

Q1

Interim Report
January–March 2023

Gapwaves AB Interim Report January–March 2023, Q1

First quarter January–March 2023

- Net sales decreased to MSEK 4.9 (5.8).
- EBITDA fell to MSEK –16.1 (–8.2).
- EBIT decreased to MSEK –18.3 (–9.8).
- Loss for the period amounted to MSEK –17.9 (–10.0).
- Earnings per share before and after dilution were negative (neg.).
- Cash flow for the period amounted to MSEK –13.3 (–17.8).
- Cash and cash equivalents for the Group amounted to MSEK 172.2 (193.4).
- An order was received from Hella for a new generation of 77 GHz radar sensors for a total value of approximately MSEK 3.8.
- Gapwaves entered into a development and delivery agreement with Smartmicro for high-resolution radar antennas for traffic management for a total value of approximately MSEK 9.
- An order was received from a leading European Tier 1 supplier that is new to Gapwaves to define a first joint development project for a radar antenna, with an order value of approximately MSEK 0.5.

Significant events after the end of the period

- No significant events to report after the end of the quarter.

Key performance indicators – Group

KSEK	Period		Full year
	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Net sales	4,875	5,774	64,023
EBITDA	–16,089	–8,231	–14,783
EBIT	–18,347	–9,809	–22,768
Loss for the period	–17,873	–9,995	–18,013
Cash flow for the period	–13,268	–17,796	–25,726
Equity/assets ratio, %	87.2	91.2	88.2
Average no. of shares	31,146,299	30,711,299	31,146,299
Earnings per share before and after dilution (SEK)	neg.	neg.	neg.
No. of FTEs	31	28	31

Strategic projects progressing according to plan and interest rising

Increasing interest continues to be being shown in Gapwaves and products featuring our technology. The projects we are carrying out with customers in Automotive and Mobility are progressing according to plan and are rising in number.

Net sales for the quarter amounted to KSEK 4,875 (5,774), which is a year-on-year decline of 15.6%. EBITDA amounted to KSEK -16,089 (-8,231). The differences compared with last year were primarily due to higher investments in the organization to both expand capacity and expertise ahead of the start of production in 2024, and to qualify Gapwaves as a fully approved supplier in Automotive. Furthermore, we incurred higher costs during the quarter related to the evaluation of other patents in the technology field in order to continue to safeguard Gapwaves' strong patent position. We predict that this will continue since the interest in our waveguide antennas for applications in Automotive is increasing, and we need to carefully monitor the patent situation. During the quarter, we also

incurred higher personnel costs in connection with the succession of a new CEO and work on developing the company's strategy and future position in the value chain.

Strong market development

The market is developing strongly and demand for vehicle radars is rising. In Automotive, radar technology is now used in, for example, emergency braking systems (which is a legal requirement in the EU since March 2022), Lane Centre Assist and cruise control. In addition, vehicle manufacturers have identified a need for more advanced high-resolution radar sensors so that in four to five years they can offer a higher degree of self-driving in certain controlled situations. In Mobility, meaning such applications as drones, delivery trucks, freight vehicles and various types of transportation pods, companies are even now working with solutions that require high-resolution vehicle radars.

Immense project potential

Volumes in Mobility are lower than in Automotive, but customers in this segment are willing to pay significantly more per antenna compared with Automotive.



"We are
in a solid
position for
continued
growth"



Projects targeting stakeholders in Automotive have very big long-term potential based on their volumes and predictability due to the long product cycles in the industry. Series in Mobility can normally run into the tens of thousands, while in Automotive they could be more than several million every year, and up to about 100 million in total.

Gapwaves' antennas are included in systems customized for each supplier and form the basis of a business that extends over at least six to eight years in peak volumes. The technology and products are so integrated with a vehicle manufacturer's product that it is difficult and costly to replace it with a product from another manufacturer.

We have designed products together with Hella that are expected to be found in passenger cars on the road within two years, and production of these will commence in 2024. We also previously received orders from Hella under which we will jointly develop their new generation of radar sensors that will be the sequel to the generation that will start to be produced in 2024. In the past quarter, we received another follow-up order from Hella for their next generation of 77 GHz radar sensors.

Our partnership with Bosch is proceeding according to plan, and the antenna we are jointly developing is scheduled for high-volume production in 2026–2027.

A development and delivery agreement was also signed with Smartmicro during the quarter for high-resolution radar antennas for traffic management. With this agreement, both companies are deepening their collaboration on Gapwaves' unique antenna technology. In addition to paid development activities, Smartmicro has undertaken to order antennas over a three-year period. We view this transaction as confirmation of the value that Gapwaves' antennas add to the market for radar sensors in verticals outside Automotive and Mobility.

Projects on the threshold to commercialization

The economic downturn that has impacted the world has not yet affected our industry to any large extent. On the contrary, we are continuing to see strong and growing interest from our customers, primarily in Automotive.

We have a number of projects in progress together with tech companies in Mobility, and many of these projects are relatively close to commercialization. Restructuring is currently taking place at some of these companies to reduce costs and adapt business models, which had resulted in decisions that in the short term affect schedules and mean that a few projects have thus been delayed.

An opportunity to grow in the value chain

Many players in Mobility are now carrying out their own development projects in high-resolution radar sensors for Automotive, and in customer projects we have seen demand for end-to-end radar sensors based on Gapwaves' antenna technology. As a result, we initiated efforts during the quarter to investigate opportunities, together with a partner, for developing and offering end-to-end radar sensors in this segment that uses Gapwaves' antenna technology for superior performance. According to the customers we already work with, this will make it easier for the industry and lead to shorter cycles. For Gapwaves, it presents an opportunity to move up in the value chain.

I am very confident about progress, and I am proud of what we are achieving together!

Gothenburg, April 27, 2023

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 AB 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. By leveraging the disruptive Gapwaves technology we help pioneers in automotive and telecom to create highly efficient mm-wave antenna systems that contributes to re-defining everyday life.

Regulations and testing drive radar volumes and waveguide antennas

As of 2022, 76-81 GHz frequency band is the only approved frequency band for vehicle radars. The broadband part of the spectrum for the frequency band that was previously allocated at 24 GHz has been completely removed. The shift in the global standard for vehicle radars has resulted in the automotive industry placing higher demands on radar performance, and radars needing 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. All new car models from 2022 must have one to seven radars in their sensor suit and the trend is moving toward leading Tier 1 suppliers and automotive manufacturers planning to use waveguide antennas in their future radar sensors.

Gapwaves is well positioned to capture a large market share of the high-volume production in vehicle radar, as our patented technology offers the unique possibility to manufacture antennas in high volumes, with a high performance and cost-efficiently. These are advantages that will significantly increase the demand for Gapwaves' antennas when radar sensors and advanced vehicle safety become standard in most car models.

* 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.

Focus areas 2023

The greatest advantages of Gapwaves' technology can be applied in the markets for radar sensors for Advanced Driving Assistance Systems (ADAS) and autonomous vehicles. It is also in these areas that we have noted the greatest interest from the market.

By entering into agreements and partnerships with Veoneer, Hella and Bosch, Gapwaves has assumed a strong position as a leading global supplier of waveguide antennas in the markets for ADAS and varying types of autonomous vehicles. Gapwaves has a solid basis for continued growth, which also includes own volume production beginning in 2026. This position creates synergies in efforts to secure more business, for which Gapwaves can offer development and design of antennas and also in-house high-volume production. This is in line with the long-term plan and brings the company closer to its vision: Gapwaves' antenna technology will become standard for antennas for radar sensors.

From ongoing dialogue with customers in Mobility, we have seen demand for end-to-end radar sensors based on Gapwaves' antenna technology. In 2023, Gapwaves will investigate opportunities, together with a partner, for developing a end-to-end radar sensor based on Gapwaves' antenna technology for this customer segment. For Gapwaves, this would mean further advancement up the value chain.



Financial overview

January–March 2023

Net sales

The Group's net sales for the first quarter amounted to KSEK 4,875 (5,773), corresponding to a decline of 15.6%. Net sales were primarily attributable to project and prototype revenue from Bosch, Hella and a pilot study for a leading European Tier 1 supplier that is new to Gapwaves. Lower sales were the result of the company's business varying widely between different quarters, and the fact that it currently primarily targets major long-term development projects. In addition to income from customer engagements, subsidies from three research projects amounting to KSEK 1,349 and positive exchange rate gains of KSEK 170 were recognized under other operating income.

EBITDA

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the quarter was KSEK –16,089 (–8,231). Operating expenses excluding depreciation/amortization amounted to KSEK 22,483 (15,212). The lower EBITDA for the quarter was largely due to increased personnel costs attributable to a higher number of staff, costs related to the CEO succession and provisions for employee bonuses. The Group also had increased expenses for consultants, higher travel costs and patent expenses.

EBIT

EBIT for the quarter was KSEK –18,347 (–9,809).

Net financial items

Net financial items amounted to KSEK 474 (–186), attributable to interest income for bank deposits.

Loss for the period

Loss for the period was KSEK –17,873 (–9,995).

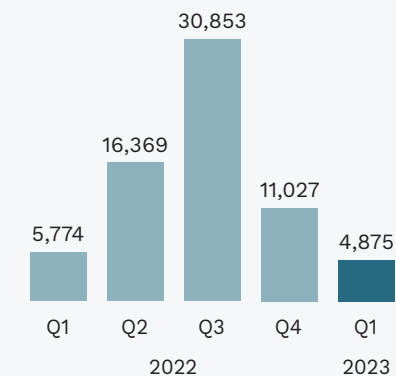
Financial position and liquidity

Total assets on March 31, 2023 amounted to KSEK 233,817 (238,872). Equity on March 31, 2023 was KSEK 204,007 (217,881). Cash and cash equivalents on March 31, 2023 amounted to KSEK 172,160 (193,361). Gapwaves does not have any financial liabilities.

Cash flow and investments

Cash flow from operating activities amounted to KSEK –12,754 (–14,110). Cash flow from investing activities amounted to KSEK –513 (–3,819). Cash flow from financing activities amounted to KSEK 0 (133). The cash flow strengthened during the period to KSEK –13,268 (–17,796).

Net sales



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

Operational risks

In the daily operating activities, there are risk factors that may affect the company's business and financial position. The risks are associated with the development operations running according to plan, that the company can recruit qualified personnel and that the technology can be industrialized to the extent that scalability is achieved. In order to develop a component that is part of a larger system, the company is dependent on cooperation with other component manufacturers and customers with the risk that Gapwaves experiences shortages of components and deferred or canceled projects.

Market risks

Gapwaves' technology is mainly being used as a component in a larger system, for example, in vehicle radar or mobile telecommunications networks. As such, there are risks linked to potential customers' preferences for the technology, to the integration of the technology as well as the demand for the final product. As a developer of products that

are not currently on the market, there are risks and uncertainties linked to schedules, customer needs and competitors. A delay or failure to introduce the next generation of vehicle radar in the automotive industry or the introduction of 5G in the telecom industry may entail a risk of lower growth rates in the area than expected.

Russia's invasion of Ukraine has severely affected the global economy and created great uncertainty. Gapwaves has no ongoing business with either Russia or Ukraine and has so far not been adversely affected by the war. Gapwaves is monitoring the situation related to the war with contingency plans in place to minimize any negative effects. Continued high interest rates, energy prices and inflation that affected the world during 2022 and the start of 2023 have not adversely affected Gapwaves to date. However, for Gapwaves, like for other companies, the situation may change since the future is difficult to assess.

Financing risk

The company is financed through equity. Even if the company generates revenue, capital needs may arise as the company grows. In this case, the company will also be exposed to financing risks. Following the share issue that was carried out in connection with Hella joining as owner in June 2021, the Board assesses that the company is well capitalized and that the financing risk has decreased in the short term.



Financial calendar

- Q2 2023 Interim Report: August 23, 2023
- Q3 2023 Interim Report: October 26, 2023
- 2023 Year-end Report February 9, 2024

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 March 31, 2023 was 31 (28).

ESG activities

Work on establishing a long-term plan and strategy commenced during the quarter.

Gapwaves’ Quality Director was appointed to lead this work going forward. He will now take up the role of Quality & Sustainability Director.

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 sub-

scription 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.

Related party transactions

The company did not have any transactions with related parties during the first quarter of 2023.

Annual General Meeting

The Annual General Meeting (AGM) for the 2022 financial year will be held on May 3, 2023 between 1:00 and 2:00 p.m. in the company’s premises on Nellickevägen 22 in Gothenburg, Sweden. Additional information is available on the company’s website and in the notice of the AGM.

Review by auditors

This report is unaudited.

Significant events during the quarter

- An order was received from Hella for a new generation of 77 GHz radar sensors for a total value of approximately MSEK 3.8.
- Gapwaves entered into a development and delivery agreement with Smartmicro for high-resolution radar antennas for traffic management for a total value of approximately MSEK 9.
- An order was received from a European Tier 1 supplier that is new to Gapwaves for a pilot study, with an order value of approximately MSEK 0.5.

Significant events after the end of the period

- No significant events to report after the end of the quarter.

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 GAPW B. As of March 31, 2023, the company had approximately 7,600 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 March 31, 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

Redeye - Rasmus Jacobsson

Ten largest shareholders based on no. of votes (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 and companies	848,000	161,048	8,641,048	3.24	8.63
Jian Yang	509,500	22,613	5,117,613	1.71	5.11
Abbas Vosoogh and companies	265,000	546,658	3,196,658	2.61	3.19
HELLA GmbH & Co. KGaA	—	3,122,400	3,122,400	10.02	3.12
Peter Enoksson	185,500	92,750	1,947,750	0.89	1.94
Ashraf Uz Zaman	165,000	100,000	1,750,000	0.85	1.75
Avanza Pension	—	1,506,583	1,506,583	4.84	1.50
Nordnet pensionsförsäkring AB	—	988,080	988,080	3.17	0.99
BNP Paribas Sec Serv Luxembourg	—	627,197	627,197	2.01	0.63
Other	76,500	15,921,270	16,686,270	51.36	16.66
Total	7,667,500	23,478,799	100,153,799	100.00	100.00

Source: Euroclear

Income statement

Consolidated Group

KSEK	Jan–Mar 2023	Jan–Mar 2022	Full year 2022
OPERATING INCOME			
Net sales	4,875	5,774	64,023
Capitalized development costs	—	299	914
Other operating income	1,519	907	6,011
Total	6,394	6,980	70,948
OPERATING EXPENSES			
Goods for resale	–1,110	–1,929	–21,754
Other external costs	–10,537	–6,873	–29,248
Personnel costs	–10,778	–6,368	–33,714
Depreciation/amortization of property, plant and equipment and intangible assets	–2,258	–1,577	–7,979
Other operating expenses	–58	–42	–1,021
Total operating expenses	–24,741	–16,789	–93,716
EBIT	–18,347	–9,809	–22,768
FINANCIAL ITEMS			
Results from shares in associated companies	—	–117	3,503
Financial income	479	—	1,302
Financial expenses	–5	–69	–56
Total financial items	474	–186	4,748
Loss after financial items	–17,873	–9,995	–18,020
TAX			
Deferred tax	—	—	8
Tax on loss for the period	—	—	—
LOSS FOR THE PERIOD	–17,873	–9,995	–18,013
Earnings per share before and after dilution (SEK)	Neg.	Neg.	Neg.
Average no. of shares for the period	31,146,299	30,711,299	31,146,299

Balance sheet

Consolidated Group

KSEK	Mar 31, 2023	Dec 31, 2022
ASSETS		
Non-current assets		
Intangible assets		
Capitalized expenditure on research and development and similar works	4,480	5,259
Concessions, patents, licenses, trademarks and similar rights	15,822	16,754
Total intangible assets	20,302	22,013
Property, plant and equipment		
Equipment, tools, fixtures and fittings	7,754	7,239
Construction in progress	50	598
Total property, plant and equipment	7,804	7,837
Financial assets		
Deferred tax assets	3,254	3,446
Long-term deposits	642	642
Total financial assets	3,896	4,088
Total non-current assets	32,002	33,938
Current assets		
Inventories		
Raw materials and consumables	1,616	1,609
Total inventories	1,616	1,609
Current receivables		
Accounts receivable	7,318	9,161
Other receivables	1,950	1,916
Current tax assets	—	3
Prepaid expenses and accrued income	18,772	19,456
Total current receivables	28,040	30,536
Cash and bank balances		
Cash and bank balances	172,160	185,428
Total cash and bank balances	172,160	185,428
Total current assets	201,816	217,573
TOTAL ASSETS	233,817	251,511

Balance sheet

Consolidated Group

KSEK	Mar 31, 2023	Dec 31, 2022
EQUITY AND LIABILITIES		
Equity		
Share capital	1,869	1,869
Other contributed capital	426,146	426,146
Other equity including loss for the period	-224,007	-206,134
Total equity	204,007	221,880
Provisions		
Deferred tax	3,254	3,446
Total provisions	3,254	3,446
Current liabilities		
Accounts payable	4,906	5,789
Current tax liabilities	101	67
Other liabilities	12,553	11,698
Accrued expenses and deferred income	8,996	8,632
Total current liabilities	26,556	26,186
TOTAL EQUITY AND LIABILITIES	233,817	251,511

Statement of changes in equity

Consolidated Group

KSEK	Share capital	Other contributed capital	Other equity including loss for the period	Total equity
			Retained earnings, etc	
Opening balance Jan 1, 2023	1,869	426,146	-206,134	221,880
Loss for the period	—	—	-17,873	-17,873
Closing balance Mar 31, 2023	1,869	426,146	-224,007	204,007



Cash flow statement

Consolidated Group

KSEK	Jan–Mar 2023	Jan–Mar 2022	Full year 2022
Operating activities			
EBIT	–18,347	–9,809	–22,768
Adjustments for non-cash items, etc	2,253	1,508	9,591
Interest received	479	—	67
Interest paid	—	—	–56
Paid tax	37	—	132
Cash flow from operating activities before changes in working capital	–15,578	–8,301	–13,034
Changes in working capital			
Changes in operating receivables	2,494	–1,008	–10,836
Changes in operating liabilities	337	–4,518	1,421
Changes in inventories	–7	–283	–940
Cash flow from operating activities	–12,754	–14,110	–23,389
Investing activities			
Acquisition of intangible assets	—	—	–1,591
Acquisition of property, plant and equipment	–513	–3,819	–502
Long-term deposits	—	—	–15
Cash flow from investing activities	–513	–3,819	–2,108
Financing activities			
Share options program	—	133	–229
Cash flow from financing activities	—	133	–229
Cash flow for the period	–13,268	–17,796	–25,726
Cash and cash equivalents at beginning of period	185,428	211,155	211,155
Cash and cash equivalents at end of period	172,160	193,360	185,428

Income statement

Parent Company

KSEK	Jan–Mar 2023	Jan–Mar 2022	Full year 2022
OPERATING INCOME			
Net sales	4,875	5,774	64,023
Capitalized development costs	—	299	914
Other operating income	1,519	908	6,011
	6,394	6,981	70,948
OPERATING EXPENSES			
Goods for resale	–1,110	–1,929	–21,754
Other external costs	–10,537	–6,873	–29,243
Personnel costs	–10,778	–6,368	–33,714
Depreciation/amortization of property, plant and equipment and intangible assets	–1,329	–1,577	–6,121
Other operating expenses	–58	–42	–1,021
Total operating expenses	–23,812	–16,790	–91,853
EBIT	–17,418	–9,809	–20,905
FINANCIAL ITEMS			
Financial income	479	—	1,302
Financial expenses	–5	–69	–56
Total financial items	474	–69	1,246
Loss after financial items	–16,944	–9,878	–19,659
TAX			
Tax on loss for the period	—	—	—
LOSS FOR THE PERIOD	–16,944	–9,878	–19,659
Earnings per share before and after dilution (SEK)	Neg.	Neg.	Neg.
Average no. of shares for the period	31,146,299	30,711,299	31,146,299

Balance sheet

Parent Company

KSEK	Mar 31, 2023	Dec 31, 2022
ASSETS		
Non-current assets		
Intangible assets		
Capitalized expenditure on research and development and similar works	4,480	5,259
Concessions, patents, licenses, trademarks and similar rights	25	28
Total intangible assets	4,505	5,287
Property, plant and equipment		
Equipment, tools, fixtures and fittings	7,754	7,239
Construction in progress	50	598
Total property, plant and equipment	7,804	7,837
Financial assets		
Shares in subsidiaries	15,464	15,464
Long-term deposits	642	642
Total financial assets	16,106	16,106
Total non-current assets	28,414	29,230
Current assets		
Inventories		
Raw materials and consumables	1,616	1,609
Total inventories	1,616	1,609
Current receivables		
Accounts receivable	7,318	9,161
Other receivables	1,950	1,916
Prepaid expenses and accrued income	18,772	19,456
Total current receivables	28,040	30,533
Cash and bank balances		
Cash and bank balances	172,116	185,384
Total cash and bank balances	172,116	185,384
Total current assets	201,772	217,526
TOTAL ASSETS	230,186	246,756

Balance sheet

Parent Company

KSEK	Mar 31, 2023	Dec 31, 2022
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	1,869	1,869
Development expenditure fund	4,480	5,259
Total restricted equity	6,348	7,128
Non-restricted equity		
Share premium reserve	426,146	426,146
Retained earnings	-211,920	-193,041
Loss for the period	-16,944	-19,659
Total non-restricted equity	197,282	213,446
Total equity	203,630	220,574
Current liabilities		
Accounts payable	4,906	5,789
Current tax liabilities	101	64
Other liabilities	12,553	11,698
Accrued expenses and deferred income	8,996	8,632
Total current liabilities	26,556	26,183
TOTAL EQUITY AND LIABILITIES	230,186	246,756

Statement of changes in equity

Parent Company

KSEK	Restricted equity		Non-restricted equity			
	Share capital	Development expenditure fund	Share premium reserve	Retained earnings	Loss for the year	Total equity
Opening balance Jan 1, 2023	1,869	5,260	426,146	-193,041	-19,659	220,574
Reallocation profit/loss prev. year	—	—	—	-19,659	19,659	—
Changes in development expenditure fund for the year	—	-780	—	780	—	—
Loss for the period	—	—	—	—	-16,944	-16,944
Closing balance Mar 31, 2023	1,869	4,480	426,146	-211,920	-16,944	203,630



Cash flow statement

Parent Company

KSEK	Jan–Mar 2023	Jan–Mar 2022	Full year 2022
Operating activities			
EBIT	–17,418	–9,809	–20,905
Adjustments for non-cash items, etc	1,324	1,508	7,355
Interest received	479	—	67
Interest paid	—	—	–56
Paid tax	37	—	124
Cash flow from operating activities before changes in working capital	–15,578	–8,301	–13,415
Changes in working capital			
Changes in operating receivables	2,494	–1,008	–10,826
Changes in operating liabilities	337	–4,518	2,072
Changes in inventories	–7	–283	–941
Cash flow from operating activities	–12,755	–14,111	–23,109
Investing activities			
Acquisition of property, plant and equipment	–513	–3,819	–502
Acquisition of subsidiaries	—	—	–1,591
Earnout Metasum AB	—	—	–325
Long-term deposits	—	—	–15
Cash flow from investing activities	–513	–3,819	–2,432
Financing activities			
Share options program	—	133	–229
Cash flow from financing activities	—	133	–229
Cash flow for the period	–13,268	–17,794	–25,771
Cash and cash equivalents at beginning of period	185,383	211,155	211,155
CASH AND CASH EQUIVALENTS AT END OF PERIOD	172,116	193,360	185,383

Signatures and assurance

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, April 27, 2023
Gapwaves AB (publ)

Magnus Jonsson
Chairman

Madeleine Schilliger Kildal
Board member

Karl Olof Axelsson
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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About Gapwaves AB

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. By leveraging the disruptive Gapwaves technology we help pioneers in automotive and telecom to create highly efficient mm-wave antenna systems that contributes to re-defining everyday life.

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