

Q3 | Interim report
July-September 2024



Gapwaves AB (publ) interim report, July-Sep 2024

Third quarter July-Sept 2024

- Net sales amounted to MSEK 18.4 (7.0), an increase by 161% compared to the third quarter of 2023. Of this, approximately MSEK 9.5 was related to sale of production equipment.
- EBITDA improved and amounted to MSEK -10.2 (-16.1), whereas EBITDA adjusted for results from shares in associated companies amounted to MSEK -6.7 (-9.6).
- The operating result/EBIT amounted to MSEK -12.0 (-18.2), whereas operating result adjusted for results from shares in associated companies amounted to MSEK -8.5 (-11.7).
- The result for the period amounted to MSEK -11.9 (-17.8).
- Earnings per share before and after dilution was neg. (neg.).
- Cash flow for the period improved and amounted to MSEK -12.1 (-16.2).
- The Group's cash and cash equivalents amounted to MSEK 54.7 (103.5).

January-September 2024

- Net sales amounted to MSEK 48.5 (20.8), an increase by 133%, compared to the same period in 2023.
- EBITDA amounted to MSEK -35.7 (-45.1), whereas EBITDA adjusted for results from shares in associated companies improved and amounted to MSEK -24.3 (-35.2).
- The operating result/EBIT amounted to MSEK -41.2 (-51.6), whereas operating result adjusted for results from shares in associated companies amounted to MSEK -29.8 (-41.7).
- The result for the period amounted to MSEK -39.9 (-49.5).
- Earnings per share before and after dilution was neg. (neg.).
- Cash flow for the period amounted to MSEK -34.9 MSEK (-82.6).

No significant events during the period

Significant events after the end of the period

- Gapwaves and Valeo have entered into an agreement regarding the development and large-scale serial production of waveguide radar antennas for ADAS applications.

Key performance indicators – Group

TSEK	Period				Full year
	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023
Net sales	18 374	7 048	48 474	20 832	27 510
EBITDA	-10 202	-16 143	-35 667	-45 109	-62 806
EBIT	-12 024	-18 241	-41 227	-51 621	-71 304
Result for the period	-11 892	-17 778	-39 928	-49 467	-69 235
Cash flow for the period	-12 069	-16 211	-34 903	-82 551	-96 087
Equity/assets ratio, %	82.8	87.4	82.8	87.4	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	40	36	40	36	42

"Gapwaves is in a phase where sales are increasing, and where we are manufacturing more antennas and significantly scaling up production, both externally and internally. At the same time, the market keeps growing, and we expect continued growth moving forward"

Continued strong development and strategic headway

We saw continued solid sales development during the third quarter, where revenue increased by 161 per cent to MSEK 18.4, compared to the same quarter last year. This reflects the strong development we have seen so far this year, and that we have now begun serial deliveries within both Automotive and Smartcity. Gapwaves is in a scale-up phase as a company, and the installation of the strategically important pilot line in Gothenburg progressed during the quarter.

Automotive is growing, despite challenges within the industry

The automotive industry is facing challenges, with declining sales for some car manufacturers, also affecting subcontractors. We haven't experienced any direct impact in our customer dialogues, but the effects could entail longer decision times and possibly postponement of volumes to some degree. However, as with earlier in the year, we continue to see increasing demand within Automotive, for both simple and advanced antennas. The fundamental need for better antenna technology in radar sensors is not affected by changes in the industry, such as the issue of electric cars or not, or where they are made. Large volumes will continue to be manufactured on an annual basis and, regardless of the car manufacturer, the need for waveguide antennas increases year for year. The growing interest in Gapwaves is driven by the strong structural market growth, where regulatory and technical requirements, as well as consumer expectations, create a greater

need for ever advanced radar sensors in order to make features that assist the driver and increase both safety and comfort possible. Both existing and potential customers have reaffirmed that the question is not whether the shift to waveguide antennas will take place, but how quickly it will happen. I am particularly pleased that just a few days ago we signed a development and delivery agreement with Valeo, with an accelerated start of production (SOP) scheduled for 2025. This agreement builds our revenue base for a long time and is further validation of Gapwaves' strategy and the value our customers see in partnerships with Gapwaves.

Growing demand with Smartcity and Mobility

The radar market segments that fall outside Automotive, such as Mobility and Smartcity, more specifically Intelligent Transportation Systems (ITS) applications, are growing. One sign of that during the quarter was when Sensrad entered into a framework agreement with Chinese Tianyi. The agreement covers the delivery of Sensrad's Hugin D1 imaging radar, containing Gapwave's antenna, for applications within intelligent infrastructure regarding traffic flows within cities.

Production capacity in Gothenburg to become operational in the fourth quarter

The construction of the pilot line in Gothenburg is in the final phase and will be completed during the fourth quarter this year. I would like to emphasise the importance of the pilot line as part of our business model and strategy. A flexible, in-house production capacity also helps us to ensure quality and manufacture more antennas faster, even with our production partners, which benefits both us and our customers. It also secures know-how around the manufacturing processes, which is an important

competitive advantage. Thanks to our operational model, we are able to ensure capacity and manufacturing excellence through selective and qualified partnerships with several subcontractors in different geographies. Work on qualifying additional supply chains continued during the quarter. The operational model leads to competitive flexibility, not least geographically, which we see as an increasing demand from our customers. It is also scalable and allows larger volume increases without requiring substantial investments.

New phase for the company – positive outlook on the future

The high-volume production at our production partner Frencken has been under way since the beginning of the year with continuously increasing volumes, which will result in license revenue for Gapwaves starting next year.

This is clear proof that we have succeeded in transitioning Gapwaves from a research and development company to a commercial and industrial technology company that delivers ready-made and strategically important products to our customers. As such, Gapwaves is in a new phase where sales are increasing, and where we are manufacturing more antennas and significantly scaling up production, both externally and internally. At the same time, the market keeps growing, and we expect continued growth moving forward.

Together with all our committed employees, I look forward to further customer contracts, and to Gapwaves' technology being implemented around the world!

Göteborg, 31 October, 2024

Jonas Ehinger

CEO Gapwaves AB (publ)

Jonas Ehinger, CEO Gapwaves

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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. The company's 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 July-September 2024

Revenue

The Group's net sales during the third quarter amounted to TSEK 18 374 (7 048), which corresponds to an increase of 161% compared to the same quarter previous year. Net sales were primarily attributable to project and prototype related revenue from Hella, Bosch, Smartmicro and a European Tier-1 customer. The third quarter also includes revenue related to the sale of production equipment to Frencken Group for MSEK 9.5. In addition to sales revenues, research grants totaling TSEK 211 (0) were recognized, along with currency exchange gains of TSEK 162 (87) and invoiced costs to Sensrad AB totaling TSEK 532 (582), 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) was strengthened during the quarter compared to last year and amounted to TSEK -10 202 (-16 143). Operating expenses excluding depreciation and results from shares in associated companies amounted to TSEK 25 971 (17 340). The improved EBITDA for the quarter is mainly due to higher sales,

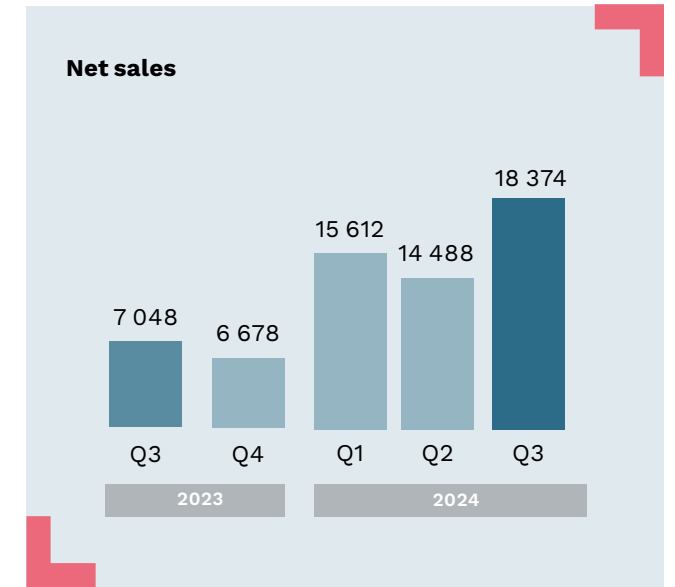
as the costs of goods were higher due to the product mix related to the sale of production equipment, as well as increased personnel costs driven by a higher number of employees. Personnel costs include costs for LTI 2022 totaling TSEK 464 (429), which are not affecting cash flow. EBITDA includes results from shares in associated companies of TSEK -3 534 (6 250), which is related to amortization of Goodwill TSEK -1 075 (-1 792) and the Group's share of the associated company's profit TSEK -2 200 (-4 644). Adjusted for this, EBITDA amounted to TSEK -6 668 (-9 623) during the quarter. The operating result during the quarter amounted to TSEK -12 024 (-18 241) and TSEK -8 490 (-11 721) when adjusting for results from shares in associated companies.

Result for the period

Net financial items amounted to TSEK 132 (459), which is mainly related to interest income for bank deposits of TSEK 416 (506) and exchange rate differences of TSEK -224 (-47). The result for the period during the quarter amounted to TSEK -11 892 (-17 778).

Financial position and liquidity

Total assets as per September 30, 2024 amounted to TSEK 138 271 (197 667). Equity was TSEK 114 492 (172 757). Cash and cash equivalents was TSEK 54 652 (103 489). 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 -9 195 (-16 132). Cash flow from investing activities amounted to TSEK -2 875 (-79) and are mainly related to deposit to Sensrad AB. Cash flow for the period amounted to TSEK -12 069 (-16 211).

Period: January–September 2024

Revenue

The Group's net sales during the period amounted to TSEK 48 474 (20 832), which corresponds to an increase of 133 percent compared to the same period previous year. Net sales are mainly attributable to project and prototype related revenue from Bosch, Hella, Smartmicro, and Sensrad as well as to a European Tier 1 supplier. The period also includes revenue related to the sale of production equipment to Frencken Group amounting to ca MSEK 15.9. In addition to sales revenues, research grants totaling TSEK 770 (2 690) were recognized, along with currency exchange gains of TSEK 420 (386) and invoiced costs to Sensrad AB totaling TSEK 1 924 (1 388), 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 -35 667 (-45 109). Operating expenses excluding depreciation and results from shares in associated companies amounted to TSEK 75 864 (60 468). The improved EBITDA for the quarter is mainly due to higher revenue. Personnel costs during the period were higher than the previous

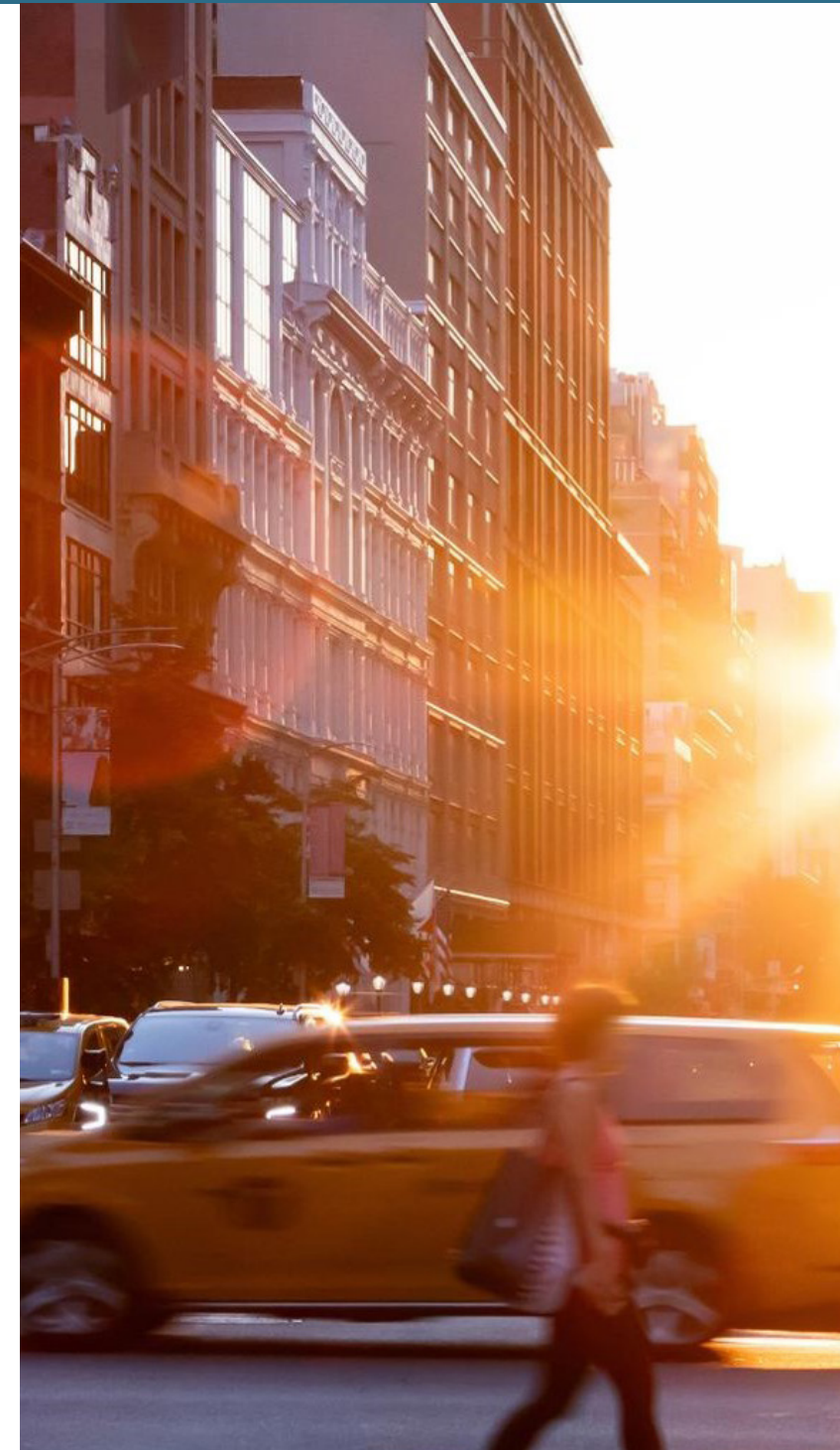
year, driven by an increased number of employees, and amounted to TSEK -36 256 (-28 870). Personnel costs include costs for LTI 2022 totaling TSEK 1 365 (429), which are not affecting cash flow. EBITDA includes results from shares in associated companies of TSEK -11 413 (-9 936), which is related to amortization of Goodwill TSEK -3 226 (-1 792) and the Group's share of the associated company's profit TSEK -8 320 (-8 060). Adjusted for this, EBITDA amounted to TSEK -24 253 (-35 173) during the period. The operating result during the period amounted to TSEK -41 227 (-51 621) and TSEK -29 814 (-41 685) when adjusting for results from shares in associated companies.

Result for the period

Net financial items amounted to TSEK 1 300 (2 150), which is mainly related to interest income for bank deposits of TSEK 1 152 (1 540) and exchange rate differences of TSEK 223 (610). The result for the period amounted to TSEK -39 928 (-49 467).

Cash flow and investments

Cash flow from operating activities amounted to TSEK -16 251 (-38 569). Cash flow from investing activities amounted to TSEK -18 653 (-43 982) and are mainly related to deposit to Sensrad AB. Cash flow for the period amounted to TSEK -34 903 (-82 551).



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 September 30, 2024 was 40 (36).

ESG activities

We established our sustainability initiative in 2023, where we defined 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 third 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 September 30, 2024, the company had approximately 6,400 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 September 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-Röjstål

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 Sep 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	563 689	3 213 689	2,66%	3,21%
Peter Enoksson	185 500	92 750	1 947 750	0,89%	1,94%
Avanza Pension	-	1 405 393	1 405 393	4,51%	1,40%
Nordnet pensionsförsäkring AB	-	1 355 095	1 355 095	4,35%	1,35%
Ashraf Uz Zaman	65 000	200 000	850 000	0,85%	0,85%
BNP Paribas Sec Serv Luxemburg	-	507 332	507 332	1,63%	0,51%
Others	76 500	15 907 045	16 672 045	51,32%	16,65%
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. Per 30 September 2024, the program has six participants with the possibility to earn a maximum of 402 224 performance stock rights. During the third quarter, an expense of TSEK 464 (429), including a

cost of TSEK 91 (86) in employer contributions, has been accrued for LTI 2022. For the period January – September, an expense of TSEK 1 365 (429), including a cost of TSEK 256 (86) in employee contributions, has been accrued for LTI 2022.

Calendar

2025-02-07	Year End report 2024
2025-04-11	Annual report
2025-04-30	Interim report January-March 2025
2025-07-25	Interim report April-June 2025
2025-10-24	Interim report July-September 2025
2026-02-06	Year end report October-December 2025

Income statement

Consolidated Group

TSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
OPERATING INCOME					
Net sales	18 374	7 048	48 474	20 832	27 510
Other operating income	929	669	3 137	4 463	6 233
Total operating income	19 303	7 718	51 611	25 296	33 743
OPERATING EXPENSES					
Goods for resale	-9 288	-2 711	-18 295	-7 565	-9 833
Other external costs	-6 609	-6 919	-20 779	-23 807	-31 061
Personnel costs	-9 939	-7 641	-36 256	-28 870	-40 082
Depreciation/amortization of property, plant and equipment and intangible assets	-1 822	-2 098	-5 561	-6 512	-8 498
Other operating expenses	-134	-70	-535	-227	-1 105
Total operating expenses	-27 793	-19 438	-81 425	-66 980	-90 578
Results from shares in associated companies	-3 534	-6 520	-11 413	-9 936	-14 469
EBIT	-12 024	-18 241	-41 227	-51 621	-71 304
FINANCIAL ITEMS					
Financial income	851	459	3 218	2 150	2 075
Financial expenses	-719	-	-1 919	-	-9
Total financial items	132	459	1 300	2 150	2 066
Loss after financial items	-11 892	-17 782	-39 928	-49 471	-69 238
TAX					
Tax on result for the period	-	-	-	-	-
Total tax	-	3	-	3	3
LOSS FOR THE PERIOD	-11 892	-17 778	-39 928	-49 467	-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	2024-09-30	2023-12-31
ASSETS		
Non-current assets		
Intangible assets		
Capitalized expenditure on research and development and similar works	1 550	2 727
Concessions, patents, licenses, trademarks and similar rights	10 281	13 089
Total intangible assets	11 831	15 816
Property, plant and equipment		
Equipment, tools, fixtures and fittings	5 117	6 647
Construction in progress	1 750	429
Total property, plant and equipment	6 867	7 076
Financial assets		
Shares in associated companies	21 063	32 476
Long-term receivables in associated companies	17 300	-
Deferred tax	2 106	2 680
Long-term deposits	665	680
Total financial assets	41 134	35 836
Total non-current assets	59 832	58 728
Current assets		
<i>Inventories</i>		
Raw materials and consumables	1 900	1 811
Total inventories	1 900	1 811
Current receivables		
Accounts receivable	7 421	7 664
Other receivables	1 652	621
Accrued but unbilled revenue	4 293	-
Prepaid expenses and accrued income	8 519	13 424
Total current receivables	21 887	21 708
Cash and bank balances		
Cash and bank balances	54 652	89 332
Total cash and bank balances	54 652	89 332
Total current assets	78 439	112 851
TOTAL ASSETS	138 271	171 579

Balance sheet

Consolidated Group

TSEK	2024-09-30	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	-313 523	-274 705
Total equity	114 492	153 309
Provisions		
Deferred tax	2 106	2 680
Total provisions	2 106	2 680
Current liabilities		
Accounts payable	8 040	4 452
Current tax liabilities	653	365
Other liabilities	4 307	3 728
Accrued expenses and deferred income	8 674	7 045
Total current liabilities	21 674	15 590
TOTAL EQUITY AND LIABILITIES	138 271	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	-	-	1 109	1 109
Loss for the period	-	-	-39 928	-39 928
Closing balance Sep 30, 2024	1 869	426 146	-313 523	114 492

Cash flow statement

Consolidated Group

TSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Operating activities					
EBIT	-12 024	-18 241	-41 228	-51 621	-71 304
Adjustments for non-cash items, etc*	5 702	8 995	18 197	16 847	24 116
Interest received	-	-	-	-	2 075
Interest paid	-59	-	-74	-	-1
Paid tax	86	61	289	160	301
Cash flow from operating activities before changes in working capital	-6 295	-9 184	-22 816	-34 613	-44 813
Changes in working capital					
Changes in operating receivables	-2 506	-2 391	1 393	525	9 498
Changes in operating liabilities	-1 989	-4 565	5 261	-4 313	-11 998
Changes in inventories	1 596	8	-89	-168	-202
Cash flow from operating activities	-9 195	-16 132	-16 251	-38 569	-47 515
Investing activities					
Paid shareholders contribution	-	-	-	-	-4 000
Acquisition of intangible assets	-	-68	-	-68	-69
Acquisition of property, plant and equipment	-325	-	-1 353	-931	-1 520
Acquisition of associated companies	-	-	-	-42 945	-42 945
Long-term deposits	-	-11	-	-38	-38
Loans provided	-2 550	-	-17 300	-	-
Cash flow from investing activities	-2 875	-79	-18 653	-43 982	-48 572
Cash flow for the period	-12 069	-16 211	-34 903	-82 551	-96 087
Cash and cash equivalents at beginning of period	66 945	119 747	89 332	185 428	185 428
Exchange rate effects	-224	-47	223	612	-9
Cash and cash equivalents at end of period	54 652	103 489	54 652	103 489	89 332

*Non-cash flow items during the quarter primarily consist of results from shares in associated companies amounting to TSEK 3 534 (6 520). Non-cash flow items for the period January to September primarily consist of results from shares in associated companies amounting to TSEK 11 413 (9 936). Depreciation of tangible and intangible fixed assets amounted to TSEK 1 822 (2 098) during the quarter and amounted to TSEK 5 561 (6 512) for the period January-September.

Income statement

Parent Company

TSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
OPERATING INCOME					
Net sales	18 374	7 049	48 474	20 832	27 510
Other operating income	929	669	3 137	4 463	6 233
Total operating income	19 303	7 718	51 611	25 296	33 743
OPERATING EXPENSES					
Goods for resale	-9 288	-2 711	-18 295	-7 565	-9 833
Other external costs	-6 603	-6 913	-20 772	-23 801	-31 054
Personnel costs	-9 939	-7 640	-36 256	-28 870	-40 082
Depreciation/amortization of property, plant and equipment and intangible assets	-893	-1 168	-2 773	-3 724	-4 781
Other operating expenses	-134	-70	-535	-227	-1 105
Total operating expenses	-26 858	-18 502	-78 630	-64 186	-86 854
EBIT	-7 555	-10 784	-27 019	-38 890	-53 112
FINANCIAL ITEMS					
Financial income	851	506	3 218	2 150	2 075
Financial expenses	-719	-47	-1 919	-	-9
Total financial items	132	459	1 300	2 150	2 066
Loss after financial items	-7 422	-10 325	-25 719	-36 740	-51 045
TAX					
Tax on loss for the period	-	-	-	-	-
LOSS FOR THE PERIOD	-7 422	-10 325	-25 719	-36 740	-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	2024-09-30	2023-12-31
ASSETS		
Non-current assets		
Intangible assets		
Capitalized expenditure on research and development and similar works	1 550	2 727
Concessions, patents, licenses, trademarks and similar rights	60	80
Total intangible assets	1 609	2 807
Property, plant and equipment		
Equipment, tools, fixtures and fittings	5 117	6 647
Construction in progress	1 750	429
Total property, plant and equipment	6 867	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	17 300	-
Long-term deposits	665	680
Total financial assets	80 374	63 089
Total non-current assets	88 851	72 971
Current assets		
<i>Inventories</i>		
Raw materials and consumables	1 900	1 811
Total inventories	1 900	1 811
Current receivables		
Accounts receivable	7 421	7 664
Other receivables	1 651	623
Accrued but unbilled revenue	4 293	-
Prepaid expenses and accrued income	8 519	13 422
Total current receivables	21 885	21 708
Cash and bank balances		
Cash and bank balances	54 619	89 291
Total cash and bank balances	54 619	89 291
Total current assets	78 404	112 810
TOTAL ASSETS	167 255	185 782

Balance sheet

Parent Company

TSEK	2024-09-30	2023-12-31
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	1 869	1 869
Development expenditure fund	1 550	2 727
Total restricted equity	3 418	4 595
Non-restricted equity		
Share premium reserve	426 146	426 146
Retained earnings	-258 264	-209 505
Loss for the period	-25 719	-51 045
Total non-restricted equity	142 163	165 596
Total equity	145 581	170 191
Current liabilities		
Accounts payable	8 040	4 452
Current tax liabilities	653	365
Other liabilities	4 307	3 728
Accrued expenses and deferred income	8 674	7 045
Total current liabilities	21 674	15 590
TOTAL EQUITY AND LIABILITIES	167 255	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	-	-	-	1 109	-	1 109
Changes in development expenditure fund for the year	-	-1 177	-	1 177	-	-
Loss for the period	-	-	-	-	-25 719	-25 719
Closing balance Sep 30, 2024	1 869	1 550	426 146	-258 264	-25 719	145 581

Cash flow statement

Parent Company

TSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Operating activities					
EBIT	-7 555	-10 784	-27 019	-38 890	-53 112
Adjustments for non-cash items, etc*	1 238	1 543	3 997	3 957	5 929
Interest received	-	-	-	-	2 075
Interest paid	-59	-	-74	-	-1
Paid tax	85	-613	287	160	301
Cash flow from operating activities before changes in working capital	-6 290	-9 854	-22 809	-34 773	-44 807
Changes in working capital					
Changes in operating receivables	-2 505	-2 393	1 395	906	9 495
Changes in operating liabilities	-1 988	-3 890	5 262	-4 530	-11 999
Changes in inventories	1 596	8	-89	-168	-202
Cash flow from operating activities	-9 187	-16 129	-16 241	-38 565	-47 512
Investing activities					
Paid shareholders contribution	-	-	-	-	-4 000
Acquisition of intangible assets	-	-68	-	-68	-68
Acquisition of property, plant and equipment	-325	-	-1 353	-931	-1 520
Acquisition of associated companies	-	-	-	-42 945	-42 945
Long-term deposits	-	-11	-	-38	-38
Loans provided	-2 550	-	-17 300	-	-
Cash flow from investing activities	-2 875	-79	-18 653	-43 982	-48 571
Cash flow for the period	-12 062	-16 208	-34 894	-82 547	-96 083
Cash and cash equivalents at beginning of period	66 905	119 703	89 291	185 384	185 384
Exchange rate effects	-224	-47	223	612	-9
CASH AND CASH EQUIVALENTS AT END OF PERIOD	54 619	103 448	54 619	103 448	89 291

*Non-cash flow items during the quarter mainly consist of depreciation on tangible and intangible assets amounting to TSEK 893 (1 168) and costs related to LTI 2022 of TSEK 373 (343). Non-cash flow items for the period January to September mainly consist of depreciation on tangible and intangible assets amounting to TSEK 2 773 (3 723) and costs related to LTI 2022 of TSEK 1 109 (343).

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, 31 October 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

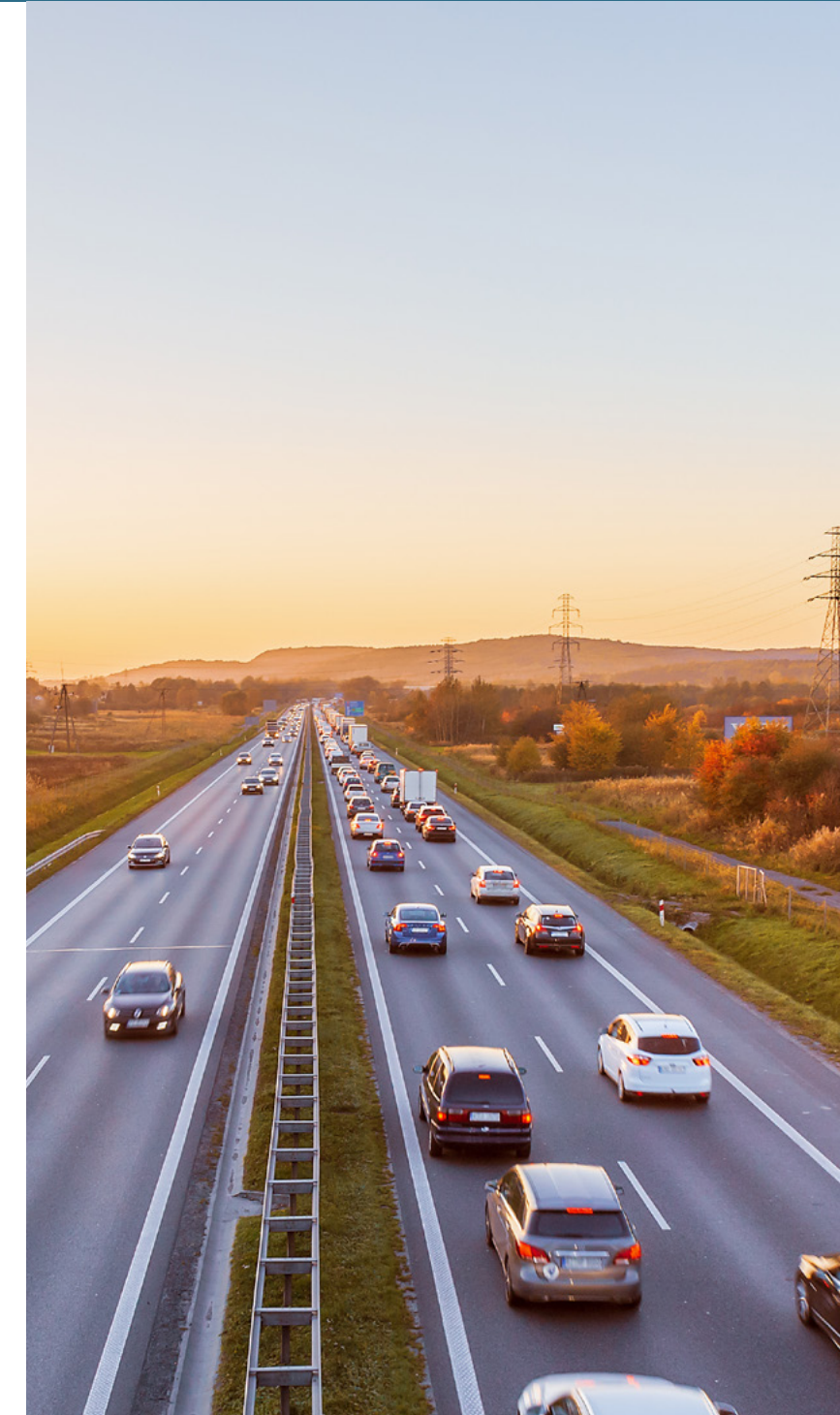
More information about Gapwaves is available on the company's website: gapwaves.com

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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.





Auditor's report

Gapwaves AB, reg.no 556840-2829

Introduction

We have reviewed the condensed interim financial information (interim report) of Gapwaves AB as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with the Swedish Annual Accounts Act, regarding the Group, and the Parent Company.

Gothenburg, the day stated on our electronic signature

PricewaterhouseCoopers AB

Johan Malmqvist

Authorized Public Accountant

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

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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.