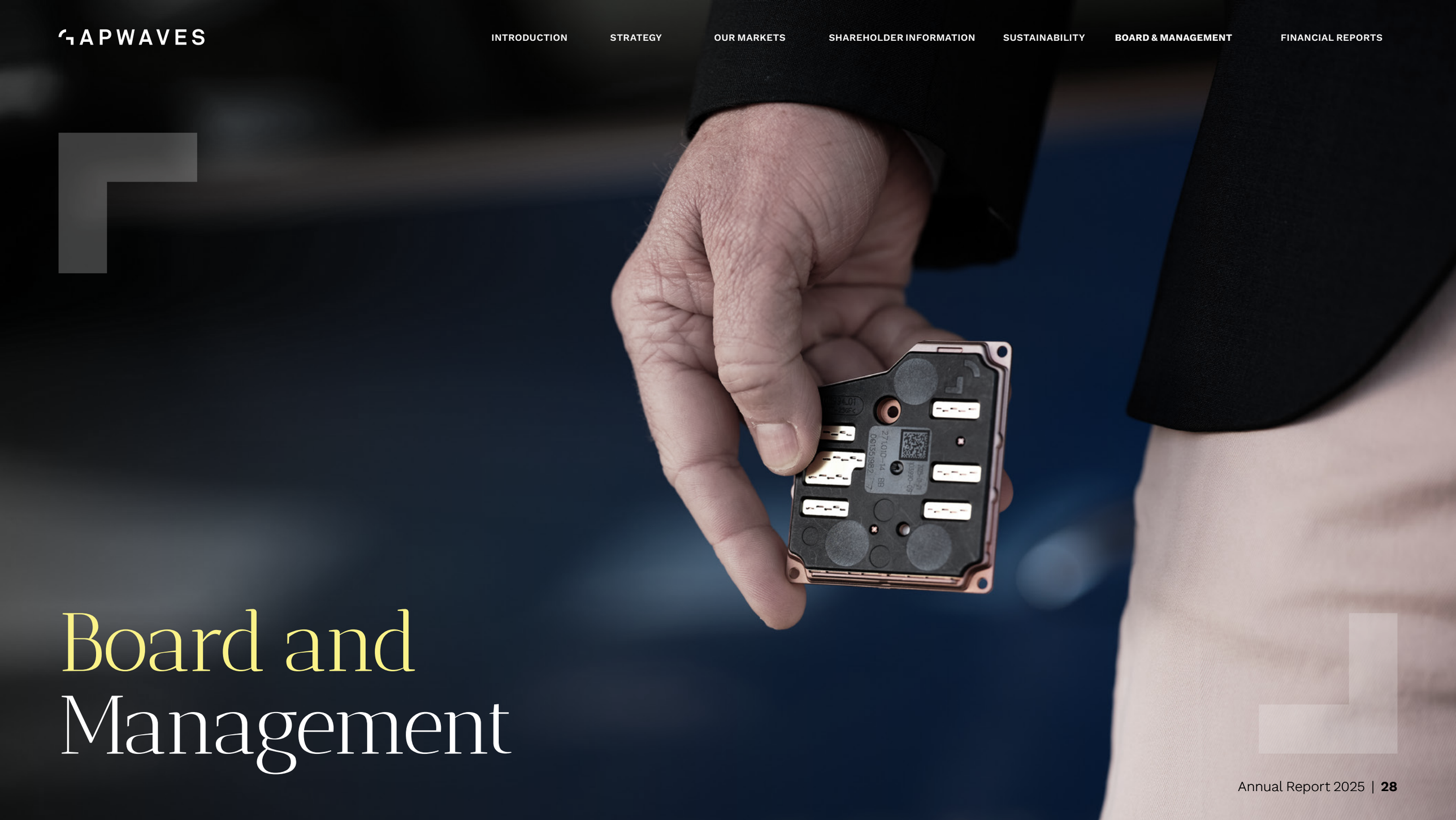
Workforce – Health and safety	2025 (2024)
Work related accidents	0 (0)
Work related fatalities	0 (0)

B10 – Workforce – Remuneration, collective bargaining and training

Workforce – Remuneration, collective bargaining and training	2025 (2024)
Percentage of employees covered by collective bargaining agreements	0 (0)
Annual training hours per employee (female/male)	40hrs/40hrs (40hrs/40hrs)

B11 – Convictions and fines for corruption and bribery

Cases of corruption and bribery	2025 (2024)
Convictions and fines for corruption and bribery	0 (0)



Board and 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 a board member of SmartEye AB, and Insplorion AB.

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

Member of the board since 2021 and Chairman of the board since 2022

A-shares: –
B-shares: 19 541
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

Ulrika Molander
Board member
(b. 1966)

Ulrika has a 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 has previously been a director of Good Solutions AB and 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: 2 333

Viktor Fritzén
Board member
(b. 1985)

Viktor Fritzén has a Master of Science within finance from Stockholm School of Economics, Sweden. He has previous experience as Global Investment Researcher Analyst at Goldman Sachs in London, UK, and Corporate Finance Analyst at GP Bullhound in Stockholm, and was CFO at Leo Vegas Group during a period of rapid growth. Viktor also has experience as director in listed as well as non-listed companies and has previously, among other, been chairman of the Board of Directors of Appjobs Sweden AB, and director of Avanza Bank Holding AB (publ) and Readly International AB (publ). Viktor is chairman of the Board of Directors of StickerApp Holding AB and a director of Cithara HoldCo AB (Strandberg Guitars) and Safello Group AB.

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

Member of the board since 2025

A-aktier: –
B-aktier: 1 000

Management

Jonas Ehinger
CEO
(b. 1969)

Experienced executive leader with more than 20 years of 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 in Biochemistry

Employed since 2022

A-shares: –
B-shares: 60 821
Warrants 2022/2025: 40 000

Nils Mösko
CFO
(b. 1978)

Nils brings extensive international experience in business, strategy, and finance, with a strong background in the automotive industry from leadership positions at Ford, Volvo Cars, and Polestar. He has served as CFO and in senior leadership positions. His experience spans from multinational corporations to start- and scale-ups, with a track record in growth and business transformation.

Education: Master of Science in International Business

Employed since 2025

A-shares: -
B-shares: -

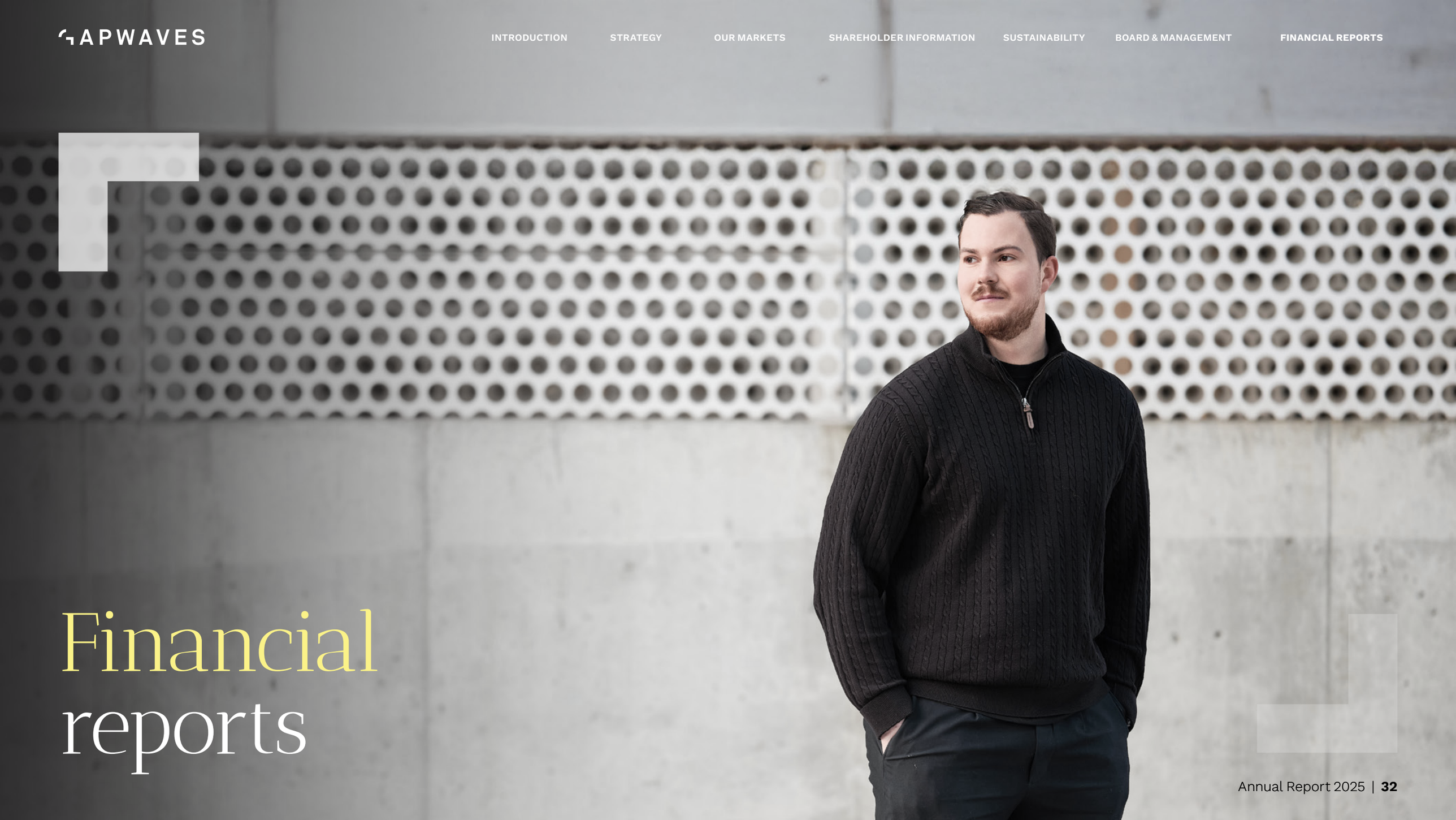
Nils Dagås
VP R&D
(b. 1972)

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 in Electronics

Employed since 2023

A-shares: -
B-shares: 7 252



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 2025. All amounts are in MSEK, unless otherwise stated.

General information on the business
Gapwaves develops waveguide antennas for radar and wireless communication applications. The foundation of the business is a technical invention in waveguide technology. The company's business model is built on generating revenue through customer co-funded product development, which subsequently transitions into product sales revenue once the product is fully developed and the antennas enter series production. Additional revenue streams include licensing income from patents and revenue from the sale of production equipment. Gapwaves maintains a degree of in-house production capacity for the assembly and testing of lower volumes and prototypes, while high-volume production is handled through established partnerships with specialised external production partners.

Multi-year overview

KSEK	2025	2024	2023	2022	2021
Net sales	90 553	66 079	27 510	64 023	34 860
Loss after financial items	–58 241	–52 070	–69 235	–18 020	–36 312
Operating margin	neg.	neg.	neg.	neg.	neg.
Balance sheet total	165 789	130 987	171 579	251 511	253 592
Equity/assets ratio	70,7%	78,3%	89,4%	88,2%	89,9%
No of employees at the end of the period	41	44	42	31	26

For further information, please refer to Note 31, Key Performance Indicator Definitions. Please note that all key performance indicators in the multi-year overview refer to the parent company Gapwaves AB for 2021, and to the Group for 2022–2025. As the Group was formed in 2022, no comparable figures are available for earlier periods. The most significant difference between the Group's financial statements and those of the parent company relates to the share of profit from associated companies.

Significant events during the financial year
2025 has been a year of continued focus on investing in the business and in the Company's ability to become a supplier to the automotive industry. The Company is evolving from a research focused technology company to a product technology company delivering antennas to our global customers. Throughout the year, we have made progress in the development of our technology, our production capacity, our supply chains, and our customer and partner collaborations. In November, Gapwaves completed a rights issue of approximately SEK 71.6 million.

Orders
- During the year, Gapwaves received several orders from Hella relating to antenna development and antenna prototypes.
- Gapwaves received two development orders from Infineon Technologies for the design, development, and delivery of waveguide antenna prototypes for Infineon's CARKIT radar modules.
- Gapwaves received a follow-on order from the North American Tier 1 customer, with whom a collaboration was initiated in Q4 2024, for the design, development, and delivery of waveguide antenna prototypes for automotive radar.

Customer agreements
In January, Gapwaves entered into an agreement with Frencken Group for the sale of production equipment for high-volume assembly and testing of waveguide antennas.

In April, Gapwaves and Desay SV entered into a development agreement for the development of waveguide antennas for next-generation millimeter-wave radar.

In-house production capacity
Gapwaves' new production facility in Gothenburg houses a flexible production line designed for prototypes and low-volume series deliveries. Series production of Gapwaves' waveguide antennas for Valeo at the facility commenced in June.

Continued scale-up at Sensrad AB
On 27 April 2023, Gapwaves invested in Sensrad AB through a directed new share issue, becoming a minority shareholder with a 30 percent stake. The investment represents a strategic position in the market for complete radar sensors, with a focus on industrial and military autonomous vehicles, as well as surveillance and security.
Gapwaves has continued to support Sensrad with capital for further scale-up and intends to remain an active owner and supplier of high-performance waveguide antennas. During the year, Sensrad made both technological and commercial progress, including the announcement of several evaluation orders from international customers. Interest is particularly strong in autonomous vehicle solutions for military applications, and a new marine application for larger private vessels has also emerged. However, development and market penetration have taken longer than initially anticipated. The owners decided on a non cash, equity contribution of which Gapwaves took their pro rata share of 9 MSEK by converting the shareholder loan to equity, increasing the value of shares in Sensrad and decreasing the shareholder loan with the corresponding amount. Following an updated impairment test of our assets in Sensrad, due to the delayed development and market penetration, an impairment of 19 MSEK was recognized for the shares in Sensrad during the fourth quarter of 2025. The financial effects of these events is reflected in the parent entity's

balance sheet by decreasing the value of assets in Sensrad (value of shares and shareholder loan) and in the financial net in the income statement.
Gapwaves' long-term ambition is to secure a strong position in the value chain within the radar sensor market outside the automotive segment. As Sensrad's commercial development progresses, the company will continuously evaluate its ownership stake in Sensrad.

Revenue and result
The Group's net sales during the period amounted to 90,6 MSEK (66,1), which corresponds to an increase of 37,0% compared to the same period last year. Net sales was primarily attributable to project and prototype related revenue from Hella, Valeo, and product sales to Valeo. During the period, the Group also had revenue related to the sale of production equipment to Frencken Group of approximately 30,5 MSEK. In addition to sales revenues, research grants for approximately 4,8 MSEK (1,4) were recognized, along with currency exchange gains of 0,8 MSEK (0,4) and invoiced costs to Sensrad AB and Qamcom Research and Technology AB totaling 2,5 MSEK (2,5). These items are reported under other operating income.

The Group's Earnings before interest, taxes, depreciation and amortization (EBITDA) decreased during the period compared to last year and amounted to -50,3 MSEK (-47,1). The year on year decrease on EBITDA is due to a shift of revenue mix, the start up cost for production, and a general increase in OPEX and personnel cost. Operating expenses excluding depreciation and results from shares in associated companies amounted to -140,7 MSEK (-109,9). Operating expenses have increased compared to the same period last year, mainly due to higher costs as we move to more sales of antennas and production equipment. Personnel costs include non-cash costs for LTI 2022 totaling -1,6 MSEK (-1,5). EBITDA amounted to -50,3 MSEK (-47,1), including the share of results from associated companies of -16,5 MSEK (-15,0). Adjusted for this, EBITDA for the period came in at -33,9 MSEK (-32,0). The operating result for the period was -57,1 MSEK (-54,4), and -40,6 MSEK (-39,4) when adjusted for the share of results from associated companies.

Financial position and cash flow
The Group's financial position and liquidity are satisfactory. Cash and cash equivalents amounted to 87,2 MSEK (40,8) as of 31 December 2025, with an equity ration of 70,7% (78,3%). The Board assesses that available cash and cash equivalents as of 31 December 2025 are sufficient to fund operations during 2026, and the annual report has accordingly been prepared on the basis that the going concern assumption is satisfied. Management and the Board also assess that the Company's liquidity and capital position remains stable and creates the conditions for growth in line with the established strategy.
Cash flow from operating activities after changes in working capital amounted to –30,6 MSEK (–28,1). Cash flow from investing activities amounted to –6,9 MSEK (–21,3), of which –5,0 MSEK (–19,5) relates to long-term loans extended to Sensrad AB. Total cash flow for the year amounted to 47,7 MSEK (–49,3), reflecting the rights issue and working capital financing completed during Q4.

Organization
One of Gapwaves' most important success factors is its people. The average number of employees in the Group during the year was 41 (41), of whom 7 (6) were women. The number of employees at year-end was 41 (44) full-time employees, of whom 8 (6) were women. The general level of education among staff is high, with several holding doctorates in antenna technology or wireless communication, or advanced university degrees. In addition to full-time employees, the Company engages a number of consultants, hourly employees, and industrial doctoral students on an ongoing basis.

Significant events after the end of the financial year
Gapwaves received an order from Desay SV for a new development project.

Proposal for appropriation of profits

SEK	2025
The following are at the disposal of the Annual General Meeting:	
Share premium account	497 445 585
Retained earnings	–288 954 507
Result for the year	–57 044 243
The Board of Directors proposes that the profits be allocated as follows:	
To be carried forward	151 446 835

Outlook for 2026
Building for long-term growth
Gapwaves' objective is to develop, commercialize, and produce antennas for, among other applications, radar sensors - a technology with strong long-term market potential. During 2026, the Company is laying the foundation to realize that potential in the future - in a market environment that continues to face headwinds. In the near term, revenues may be impacted - in particular project-related revenues, which by their nature are more volatile than production-related revenues. This is being managed proactively through optimization of the cost base and broadening of the revenue base through new collaborations.

Production and growth
The transfer of production for Valeo to Frencken Group in China will be completed during the year - a critical step towards scalable high-volume production. The transition to high-volume production implies lower revenue per unit and will take place progressively throughout the year, and builds scalability, capacity, and long-term growth, creating diversification and longevity in our revenue mix.

The Company is also strengthening its supply chain and exploring opportunities in new market segments outside the automotive industry as part of its long-term strategy.

2026 is a year of transition and investment - with the aim of realizing the potential that Gapwaves' technology represents.

Environmental impact
Gapwaves does not conduct any operations subject to notification or permit requirements under the Swedish Environmental Code.

Research and development
The Company conducts research and development of products in the millimeter-wave frequency range. Research is carried out in close collaboration with Chalmers University of Technology, while development is primarily conducted 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 2026. Gapwaves does not provide any financial forecasts.

Risks and Risk Management
Gapwaves is exposed to a number of factors that may have a direct or indirect negative effect on its operations. It is therefore essential to consider the relevant risks in conjunction with the Company's growth opportunities. The risk factors set out below are presented in no particular order and are not intended to be exhaustive. No individual risk factor should be assessed in isolation; rather, each should be considered as part of a comprehensive evaluation of the Company's operations and the broader external environment.

Market and customers
Gapwaves' business areas are served by a relatively small number of large existing and potential customers. Should any collaboration with these existing or potential customers cease, there is a risk that this could have an adverse effect on the Company's operations, financial position, and results. Gapwaves continuously pursues relationships with new companies and within new application areas where the Company's expertise and technology are applicable.

Subcontractors
Gapwaves operates an efficient organizational and business model in which part or all of its production is outsourced to subcontractors and carried out against customer orders. This creates a dependency on subcontractors fulfilling their commitments with regard to, among other things, delivery precision and quality. For certain unique or business-critical components, there is a concentrated dependency on individual suppliers, which represents a risk should these suppliers be unable to deliver as planned. As the Company increases its production volumes, this dependency becomes more significant and the potential impact of the risk greater. Gapwaves actively and continuously works with multiple partners and mitigates its supplier dependency by engaging several suppliers across key areas and across different geographies.
Fluctuations in raw material prices represent a further risk factor. The Company is exposed to movements in raw material prices, and there is a risk that cost increases cannot be fully passed on to customers, which may adversely affect margins.
The Company sees significant value in its flexible production model, which enables high-volume production through certified production partners across multiple geographies. This provides the ability to adapt to customer requirements while maintaining flexibility in response to potential trade barriers, such as duties and tariffs. High quality is always a priority in Gapwaves' supplier assessment process.

Production
The establishment of volume production line including a new supply chain introduces operational risks. Delays, quality issues, or unforeseen costs during this ramp-up phase could adversely affect the Company's ability to meet customer commitments and its financial position. Gapwaves mitigates these risks by working closely with certified production partners.

Competition and IP
The Company may be exposed to competition from other companies operating within the same segments. Such companies may have greater financial resources than Gapwaves. Gapwaves maintains a strong patent portfolio and continuously works to develop it in order to prevent intellectual property (IP) infringement, across technology, product, and production setup. Furthermore, Gapwaves works to commercialize its products swiftly, thereby gaining a first-mover advantage in the market.

Key personnel and recruitment
Gapwaves continues to operate in an expansive phase, meaning the Company is dependent on its ability to recruit, develop, and retain qualified employees. Should the Company fail to recruit the necessary competencies or at the required pace, there is a risk that development will not continue at the desired rate. The Company actively works to position itself as an attractive employer, offering employees the opportunity to work at the forefront of antenna technology. In addition, the Company maintains collaborations with several technical universities, and Gothenburg - with its strong roots in both microwave technology and the automotive industry - is considered a strong base for talent 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. Following the rights issue completed in 2025, the company has a positive cashflow and the Board of Directors and management therefore see no immediate liquidity requirements. At the same time, the Company and the Board of Directors are evaluating alternative financing solutions to further strengthen the long-term development of the business and to ensure financial resilience and continued capacity for expansion.

Income statement
Consolidated Group

KSEK	Note	2025	2024
OPERATING INCOME			
Net sales	2	90 553	66 079
Other operating income	3	8 254	4 396
Total operating income		**98 807**	**70 475**
OPERATING EXPENSES			
Goods for resale		-47 072	-23 384
Other external costs	4, 5	-32 453	-28 137
Personnel costs	6, 7	-51 264	-50 400
Depreciation/amortization of property, plant and equipment and intangible assets	12, 13, 14	-6 741	-7 340
Other operating expenses		-1 887	-596
Total operating expenses		**-139 418**	**-109 857**
Results from shares in associated companies	8	-16 471	-15 015
EBIT		**-57 082**	**-54 398**
FINANCIAL ITEMS			
Financial income	9	2 524	4 637
Financial expenses	10	-3 683	-2 310
Total financial items		**-1 159**	**2 327**
Loss after financial items		**-58 241**	**-52 070**
TAX	11		
Tax on result for the period		-	-
LOSS FOR THE PERIOD		**-58 241**	**-52 070**
No. of shares at the end of the period		36 337 348	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*		36 337 348	31 146 299
Average no. of shares during the period after full dilution*		31 146 299	31 146 299
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

KSEK	Note	2025	2024
Assets			
Non-current assets			
Intangible assets			
Capitalized expenditure on research and development and similar works	12	466	1 229
Concessions, patents, licenses, trademarks and similar rights	13	5 612	9 345
Total intangible assets		**6 079**	**10 574**
Property, plant and equipment			
Equipment, tools, fixtures and fittings	14	6 546	4 594
Construction in progress	15	-	2 221
Total property, plant and equipment		**6 546**	**6 815**
Financial assets			
Shares in associated companies	17	9 990	17 461
Long-term receivables in associated companies	18	15 407	19 457
Deferred tax	26	1 149	1 914
Long-term deposits		665	665
Total financial assets		**27 211**	**39 498**
Total non-current assets		**39 836**	**56 887**
Current assets			
Inventories	19	3 679	2 091
Total inventories		**3 679**	**2 091**
Current receivables			
Accounts receivable		16 128	14 099
Short-term receivables in associated companies		357	2 646
Other receivables		3 063	1 047
Accrued but unbilled revenue	20	10 659	4 750
Prepaid expenses and accrued income	21	4 918	8 714
Total current receivables		**35 124**	**31 256**
Cash and bank balances			
Cash and bank balances		87 150	40 752
Total cash and bank balances		**87 150**	**40 752**
Total current assets		**125 953**	**74 100**
TOTAL ASSETS		**165 789**	**130 987**

Balance sheet
Consolidated Group

KSEK	Note	2025	2024
EQUITY AND LIABILITIES			
Equity			
Share capital	29	2 180	1 869
Other contributed capital		497 445	426 146
Other equity including loss for the period		-382 351	-325 447
Total equity		**117 274**	**102 567**
Provisions			
Deferred tax	26	1 149	1 914
Total provisions		**1 149**	**1 914**
Current liabilities			
Liabilities to credit institution	22	13 522	-
Accounts payable		14 594	6 024
Current tax liabilities		668	780
Other liabilities	23	4 966	6 715
Billings in excess of costs	20	1 098	1 177
Accrued expenses and deferred income	25	12 519	11 809
Total current liabilities		**47 367**	**26 505**
TOTAL EQUITY AND LIABILITIES		**165 789**	**130 987**

Statement of changes in equity
Consolidated Group

			Other equity including loss for the period	
KSEK	Share capital	Other contributed capital	Retained earnings, etc	Total equity
Opening balance Jan 1, 2024	**1 869**	**426 146**	**–274 705**	**153 309**
Share options programme	-	-	1 328	1 328
Loss for the period	-	-	–52 070	–52 070
Closing balance Dec 31, 2024	**1 869**	**426 146**	**-325 447**	**102 567**
Opening balance Jan 1, 2025	**1 869**	**426 146**	**-325 447**	**102 567**
Rights issue	311	71 299	-	71 611
Share options programme	-	-	1 338	1 338
Loss for the period	-	-	-58 241	-58 241
Closing balance Dec 31, 2025	**2 180**	**497 445**	**-382 351**	**117 274**

Cash flow statement
Consolidated Group

KSEK	Note	2025	2024
Operating activities			
EBIT		-57 082	-54 398
Adjustments for non-cash items, etc*	27	25 583	23 797
Interest paid		-1 173	-156
Paid tax		-112	415
Cash flow from operating activities before changes in working capital		**-32 784**	**-30 342**
Changes in working capital			
Changes in operating receivables		-1 750	-7 345
Changes in operating liabilities		5 564	9 904
Changes in inventories		-1 588	-280
Cash flow from operating activities		**-30 557**	**-28 063**
Investing activities			
Acquisition of property, plant and equipment		-1 977	-1 824
Loans provided		-4 950	-19 457
Cash flow from investing activities		**-6 927**	**-21 281**
Financing activities			
Rights issue		71 611	-
Loans		13 522	-
Cash flow from financing activities		**85 133**	**-**
Cash flow for the period		**47 649**	**-49 344**
Cash and cash equivalents at beginning of period		**40 752**	**89 332**
Exchange rate effects		**-1 250**	**763**
Cash and cash equivalents at end of period		**87 150**	**40 752**

** Non-cash flow items during the quarter mainly comprise of results from shares in associated companies, amounting to 7 512 KSEK (3 602) and depreciation of tangible and intangible assets, amounting to 1 810 KSEK (1 780). Adjustments for non-cash items for the period January to December primarily consist of results from shares in associated companies amounting to 16 471 KSEK (15 015) and depreciation of tangible and intangible assets, amounting to 6 741 KSEK (7 340) for the period January to December.*

Income statement
Parent Company

KSEK	Note	2025	2024
OPERATING INCOME			
Net sales	2	90 553	66 079
Other operating income	3	8 254	4 396
Total operating income		**98 807**	**70 475**
OPERATING EXPENSES			
Goods for resale		-47 072	-23 384
Other external costs	4, 5	-32 444	-28 129
Personnel costs	6, 7	-51 264	-50 400
Depreciation/amortization of property, plant and equipment and intangible assets	12, 13, 14	-3 024	-3 624
Other operating expenses		-1 887	-596
Total operating expenses		**-135 692**	**-106 132**
EBIT		**-36 885**	**-35 658**
FINANCIAL ITEMS			
Impairment of shares in associated companies	17	-19 000	-
Financial income	9	2 524	4 637
Financial expenses	10	-3 683	-2 310
Total financial items		**-20 159**	**2 327**
Loss after financial items		**-57 044**	**-33 330**
TAX	11		
Tax on loss for the year		-	-
LOSS FOR THE PERIOD		**-57 044**	**-33 330**
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

KSEK	Note	2025-12-31	2024-12-31
ASSETS			
Non-current assets			
Intangible assets			
Capitalized expenditure on research and development and similar works	12	466	1 229
Concessions, patents, licenses, trademarks and similar rights	13	37	53
Total intangible assets		**503**	**1 282**
Property, plant and equipment			
Equipment, tools, fixtures and fittings	14	6 546	4 594
Construction in progress	15	-	2 221
Total property, plant and equipment		**6 546**	**6 815**
Financial assets			
Shares in subsidiaries	16	15 464	15 464
Shares in associated companies	17	36 945	46 945
Long-term receivables in associated companies	18	15 407	19 457
Long-term deposits		665	665
Total financial assets		**68 481**	**82 531**
Total non-current assets		**75 531**	**90 628**
Current assets			
Inventories	19	3 679	2 091
Total inventories		**3 679**	**2 091**
Current receivables			
Accounts receivable		16 128	14 099
Short-term receivables in associated companies		357	2 646
Other receivables		3 063	1 047
Accrued but unbilled revenue	20	10 659	4 750
Prepaid expenses and accrued income	21	4 918	8 714
Total current receivables		**35 124**	**31 256**
Cash and bank balances			
Cash and bank balances		87 126	40 719
Total cash and bank balances		**87 126**	**40 719**
Total current assets		**125 929**	**74 066**
TOTAL ASSETS		**201 460**	**164 694**

Balance sheet
Parent Company

KSEK	Note	2025-12-31	2024-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	29	2 180	1 869
Development expenditure fund		466	1 229
Total restricted equity		**2 647**	**3 098**
Non-restricted equity			
Share premium reserve		497 445	426 146
Retained earnings		-288 954	-257 724
Loss for the period		-57 044	-33 330
Total non-restricted equity		**151 446**	**135 091**
Total equity		**154 093**	**138 189**
Current liabilities			
Liabilities to credit institution	22	13 522	-
Accounts payable		14 594	6 024
Current tax liabilities		668	780
Other liabilities	23	4 966	6 715
Billings in excess of costs	20	1 098	1 177
Accrued expenses and deferred income	25	12 519	11 809
Total current liabilities		**47 367**	**26 505**
TOTAL EQUITY AND LIABILITIES		**201 460**	**164 694**

Statement of changes in equity
Parent Company

	Restricted equity		Non-restricted equity			
KSEK	Share capital	Development expenditure fund	Share premium reserve	Retained earnings	Loss for the year	Total equity
Opening balance Jan 1, 2024	**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**
Reallocation profit/loss prev. year	-	-	-	-33 330	33 330	-
Rights issue	311	-	71 299	-	-	71 611
Share options programme	-	-	-	1 338	-	1 338
Changes in development expenditure fund for the year	-	-762	-	762	-	-
Loss for the period	-	-	-	-	-57 044	-57 044
Closing balance Dec 31, 2025	**2 180**	**466**	**497 445**	**-288 954**	**-57 044**	**154 093**

Cash flow statement
Parent Company

KSEK	Note	2025	2024
Operating activities			
EBIT		-36 885	-35 658
Adjustments for non-cash items, etc	27	5 395	5 065
Interest paid		-1 173	-156
Paid tax		-112	415
Cash flow from operating activities before changes in working capital		**-32 775**	-30 334
Changes in working capital			
Changes in operating receivables		-1 750	-7 344
Changes in operating liabilities		5 564	9 904
Changes in inventories		-1 588	-280
Cash flow from operating activities		**-30 549**	-28 054
Investing activities			
Acquisition of property, plant and equipment		-1 977	-1 824
Loans provided		-4 950	-19 457
Cash flow from investing activities		**-6 927**	**-21 281**
Financing activities			
Rights issue		71 611	-
Loans		13 522	-
Cash flow from financing activities		**85 133**	**-**
Cash flow for the period		**47 657**	**-49 335**
Cash and cash equivalents at beginning of period		**40 719**	**89 291**
Exchange rate effects		**-1 250**	**763**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**87 126**	**40 719**

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).

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 the 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 has 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 26..*

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	3-10 years

With effect from the 2025 financial year, the Company has revised its assessment of the useful life of machinery and other technical installations. The depreciation period has been changed from the previous three to five years to three to ten years. The change is based on an updated assessment of the economic useful life of the new production line brought into use during 2025.
The change applies to new investments only and has not affected the depreciation of existing tangible fixed assets.

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 23.*

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 plus any revaluations.

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	
KSEK	2025	2024	2025	2024
Sweden	1 140	4 830	1 140	4 830
EU	40 704	33 018	40 704	33 018
The rest of the world	48 709	28 231	48 709	28 231
Total	**90 553**	**66 079**	**90 553**	**66 079**

Note 3
Other operating revenue

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Received grants	4 834	1 357	4 834	1 357
Other revenue	106	88	106	88
Exchange gains on receivables and liabilities	854	482	854	482
Other revenue	2 460	2 469	2 460	2 469
Total	**8 254**	**4 396**	**8 254**	**4 396**

Note 4
Fees to auditors

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Öhrlings PricewaterhouseCoopers AB				
Audit engagement	532	376	532	376
Non-audit services	90	90	90	90
Other services	116	77	116	77
Total	**738**	**543**	**738**	**543**

Note 5
Leases

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Expensed payments in respect of operating leases	5 559	4 619	5 559	4 619
Future minimum lease payments in respect of non-cancellable operating leases				
To be paid within 1 year	5 293	5 334	5 293	5 334
To be paid later than 1 year but within 5 years	3 648	7 027	3 648	7 027
To be paid later than 5 years	-	284	-	284
Total	**8 940**	**12 646**	**8 940**	**12 646**

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	2025	2024	2025	2024
Men	34	35	34	35
Women	7	6	7	6
Total	**41**	**41**	**41**	**41**

Wages, salaries and other benefits	2025	2024	2025	2024
Board of directors and CEO	3 615	3 447	3 615	3 447
Bonus remuneration to the CEO	677	588	677	588
Other employees	28 136	27 478	28 136	27 478
Total	**32 428**	**31 513**	**32 428**	**31 513**

Pension costs and other social security contributions

	Group		Parent Company	
TSEK	2025	2024	2025	2024
Pension costs for board of directors and CEO	834	781	834	781
Pension costs for other employees	3 873	3 718	3 873	3 718
Other social security contributions pursuant to legislation and agreements	8 853	9 236	8 853	9 236
Total	**13 560**	**13 734**	**13 560**	**13 734**

Gender distribution among senior officers

TSEK	2025	2024	2025	2024
Proportion of women on the board of directors	50%	40%	50%	40%
Proportion of men on the board of directors	50%	60%	50%	60%
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 was expected to be approx. 2,3% of the outstanding capital and 0,65% of the outstanding votes. The share price did not reach the exercise price, and the warrants have therefore expired without conversion.

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. The programme has also been designed to broaden and increase share ownership among participants and to ensure a shared focus on the long-term and sustainable growth of the Company, thereby further aligning the interests of shareholders and participants. LTI 2022 can comprise 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 (corresponding to an equal number of shares in the Company). The targets for the programme were established by the Board of Directors at the end of the fourth quarter. As of 31 December 2025, four key individuals have been invited to participate, with the opportunity to vest a maximum of 198 680* performance share rights upon the programme's conclusion 1 January 2027.

*Minor variance compared to the fourth quarter of 2025 due to an update reflecting the actual outcome for 2025.

Warrants: Series 2022/2025

Group

	2025		2024	
	Average exercise price in SEK per warrant	Warrants (thousands)	Average exercise price in SEK per warrant	Warrants (thousands)
As of 1 January	**-**	**-**	**7**	**503**
Assigned				
Outstanding as of 31 December	**-**	**-**	**7**	**503**

Parent Company

	2025		2024	
	Average exercise price in SEK per warrant	Warrants (thousands)	Average exercise price in SEK per warrant	Warrants (thousands)
As of 1 January	**-**	**-**	**7**	**503**
Assigned				
Outstanding as of 31 December	**-**	**-**	**7**	**503**

Of the 502 541 warrants, 0 warrants were redeemable

Note 8
Results from shares in associated companies

	Group	
KSEK	2025	2024
Results from shares in associated companies	-16 471	-15 015
Total	**-16 471**	**-15 015**

Note 9
Financial income

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Capital gains financial items	1 260	2 916	1 260	2 916
Interest income*	1 264	1 721	1 264	1 721
Total	**2 524**	**4 637**	**2 524**	**4 637**

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

Note 10
Financial costs

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Rate losses financial items	2 510	2 153	2 510	2 153
Interest charges	1 173	156	1 173	156
Total	**3 683**	**2 310**	**3 683**	**2 310**

Note 11
Tax on profit/loss for the year

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Reconciliation of effective tax rate	-	-	-	-
Net profit/loss before tax	-	-	-	-
Tax on net profit/loss in accordance with applicable tax rate (20.6%)	**-**	**-**	**-**	**-**
Tax effect of:				
Non-deductible expenses	-58 241	-52 070	-57 044	-33 330
Tax-free income	11 998	10 726	11 751	6 866
Increase in loss carry-forwards without corresponding capitalisation of deferred tax				
Reported tax	-3 951	-44	-3 951	-44
Effective tax rate	-	-1	-	-1
Accumulated tax loss carry-forwards	-8 048	-10 682	-7 801	-6 821
The value of the deferred taxes attributable to these losses amounts to	**-**	**-**	**-**	**-**
Effective tax rate	0%	0%	0%	0%
Accumulated tax loss carry-forwards	380 236	341 174	343 755	305 884
The value of the deferred taxes attributable to these losses amounts to	78 329	70 282	70 814	63 013

In the annual accounts for 2025.12.31 and 2024.12.31, 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	
KSEK	2025	2024	2025	2024
Opening balance	36 018	36 018	36 018	36 018
Closing balance	**36 018**	**36 018**	**36 018**	**36 018**
Opening balance, depreciations	-31 489	-29 991	-31 489	-29 991
Depreciation for the year	-762	-1 498	-762	-1 498
Closing balance, depreciations	**-32 252**	**-31 489**	**-32 252**	**-31 489**
Opening balance, impairment	-3 300	-3 300	-3 300	-3 300
Closing balance, impairment	**-3 300**	**-3 300**	**-3 300**	**-3 300**
Book value	**466**	**1 229**	**466**	**1 229**

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

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Opening balance	19 319	19 319	734	734
Acquired during the year	-	-	-	-
Closing balance	**19 319**	**19 319**	**734**	**734**
Opening balance, depreciations	-9 974	-6 230	-682	-655
Depreciation for the year	-3 733	-3 744	-16	-27
Closing balance, depreciations	**-13 707**	**-9 974**	**-698**	**-682**
Book value	**5 612**	**9 345**	**37**	**53**

Note 14
Equipment, tools, fixtures and fittings

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Opening balance	14 382	14 337	14 382	14 337
Acquired during the year	1 977	45	1 977	45
Sales/disposals	-	-43	-	-43
Reclassifications	2 221	43	2 221	43
Closing balance	**18 580**	**14 382**	**18 580**	**14 382**
Opening balance, depreciations	-9 787	-7 688	-9 787	-7 688
Depreciation for the year	-2 246	-2 099	-2 246	-2 099
Closing balance, depreciations	**-12 034**	**-9 787**	**-12 033**	**-9 787**
Book value	**6 546**	**4 594**	**6 546**	**4 594**

Note 15
Ongoing new equipment

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Opening balance	2 221	429	2 221	429
Acquired during the year	-	1 793	-	1 793
Sales/disposals	-	-	-	-
Reclassifications	-2 221	-	-2 221	-
Book value	**-**	**2 221**	**-**	**2 221**

Note 16
Shares in the group

	Parent Company	
KSEK	2025	2024
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	2025	2024	2025	2024
Opening balances	17 461	32 476	46 945	46 945
Shareholder contributions	9 000	-	9 000	-
Impairments during the year	-	-	-19 000	-
Results from shares	-16 471	-15 015	-	-
Book value	**9 990**	**17 461**	**36 945**	**46 945**

Specification of shares in associated companies

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

The owners resolved to make a contribution in kind, whereby Gapwaves took its pro rata share of MSEK 9 by converting the shareholder loan into equity, which increased the value of the shares in Sensrad and reduced the shareholder loan by a corresponding amount. Following an updated impairment test of the Company's assets relating to Sensrad, due to the delayed development and market penetration, an impairment of the shares in Sensrad of MSEK 19 was recognised in the most recent quarter.

Note 18
Long-term receivables in associated companies

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Opening balances	19 457	-	19 457	-
Additional receivables	4 950	19 457	4 950	19 457
Amortizations, outgoing receivables	-9 000	-	-9 000	-
Book value	**15 407**	**19 457**	**15 407**	**19 457**

Note 19
Inventory

Breakdown of inventory as of the balance sheet date

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Components	2 782	2 091	2 782	2 091
Finished goods	897	-	897	-
Closing carrying amount	**3 679**	**2 091**	**3 679**	**2 091**

Note 20
Ongoing engagements

Accrued but uninvoiced revenue

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Accrued but not invoiced revenue	27 009	19 941	27 009	19 941
Invoiced amounts	-16 351	-15 191	-16 351	-15 191
Book value	**10 659**	**4 750**	**10 659**	**4 750**

Invoiced but unearned revenue

	Group		Parent Company	
TSEK	2025	2024	2025	2024
Accrued revenue	-599	-	-599	-
Invoiced amounts	1 776	-	1 776	-
Book value	**1 177**	**-**	**1 177**	**-**

Note 21
Prepaid costs and accrued income

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Prepaid rents	1 114	904	1 114	904
Accrued income	1 909	5 102	1 909	5 102
Other prepaid costs	1 895	2 708	1 895	2 708
Total	**4 918**	**8 714**	**4 918**	**8 714**

Note 22
Current liabilities to credit institutions

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Trade Finance loan 1 (EUR 750 000)	8 113	-	8 113	-
Trade Finance loan 2 (EUR 500 000)	5 409	-	5 409	-
Total	**13 522**	**-**	**13 522**	**-**

The loans have been translated into SEK in the accounts at the exchange rate prevailing on the balance sheet date. All loans fall due within 12 months.

Note 23
Other liabilities

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Grant/client's funds	4 103	5 923	4 103	5 923
Employee tax	863	792	863	792
Total	**4 966**	**6 715**	**4 966**	**6 715**

Note 24
Pledged assets and contingent liabilities

The Company has pledged assets in the form of a floating charge totalling KSEK 15 000. The Company's short term credit facililty is secured by a floating charge over the company's assets. The carrying amount of the pledged assets amounts to KSEK 13 522.

Note 25
Accrued expenses and deferred income

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Accrued holiday pay	3 760	3 377	3 760	3 377
Accrued bonus	4 333	4 777	4 333	4 777
Accrued directors' fees	594	594	594	594
Accrued social security contributions	2 688	2 259	2 688	2 259
Other accrued expenses	1 144	800	1 144	800
Total	**12 519**	**11 809**	**12 519**	**11 809**

Note 26
Deferred taxes

	Group		
KSEK	Temporary difference	Deferred tax claim	Deferred tax liability
Opening balance	13 008	1 914	1 914
Asset acquisition patent	-3 718	-766	-766
Closing balance	**9 289**	**1 149**	**1 149**

Note 27
Items not affecting cash flow

	Group		Parent Company	
KSEK	2025	2024	2025	2024
Depreciation	6 741	7 340	3 024	3 624
Exchange gains	1 033	113	1 033	113
Results from shares in associated companies	16 471	15 015	-	-
Other	1 338	1 328	1 338	1 328
Total	**25 583**	**23 797**	**5 395**	**5 065**

Note 28
Group affiliation
The company is a subsidiary of Kildal Antenn AB, org. reg. no. 556423-0794.This company holds 5 618 000 A shares and 365 000 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 29
Share capital
Share capital amounted to KSEK 2 180 (KSEK 1 869) as of 31 December 2025. The number of shares amounts to 36,337,348 (31,146,299), giving a quota value of SEK 0,06 per share.

Note 30
Significant events after the end of the financial year
Gapwaves received an order from Desay SV for a new development project.

Note 31
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 32
Related party transactions
The Company has not had any significant related-party transactions during the year.

Signatory of annual accounts 2025

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

The contents of the Annual Report were finalised on 14 April 2026.

The Annual Report was signed by all parties on 14 April 2026.

Magnus Jonsson
Chairman

Viktor Fritzén
Board member

Madeleine Schilliger Kildal
Board member

Jonas Ehinger
CEO

Ulrika Molander
Board member

Our auditor's report has been signed

Gothenburg, 14 April 2026
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

Contact
Jonas Ehinger, CEO
Tel: +46 733 44 01 52
E-mail: jonas.ehinger@gapwaves.com

Nils Mösko, CFO
Tel: +46 761 10 73 08
E-mail: nils.mosko@gapwaves.com

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, corporate identity number 556840-2829

Report on the annual accounts and consolidated accounts

Opinions
We have performed an audit of the annual accounts and consolidated accounts of Gapwaves AB for year 2025. The annual accounts and consolidated accounts of the company are included on pages 32-63 in this document.

In our opinion, the annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2025 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 and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

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 parent company and the group 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 and consolidated accounts
This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1-31.

Our opinion on the annual accounts and consolidated 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 and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated 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 consolidated 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 and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company and group's ability to continue as a going concern. They 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 and consolidated 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 and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the Swedish Inspectorate of Auditors' 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 and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Gapwaves AB for year 2025 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 parent company and the group 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 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 and group's type of operations, size and risks place on the size of the parent 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 and group'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 the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Göteborg the date indicated by our electronic signature

Öhrlings PricewaterhouseCoopers AB

Johan Malmqvist
Authorized Public Accountant

GAPWAVES

Tech that sees the human side of things.

About Gapwaves AB (publ)
Gapwaves AB (publ) develops wireless solutions based on unique and patented waveguide technology for millimeter-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), with G&W Fondkommission as certified adviser.

Contact

Gapwaves AB (publ)
org.nr 556840-2829

Headquarters:
Nellickevägen 22,
412 63 Gothenburg,
Sweden

Tel: +46 31-762 60 40
E-mail: info@gapwaves.com

www.gapwaves.com