

Q2 | Interim report
April-June 2024



Gapwaves AB (publ) interim report, April-June 2024

Second quarter April-June 2024

- Net sales amounted to MSEK 14.5 (8.9), an increase by 62.9% compared to the second quarter of 2023.
- EBITDA amounted to MSEK -12.5 (-12.9), whereas EBITDA adjusted for results from shares in associated companies amounted to MSEK -8.8 (-9.5).
- The operating result/EBIT amounted to MSEK -14.3 (-15.0), whereas operating result adjusted for results from shares in associated companies amounted to MSEK -10.6 (-11.6).
- The result for the period amounted to MSEK -14.4 (-13.8).
- Earnings per share before and after dilution was neg. (neg.).
- Cash flow for the period improved and amounted to MSEK -2.2 (-52.4).
- The Group's cash and cash equivalents amounted to MSEK 66.9 (119.7).

January-June 2024

- Net sales amounted to MSEK 30.1 (13.8), an increase by 118.1%, compared to the first half of 2023.
- EBITDA was strengthened compared to the first half of 2023, and amounted to MSEK -25.5 (-29.0), whereas EBITDA adjusted for results from shares in associated companies improved and amounted to MSEK -17.6 (-25.6).
- The operating result/EBIT amounted to MSEK -29.2 (-33.4), whereas operating result adjusted for results from shares in associated companies amounted to MSEK -21.3 (-30.0).
- The result for the period amounted to MSEK -28.0 (-31.7).
- Earnings per share before and after dilution was neg. (neg.).
- Cash flow for the period amounted to MSEK -22.8 (-65.7).

Significant events during the period

- The Annual General Meeting of Gapwaves was held on May 3rd, 2024.
- The Joint Development Agreement (JDA) with Bosch was expanded.
- Two orders were received from a European Tier 1 supplier, with an order value of 1.9 MSEK and 1.2 MSEK, respectively. A non-binding Letter of Intent (LOI) was signed with the customer.
- Gapwaves was awarded funding by Vinnova for two research projects, with a value of MSEK 5.2.
- An order was received from an Asian Tier 1 supplier, with a value of approximately MSEK 5.3.
- Gapwaves and Sensrad entered into a supply agreement with an expected minimum sales value of approximately MSEK 8.3 for Gapwaves over a three-year period.

Key performance indicators – Group

TSEK	Period				Full year
	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Net sales	14 488	8 908	30 100	13 784	27 510
EBITDA	-12 454	-12 878	-25 465	-28 966	-62 806
EBIT	-14 309	-15 034	-29 203	-33 380	-71 304
Result for the period	-14 407	-13 817	-28 036	-31 689	-69 235
Cash flow for the period	-2 232	-52 414	-22 834	-65 680	-96 087
Equity/assets ratio, %	83,0	89,4	83,0	87,2	91,6
Average no. of shares	31 146 299	31 146 299	31 146 299	31 146 299	31 146 299
Earnings per share before and after dilution (SEK)	neg	neg	neg	neg	neg
No. of FTEs	42	34	42	34	42

"The business continued to develop as the year began, in both increased sales and product deliveries."

Jonas Ehinger, CEO Gapwaves

Strong continuation of the year

The second quarter was marked by continued growth and scaling up. We are delivering in accordance with our expectations in our customer agreements.

The strong start to the year continued in the second quarter. We achieved sales of MSEK 14.5, which corresponds to a sales growth of 63 per cent compared to the second quarter of 2023. The operational cash flow also strengthened and was positive during the quarter.

Further progress within Automotive

Market interest translated into a growing intake of orders, with new orders from both existing and new customers. The agreement with Bosch was expanded with additional product development. The collaboration with the European Tier 1 supplier is also progressing as expected, with two additional orders during the quarter. The collaboration progressed to a non-binding Letter of Intent (LOI) during the quarter, with the aim of forming a partnership regarding large-scale production and deliveries of antennas. Our first commercial customer order in the Asian market for vehicle radar antennas from a new Tier1 supplier, based in Asia, is particularly positive.

Serial production commences

As an important aspect of the business model, we are aiming towards serial production and volume orders of the antennas resulting from the development projects. During the second quarter, SOP (Start of Production) was carried out for one of the antennas we developed for Smartmicro, according to the production and delivery agreement from 2023 relating

to high-resolution radar antennas for SmartCity applications.

SOP is one of the most important milestones in the projects, meaning that both the development phase and production deployment have been completed, so that the antenna is ordered, produced, and delivered in larger volumes – resulting in increased revenue. As previously communicated, production started during the first quarter of our first antenna, developed for Hella. The fact that we have now achieved the SOP as planned for two antennas in a short period of time shows that we are well on our way to becoming a comprehensive supplier, with a valuable comprehensive offer; from design and development to industrialization and delivery of antennas in large volume.

Scaling up continues

In order to meet the increasing demand and fulfill our existing agreements, we must be qualified and certified as a supplier according to industry standards in Automotive. For this reason, investments continue in the construction of the pilot line in our industrialization hub in Gothenburg. This is crucial to the process of becoming a certified supplier. The first antennas are scheduled to be built on the pilot line in the fall of 2024.

Our scaling up also involves continued investment in our organization and capacity. We have strengthened the team with the required expertise, and as such the number of employees has increased compared to last year. During the Annual General Meeting in May, Ulrika Molander was elected as a new board member. Ulrika's extensive experience and knowledge in supply chain and production will be important for the company to achieve our strategic goals.

Sensrad

At the end of the quarter, we communicated the decision not to exercise the right to acquire an additional 30 percent share in Sensrad, due to strong interest for Gapwaves antennas and the need to focus on the antenna business in Gapwaves in order to secure deliveries in existing and new customer agreements. Taking a strong position in the value chain within the market for radar sensors outside the automotive segment remains a strategic and long-term goal for Gapwaves. In line with Sensrad's commercial development moving forward, we will evaluate the need to increase our ownership in Sensrad.

The momentum continues

To summarize the quarter, the business continued to develop as the year began, in both increasing sales and product deliveries. We are growing, scaling up and delivering according to plan, which is based on our already concluded customer agreements with leading customers, as well as being able to accelerate in line with the additional agreements we expect to secure. In particular, I would like to emphasize the importance of the fact that an increasing number of antennas that we have developed are being put into production and serial deliveries are starting. I would like to extend a big thank you to our customers, partners, and the entire Gapwaves team, for their commitment and focused work – we are on an exciting journey together!

Gothenburg, 22 August, 2024

Jonas Ehinger
CEO Gapwaves AB (publ)

About Gapwaves

Gapwaves AB (publ), Corp. Reg. No.556840-2829, is a Parent Company registered in Sweden with its headquarters in Gothenburg.

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

Regulations and testing drive radar volumes and waveguide antennas

The shift from the previous frequency band at 24 GHz to 76-81 GHz for automotive radar has led to the automotive industry demanding higher performance from the radar and often requiring the radar to cover the entire frequency band of 76-81 GHz, requirements that traditional circuit-board-based (PCB) antenna technology cannot fully meet.

Furthermore, the EU has introduced new legal requirements and Euro NCAP* has introduced new test protocols, which have become strong driving forces for increasing radar volumes and growing demand for high-performance and cost-efficient waveguide antennas. Most new car models from 2022 will have between 1-7 radars in their sensor setup, and the trend is towards the leading Tier 1 suppliers and car manufacturers to use waveguide antennas in their upcoming radar sensors.

Gapwaves is well positioned to capture a large market share in vehicle radar, as our patented technology enables the manufacturing of antennas in high volumes, with high quality and cost-efficiency. These are advantages that will significantly increase the demand for Gapwaves' antennas as radar sensors and active vehicle safety become standard in most car models.

Focus areas 2024

Currently it is within the markets for radar sensors for advanced driver assistance systems (ADAS) and autonomous vehicles that the greatest benefits of Gapwaves' technology can be applied. It is also within these areas that we see the greatest interest from the market. Through agreements and partnerships with companies such as Veoneer, Hella, and Bosch, Gapwaves

has established a strong position as a globally leading provider of waveguide antennas in the market for advanced driver assistance and various types of automated vehicles. Gapwaves has a solid foundation for continued growth, which also includes volume production starting in 2026. This position creates synergies in the effort to win more business where Gapwaves can offer a complete solution including antennadevelopment and design, as well as managing high-volume production for our customers. This aligns with the long-term plan and moves the company closer to its goal of making Gapwaves' antenna technology a global standard for vehicle radar sensors.

Strategic investment in the market for complete radar sensors

With the investment in Sensrad AB, Gapwaves is moving towards a new strategic position in the radar market for Mobility, surveillance and smart cities. Sensrad AB is a recent spin-off from Qamcom's radar division and offers a unique 4D imaging radar sensor based on the latest software and hardware technology, including the leader radar chipset from Arbe and Gapwaves antenna technology. Sensrad is based in Gothenburg and currently has approximately 20 employees.

*Euro NCAP, The European New Car Assessment Program. An organization that designs and performs vehicle testing using a five-star safety rating system. These tests simplify real accident scenarios that could result in passengers or other road users being injured or dying.

Financial overview

Quarter April-June 2024

Revenue

The Group's net sales during the second quarter amounted to TSEK 14 488 (8 908), which corresponds to an increase of 62.9% compared to previous year. Net sales were primarily attributable to project and prototype related revenue from Hella, Bosch, Sensrad and a European Tier-1 customer. The second quarter also includes accrued revenue related to the sale of production equipment to Frencken Group for MSEK 1.4. In addition to sales revenues, research grants totaling TSEK 270 (1 340) were recognized, along with currency exchange gains of TSEK 118 (128) and invoiced costs to Sensrad AB totaling TSEK 707 (806), which are reported under other operating revenues. The corresponding item is also found under operating costs.

EBITDA and operating result

The Group's Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to TSEK -12 454 (-12 878) in the second quarter. Operating expenses excluding depreciation and results from shares in associated companies amounted to TSEK 26 204 (22 801). The improved EBITDA for the quarter is mainly due to higher sales. Personnel costs during the second quarter were

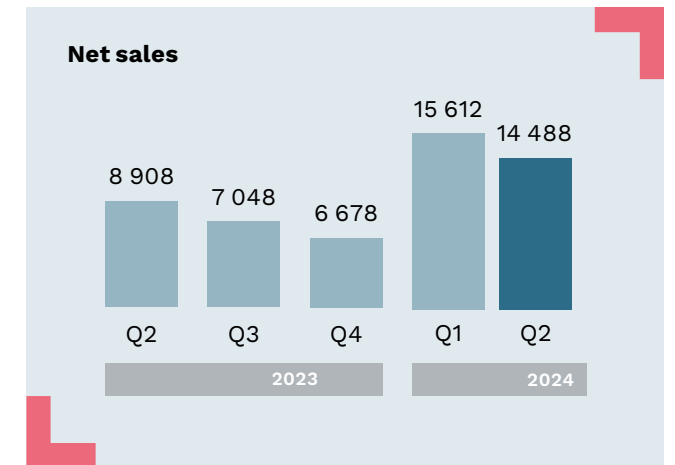
higher than the previous year, driven by an increased number of employees, and amounted to TSEK 12 841 (10 451). Personnel costs include costs for LTI 2022 totaling TSEK 523 (0), which are not affecting cash flow. EBITDA includes results from shares in associated companies of TSEK -3 688, which is related to amortization of Goodwill TSEK -1 075 and the Group's share of the associated company's profit TSEK -2 612. Adjusted for this, EBITDA amounted to TSEK -8 766 (-9 462) during the quarter. The operating result during the quarter amounted to TSEK -14 309 (-15 034) and TSEK -10 620 (-11 618) when adjusting for results from shares in associated companies.

Result for the period

Net financial items amounted to TSEK -98 (1217), which is mainly related to interest income for bank deposits of TSEK 376 (555) and exchange rate differences of TSEK -459 (662). The result for the period during the quarter amounted to TSEK -14 407 (-13 817).

Financial position and liquidity

Total assets as per June 30, 2024 amounted to TSEK 151 749 (219 729). Equity was TSEK 126 010 (190 192). Cash and cash equivalents, 2024 was TSEK 66 945 (119 747). Gapwaves does not have any financial debt.



Cash flow and investments

Cash flow from operating activities was positive during the quarter and amounted to TSEK 5 224 (-9 024). Cash flow from investing activities amounted to TSEK -7 456 (-43 390) and are mainly related to deposit to Sensrad AB. Cash flow for the period amounted to TSEK - 2 232 (-52 414).

Period: January–June 2024

Revenue

The Group's net sales during the period amounted to TSEK 30 100 (13 784), which corresponds to an increase of 118 percent. Net sales are mainly attributable to project and prototype related revenue from Bosch, Hella, Smartmicro, and Sensrad, as well as to the European Tier 1 supplier. The period also includes revenue related to the sale of production equipment to Frencken Group. In addition to sales revenues, research grants totaling TSEK 559 (2 689) were recognized, along with currency exchange gains of TSEK 258 (298) and invoiced costs to Sensrad AB totaling TSEK1 391 (806), which are reported under other operating revenues. The corresponding item is also found under operating costs.

EBITDA and operating result

The Group's Earnings before interest, taxes, depreciation and amortization (EBITDA) for the period amounted to TSEK –25 465 (–28 966). Operating expenses excluding depreciation and results from shares in associated companies amounted to TSEK 53 632 (47 542). The improved EBITDA for the quarter is mainly due to higher revenue. Personnel costs during the period were higher than the previous year, driven by an increased number of employees,

and amounted to TSEK 26 317 (21 229). Personnel costs include costs for LTI 2022 totaling TSEK 901 (0), which are not affecting cash flow. EBITDA includes results from shares in associated companies of TSEK –7 879, which is related to amortization of Goodwill TSEK –2 150 and the Group's share of the associated company's profit TSEK –6 120. Adjusted for this, EBITDA amounted to TSEK –17 586 (–25 550) during the period. The operating result during the period amounted to TSEK –29 203 (–33 380) and TSEK –21 324 (–29 964) when adjusting for results from shares in associated companies.

Result for the period

Net financial items amounted to TSEK 1 167 (1 691), which is mainly related to interest income for bank deposits of TSEK 736 (1 033). The result for the period amounted to TSEK –28 036 (–31 689).

Cash flow and investments

Cash flow from operating activities amounted to TSEK –7 332 (–21 777). Cash flow from investing activities amounted to TSEK –15 502 (–43 903) and are mainly related to deposit to Sensrad AB. Cash flow for the period amounted to TSEK –22 834 (–65 680).



Other disclosures

Accounting policies

The company applies the Swedish Annual Accounts Act and Swedish Accounting Standards Board's general advice BFNAR 2012:1 Annual reports and consolidated financial statements (K3). All balance sheet items are also measured at historical cost in accordance with Chapter 11 of K3.

Risks and uncertainties

Gapwaves is exposed to risks and uncertainties through its operations. For more detailed information on the main operational and financial risks, please refer to page 27 of the 2023 annual report.

Seasonal variations

Over the next few years, the company's sales are expected to largely comprise development projects that reflect customer needs and product development cycles. This is expected to create a certain level of volatility in sales between quarters.

Organization

The number of permanent employees in the Group as per June 30, 2024 was 42 (34).

ESG activities

We established our sustainability initiative during 2023, where we set frameworks and strategies. We have continued our work by implementing additional measures during the quarter. We continue to validate and update our efforts as needed to ensure that we continue to make progress towards our sustainability goals.

Related party transactions

The company did not have any transactions with related parties during the first quarter of 2024.

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 June 30, 2024, the company had approximately 6,600 shareholders. The company has a total of 31,146,299 shares, of which 7,667,500 are A shares and 23,478,799 are B shares. Each A share entitles the holder to ten votes and each B share entitles the holder to one vote. As of June 30, the share capital was SEK 1,868,778 which represents a quotient value of SEK 0.06 per share.

Certified adviser

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

Analysts following Gapwaves

Carnegie - Jakob Söderblom
Redeye - Rasmus Jacobsson
SEB - Erik Lindholm-Röjestål

Warrants: Series 2022/2025

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

Ten largest shareholders based on no. of votes per June 30, 2024 (A and B shares)

	A shares	B shares	Votes	Share of equity, %	Share of voting power, %
Kildal Antenn AB, incl. related parties	5 618 000	390 200	56 570 200	19,29%	56,48%
Lars-Inge Sjöqvist incl. company	748 000	76 744	7 556 744	2,65%	7,55%
HELLA GmbH & Co. KGaA	300 000	2 844 000	5 844 000	10,09%	5,84%
Jian Yang	409 500	136 551	4 231 551	1,75%	4,23%
Abbas Vosoogh incl. company	265 000	571 635	3 221 635	2,69%	3,22%
Peter Enoksson	185 500	92 750	1 947 750	0,89%	1,94%
Avanza Pension	-	1 426 454	1 426 454	4,58%	1,42%
Nordnet pensionsförsäkring AB	-	1 318 388	1 318 388	4,23%	1,32%
Ashraf Uz Zaman	65 000	200 000	850 000	0,85%	0,85%
BNP Paribas Sec Serv Luxemburg	-	528 695	528 695	1,70%	0,53%
Other	76 500	15 893 382	16 658 382	51,27%	16,63%
Total	7 667 500	23 478 799	100 153 799	100,00%	100,00%

Source: Euroclear and Modular Finance

LTI 2022

At the Extraordinary General Meeting on August 19, 2022, the shareholders resolved to approve the Board's proposal to issue a long-term incentive program for senior executives and other key individuals in the Group. The aim of the program is to strengthen the Group's ability to recruit and retain key individuals. LTI 2022 comprises a maximum of 13 key individuals in the Group. The maximum number of performance share rights that can be allocated in accordance with LTI 2022 is to be limited to 642,595. The program currently has 6 participants with the possibility to earn a maximum of 402 224 performance stock rights. During the second quarter, an expense of TSEK 523, including a cost of TSEK 150

in employer contributions, has been accrued for LTI 2022. For the period January – June, an expense of TSEK 901, including a cost of TSEK 150 in employer contributions, has been accrued for LTI 2022.

Calendar

2024-10-31	Interim report July-September 2024
2025-02-07	Year End report 2024

Income statement

Consolidated Group

TSEK	Apr–Jun 2024	Apr–Jun 2023	Jan–Jun 2024	Jan–Jun 2023	Full year 2023
OPERATING INCOME					
Net sales	14 488	8 908	30 100	13 784	27 510
Other operating income	1 095	2 275	2 209	3 794	6 233
Total operating income	15 584	11 183	32 308	17 578	33 743
OPERATING EXPENSES					
Goods for resale	-4 005	-3 744	-9 006	-4 854	-9 833
Other external costs	-7 118	-6 351	-14 170	-16 888	-31 061
Personnel costs	-12 841	-10 451	-26 317	-21 229	-40 082
Depreciation/amortization of property, plant and equipment and intangible assets	-1 854	-2 156	-3 739	-4 414	-8 498
Other operating expenses	-385	-99	-401	-157	-1 105
Total operating expenses	-26 204	-22 801	-53 632	-47 542	-90 578
Results from shares in associated companies	-3 688	-3 416	-7 879	-3 416	-14 469
EBIT	-14 309	-15 034	-29 203	-33 380	-71 304
FINANCIAL ITEMS					
Result from other receivables, non-current assets	194	-	276	-	-
Financial income	817	1 217	2 091	1 696	2 075
Financial expenses	-1 109	-	-1 200	-5	-9
Total financial items	-98	1 217	1 167	1 691	2 066
Loss after financial items	-14 407	-13 817	-28 036	-31 689	-69 238
TAX					
Tax on result for the period	-	-	-	-	3
Total tax	-	-	-	-	3
LOSS FOR THE PERIOD	-14 407	-13 817	-28 036	-31 689	-69 235
No. of shares at the end of the period	31 146 299	31 146 299	31 146 299	31 146 299	31 146 299
Average no. of shares during the period before dilution	31 146 299	31 146 299	31 146 299	31 146 299	31 146 299
No. of shares at the end of the period after full dilution*	31 648 840	31 648 840	31 648 840	31 648 840	31 648 840
Average no. of shares during the period after full dilution*	31 648 840	31 648 840	31 648 840	31 648 840	31 648 840
Earnings per share before and after dilution (SEK)	Neg.	Neg.	Neg.	Neg.	Neg.

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

Balance sheet

Consolidated Group

TSEK	2024-06-30	2023-12-31
ASSETS		
Non-current assets		
Intangible assets		
Capitalized expenditure on research and development and similar works	1 913	2 727
Concessions, patents, licenses, trademarks and similar rights	11 217	13 089
Total intangible assets	13 130	15 816
Property, plant and equipment		
Equipment, tools, fixtures and fittings	5 640	6 647
Construction in progress	1 149	429
Total property, plant and equipment	6 789	7 076
Financial assets		
Shares in associated companies	24 597	32 476
Long-term receivables in associated companies	15 026	-
Deferred tax	2 297	2 680
Long-term deposits	665	680
Total financial assets	42 586	35 836
Total non-current assets	62 505	58 728
Current assets		
<i>Inventories</i>		
Raw materials and consumables	3 496	1 811
Total inventories	3 496	1 811
Current receivables		
Accounts receivable	11 454	7 664
Other receivables	524	621
Prepaid expenses and accrued income	6 825	13 424
Total current receivables	18 804	21 708
Cash and bank balances		
Cash and bank balances	66 945	89 332
Total cash and bank balances	66 945	89 332
Total current assets	89 245	112 851
TOTAL ASSETS	151 750	171 579

Balance sheet

Consolidated Group

TSEK	2024-06-30	2023-12-31
EQUITY AND LIABILITIES		
Equity		
Share capital	1 869	1 869
Other contributed capital	426 146	426 146
Other equity including loss for the period	-302 005	-274 705
Total equity	126 010	153 309
Provisions		
Deferred tax	2 297	2 680
Total provisions	2 297	2 680
Current liabilities		
Accounts payable	4 171	4 452
Current tax liabilities	567	365
Other liabilities	4 159	3 728
Billings in excess of costs	5 289	-
Accrued expenses and deferred income	9 257	7 045
Total current liabilities	23 443	15 590
TOTAL EQUITY AND LIABILITIES	151 750	171 579

Statement of changes in equity

Consolidated Group

TSEK	Share capital	Other contributed capital	Other equity including loss for the period Retained earnings, etc	Total equity
Opening balance Jan 1, 2024	1 869	426 146	-274 705	153 309
Share options programme	-	-	736	736
Loss for the period	-	-	-28 036	-28 036
Closing balance June 30, 2024	1 869	426 146	-302 005	126 010

Cash flow statement

Consolidated Group

TSEK	Apr–Jun 2024	Apr–Jun 2023	Jan–Jun 2024	Jan–Jun 2023	Full year 2023
Operating activities					
EBIT	-14 309	-11 618	-29 203	-29 964	-71 304
Adjustments for non-cash items, etc*	6 182	2 818	12 496	5 071	24 116
Interest received	-	555	-	1 034	2 075
Interest paid	-15	-	-15	-	-1
Paid tax	103	59	202	96	301
Cash flow from operating activities before changes in working capital	-8 039	-8 186	-16 520	-23 764	-44 813
Changes in working capital					
Changes in operating receivables	19 880	-524	3 623	1 970	9 498
Changes in operating liabilities	-4 741	-144	7 250	193	-11 998
Changes in inventories	-1 877	-169	-1 685	-176	-202
Cash flow from operating activities	5 224	-9 024	-7 332	-21 777	-47 515
Investing activities					
Paid shareholders contribution	-	-	-	-	-4 000
Acquisition of intangible assets	-	-	-	-	-69
Acquisition of property, plant and equipment	-706	-417	-752	-930	-1 520
Acquisition of associated companies	-	-42 945	-	-42 945	-42 945
Long-term deposits	-	-28	-	-28	-38
Loans provided	-6 750	-	-14 750	-	-
Cash flow from investing activities	-7 456	-43 390	-15 502	-43 903	-48 572
Cash flow for the period	-2 232	-52 414	-22 834	-65 680	-96 087
Cash and cash equivalents at beginning of period	69 638	172 160	89 332	185 428	185 428
Exchange rate effects	-461	-	447	-	-9
Cash and cash equivalents at end of period	66 945	119 747	66 945	119 747	89 332

*Non-cash flow items during the quarter primarily consist of results from shares in associated companies amounting to TSEK 3 688 (3 416) and depreciation of tangible and intangible fixed assets amounting to TSEK 1 854 (2 156). Non-cash flow items for the period January to June primarily consist of results from shares in associated companies amounting to TSEK 7 879 (3 416) and depreciation of tangible and intangible fixed assets amounting to TSEK 3 739 (4 414).

Income statement

Parent Company

TSEK	Apr–Jun 2024	Apr–Jun 2023	Jan–Jun 2024	Jan–Jun 2023	Full year 2023
OPERATING INCOME					
Net sales	14 488	8 908	30 100	13 784	27 510
Other operating income	1 095	2 275	2 209	3 794	6 233
Total operating income	15 584	11 183	32 308	17 578	33 743
OPERATING EXPENSES					
Goods for resale	-4 005	-3 744	-9 006	-4 854	-9 833
Other external costs	-7 117	-6 351	-14 169	-16 888	-31 054
Personnel costs	-12 841	-10 451	-26 317	-21 230	-40 082
Depreciation/amortization of property, plant and equipment and intangible assets	-925	-1 227	-1 880	-2 556	-4 781
Other operating expenses	-385	-99	-401	-157	-1 105
Total operating expenses	-25 273	-21 872	-51 773	-45 684	-86 854
EBIT	-9 690	-10 689	-19 464	-28 107	-53 112
FINANCIAL ITEMS					
Result from other receivables, non-current assets	194	-	276	-	-
Financial income	817	1 217	2 091	1 695	2 075
Financial expenses	-1 109	-	-1 200	-5	-9
Total financial items	-98	1 217	1 167	1 691	2 066
Loss after financial items	-9 788	-9 472	-18 297	-26 416	-51 045
TAX					
Tax on loss for the period	-	-	-	-	-
LOSS FOR THE PERIOD	-9 788	-9 472	-18 297	-26 416	-51 045
Earnings per share before and after dilution (SEK)	Neg.	Neg.	Neg.	Neg.	Neg.
Average no. of shares for the period	31 146 299	31 146 299	31 146 299	31 146 299	31 146 299

Balance sheet

Parent Company

TSEK	2024-06-30	2023-12-31
ASSETS		
Non-current assets		
Intangible assets		
Capitalized expenditure on research and development and similar works	1 913	2 727
Concessions, patents, licenses, trademarks and similar rights	66	80
Total intangible assets	1 980	2 807
Property, plant and equipment		
Equipment, tools, fixtures and fittings	5 640	6 647
Construction in progress	1 149	429
Total property, plant and equipment	6 789	7 076
Financial assets		
Shares in subsidiaries	15 464	15 464
Shares in associated companies	46 945	46 945
Long-term receivables in associated companies	15 026	-
Long-term deposits	665	680
Total financial assets	78 101	63 089
Total non-current assets	86 869	72 971
Current assets		
<i>Inventories</i>		
Raw materials and consumables	3 496	1 811
Total inventories	3 496	1 811
Current receivables		
Accounts receivable	11 454	7 664
Other receivables	524	623
Prepaid expenses and accrued income	6 825	13 422
Total current receivables	18 803	21 708
Cash and bank balances		
Cash and bank balances	66 905	89 291
Total cash and bank balances	66 905	89 291
Total current assets	89 204	112 810
TOTAL ASSETS	176 073	185 782

Balance sheet

Parent Company

TSEK	2024-06-30	2023-12-31
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	1 869	1 869
Development expenditure fund	1 913	2 727
Total restricted equity	3 782	4 595
Non-restricted equity		
Share premium reserve	426 146	426 146
Retained earnings	-259 000	-209 505
Loss for the period	-18 297	-51 045
Total non-restricted equity	148 848	165 596
Total equity	152 630	170 191
Current liabilities		
Accounts payable	4 171	4 452
Current tax liabilities	567	365
Other liabilities	4 159	3 728
Billings in excess of costs	5 289	-
Accrued expenses and deferred income	9 257	7 045
Total current liabilities	23 443	15 590
TOTAL EQUITY AND LIABILITIES	176 073	185 782

Statement of changes in equity

Parent Company

TSEK	Restricted equity		Non-restricted equity			Total equity
	Share capital	Development expenditure fund	Share premium reserve	Retained earnings	Loss for the year	
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	-	-	-	736	-	736
Changes in development expenditure fund for the year	-	-814	-	814	-	-
Loss for the period	-	-	-	-	-18 297	-18 297
Closing balance June 30, 2024	1 869	1 913	426 146	-259 000	-18 297	152 630

Cash flow statement

Parent Company

TSEK	Apr–Jun 2024	Apr–Jun 2023	Jan–Jun 2024	Jan–Jun 2023	Full year 2023
Operating activities					
EBIT	-9 690	-10 689	-19 464	-28 107	-53 112
Adjustments for non-cash items, etc*	1 565	1 889	2 759	3 213	5 929
Interest received	-	555	-	1 034	2 075
Interest paid	-15	-	-15	-	-1
Paid tax	103	62	202	99	301
Cash flow from operating activities before changes in working capital	-8 037	-8 183	-16 519	-23 761	-44 807
Changes in working capital					
Changes in operating receivables	19 880	-527	3 624	1 967	9 495
Changes in operating liabilities	-4 743	-144	7 250	192	-11 999
Changes in inventories	-1 877	-169	-1 685	-176	-202
Cash flow from operating activities	5 223	-9 023	-7 330	-21 778	-47 512
Investing activities					
Paid shareholders contribution	-	-	-	-	-4 000
Acquisition of intangible assets	-	-417	-	-930	-68
Acquisition of property, plant and equipment	-706	-42 945	-752	-42 945	-1 520
Acquisition of associated companies	-	-	-	-	-42 945
Long-term deposits	-	-28	-	-28	-38
Loans provided	-6 750	-	-14 750	-	-
Cash flow from investing activities	-7 456	-43 390	-15 502	-43 903	-48 572
Cash flow for the period	-2 233	-52 413	-22 832	-65 680	-96 083
Cash and cash equivalents at beginning of period	69 598	172 116	89 291	185 383	185 384
Exchange rate effects	-460	-	446	-	-9
CASH AND CASH EQUIVALENTS AT END OF PERIOD	66 905	119 703	66 905	119 703	89 292

*Non-cash flow items during the quarter primarily consist of results from shares in associated companies amounting to TSEK 3 688 (3 416) and depreciation of tangible and intangible fixed assets amounting to TSEK 1 854 (2 156). Non-cash flow items for the period January to June primarily consist of results from shares in associated companies amounting to TSEK 7 879 (3 416) and depreciation of tangible and intangible fixed assets amounting to TSEK 3 739 (4 414).

Assurance from the board of directors

The Board and CEO hereby assure that this interim report provides a true and fair view of the Group's and the Parent Company's operations, financial position and earnings of the company, and describes the significant risks and uncertainties faced by the Group and Parent Company.

Gothenburg, 22 August, 2024
Gapwaves AB (publ)

Magnus Jonsson
Chairman

Madeleine Schilliger Kildal
Board member

Ulrika Molander
Board member

Torbjörn Gustafsson
Board member

Dietmar Stapel
Board member

Jonas Ehinger
CEO

For more information

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

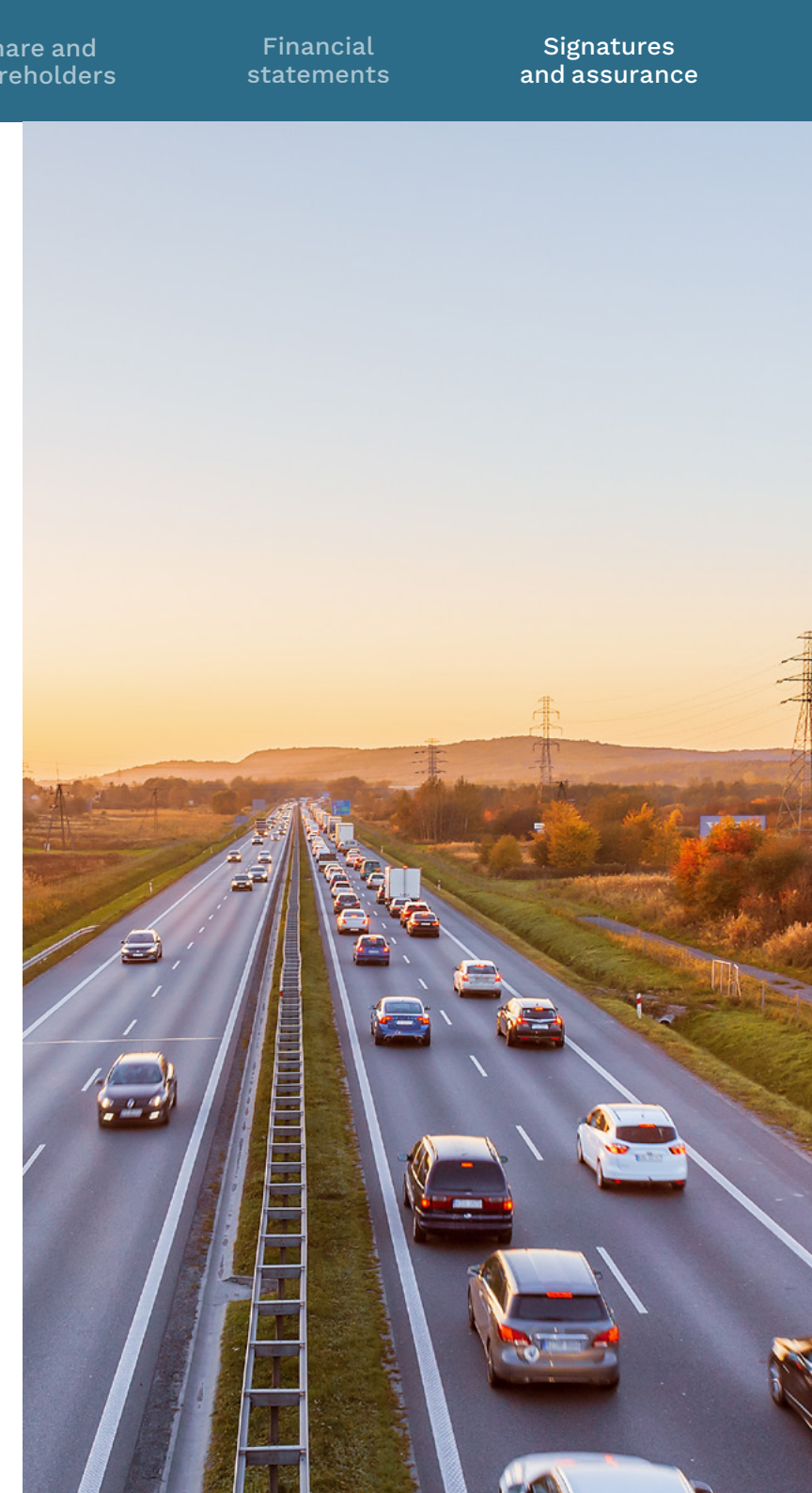
Contact information

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

Robert Berhof, CFO
Tel: +46 706 00 59 07
E-mail: robert.berhof@gapwaves.com

This report has not been reviewed by the company's auditors.

Every care has been taken in the translation of this interim report. In the event of discrepancies, the Swedish original will supersede the English translation. The addition of the totals presented may result in minor rounding differences.



Gapwaves AB (publ)
Corp. Reg. No. 556840-2829

Headquarters:
Nellickevägen 22,
SE-412 63 Gothenburg,
Sweden

Tel:
+46 31 762 60 40

E-mail:
info@gapwaves.com

www.gapwaves.com

About Gapwaves AB (publ)

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

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