ANNUAL REPORT 2023

GOMSPACE

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Reflections from the CEO

Culture as the foundation for sustainable success
Any strategy lacking consideration of organizational culture is bound to falter.

I firmly believe that the bedrock of all change and the establishment of sustainable results and performance begins with nurturing people and culture. In 2023, we've critically assessed what's effective and what's not, making decisions spanning concrete business metrics, organizational structure, and the values and leadership principles we uphold.

To drive our transformation, we rigorously gauge leadership efficacy and organizational well-being weekly, utilizing feedback in every management session. For instance, our weekly Executive Leadership meeting steadfastly adheres to the agenda: "Sales," "Cash," "Culture," and "Communication" — no exceptions permitted!

In 2024, we'll persist in refining our culture and people management strategies, recognizing them as pivotal factors in fostering and sustaining success.

From a challenging start in 2023 to a new platform for execution
GomSpace encountered financial challenges in 2022 following the termination of a project with Startical in Spain. This led to a difficult start to 2023 calling for cost restructuring and seeking additional capital from the market and financing options.

Convertible loans from lead investors and a successful rights issue in May, along with a loan agreement with the European Investment Bank, alleviated the initial challenge. These events were pivotal in securing GomSpace's future.

In 2023, we streamlined our operations, letting 70 employees go while maintaining our execution capabilities. Thanks to the dedication of our team, we achieved positive free cash flow in Q4, for the first time in many quarters. Reconciliation with Startical not only realigned our partnership but also averted potential litigation. This turnaround underscores our team's commitment and resilience.

As we enter 2024, we stand on firmer financial ground and a leaner cost structure compared to the previous year, a testament to our commitment to progress.

Clarity & Communication
A core principle we emphasize is Clarity, reiterated in shareholder updates and internal discussions. Clear communication and a shared purpose are essential for achieving results.

In 2023, we established Cash and Profitability as our primary metrics, guiding daily decisions. Unlike focusing solely on top-line growth and technology projects with uncertain profitability, our goal is sustainable profitability. We've scrapped unprofitable projects and assessed all decisions based on their cash impact.

Through clarity and effective communication, we aim to stabilize GomSpace and achieve positive free cash flow in the second half of 2024.

Business Transformation & Accountability
After Clarity, Accountability is paramount. In 2023, we restructured into three business units: Products, Programs (Missions), and North America. This fosters focus, accountability, and financial oversight.

The new structure guides us into 2024, offering clarity and ownership, albeit acknowledging distinct approaches for product versus program sales. Products cater to various entities, including competitors, aiming to build their satellites, while Programs target specific applications. North America, being the largest single market, warrants a dedicated local presence and partnerships like with SAIC, to seize our market share in small satellites.

This framework ensures we navigate different markets effectively, enhancing accountability and driving growth.

Addressing Existential Societal Issues via Satellites
GomSpace is poised to capitalize on mega trends in industry growth, particularly in Global Climate, Information Infrastructure, and National Security. Satellites play a crucial role in addressing climate change, with over 50% of vital climate variables measurable only from space. They may soon enable real-time monitoring of greenhouse gas emissions to enforce global protocols. The demand for seamless information infrastructures necessitates space utilization for global communication and GPS services. National security concerns drive the establishment of space assets for service continuation during conflicts.

GomSpace's expertise and technology can facilitate advancements in these areas, including deep space missions, aligning with evolving global needs.

Seizing the Opportunity
After a year in the role of leading GomSpace, my conclusions are clear: The potential is vast, as market opportunities evolve in response to global needs for solutions addressing existential societal issues, solutions only achievable via space. We possess a robust technological foundation cultivated over the years to deliver those solutions.

Our focus remains on culture, cash flow, and profitability. In 2024, our aim is to establish a robust execution platform with global outreach through our three business units and via partnerships.

It is for GomSpace to seize the opportunity, but this requires transforming the business and adopting new behaviors—a journey we're committed to undertaking.

With the warmest regards,

Carsten Drachmann
CEO

GOMSPACE SERVICES

A Spectrum of Expertise

SATELLITE SUBSYSTEMS

With 16+ years in flight, our standardized solutions accelerate mission development and ensure reliable performance for diverse satellite needs.

SATELLITE MISSIONS

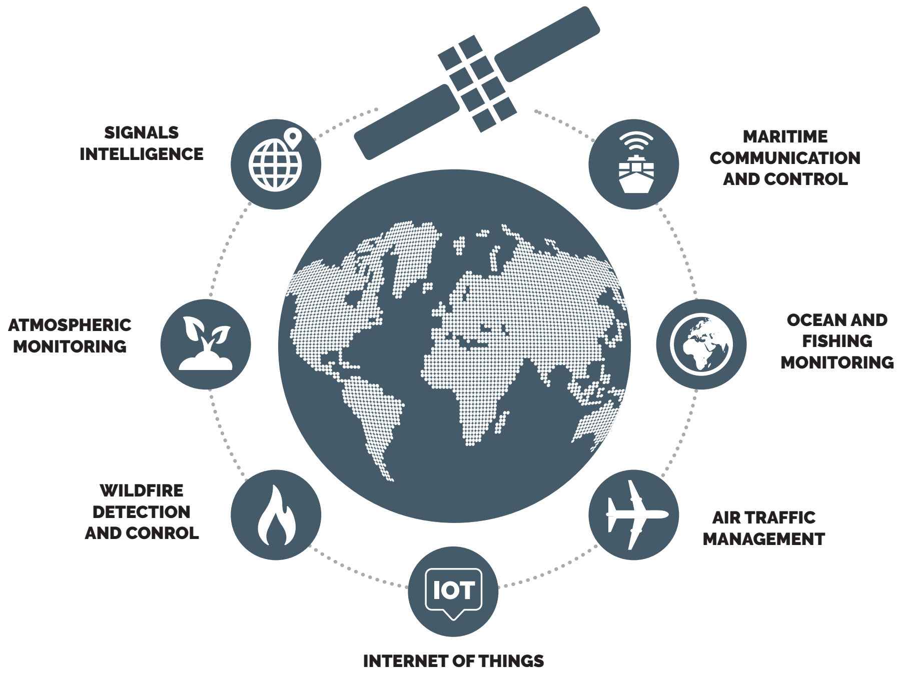
Our comprehensive solutions encompass the entire lifecycle of small satellite development, from initial design and production to operational stages.

SATELLITE OPERATIONS

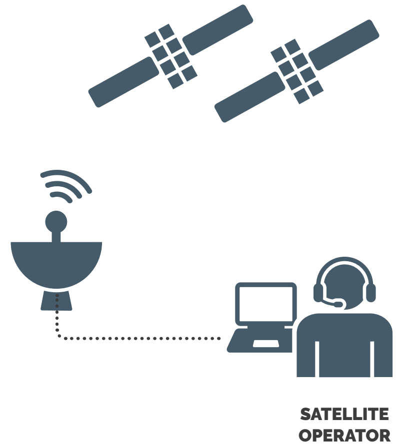
GomSpace Satellite Operations supports all mission phases from Pre-ops, LEOP, Operations and Decommissioning.

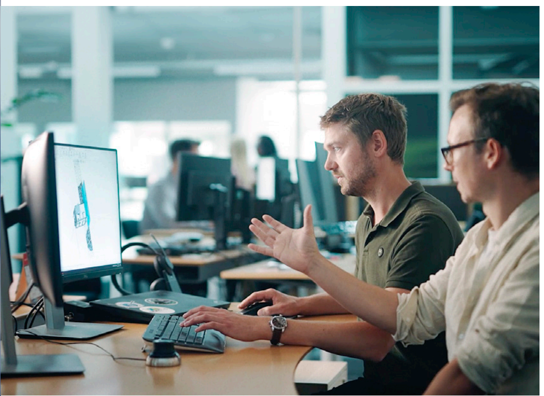
SATELLITE SUBSYSTEMS

SATELLITE MISSIONS & MARKETS

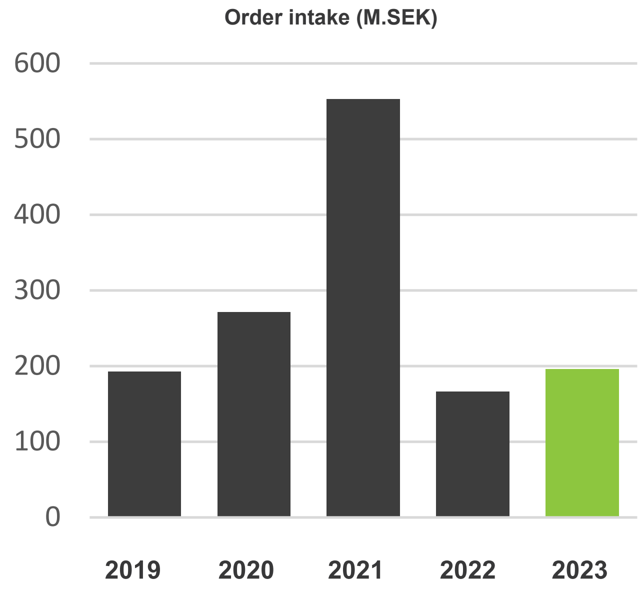


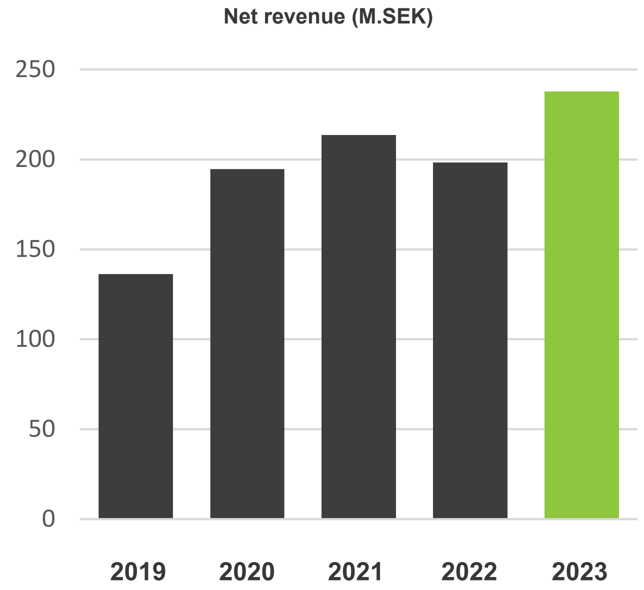
SATELLITE OPERATIONS

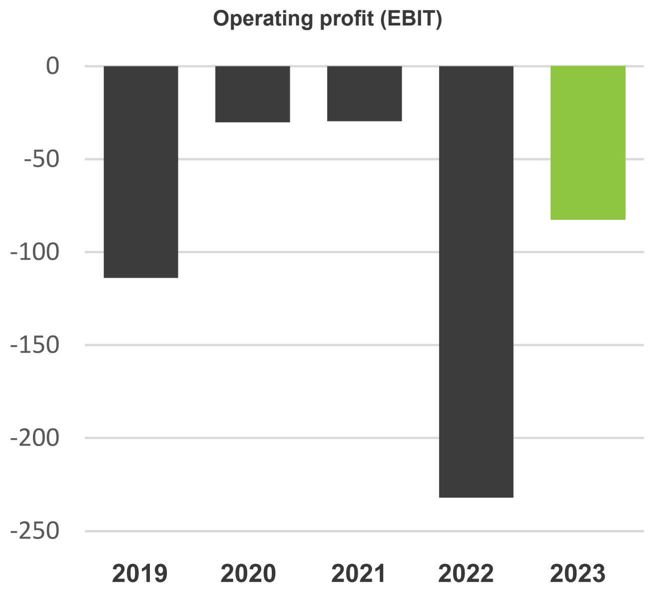


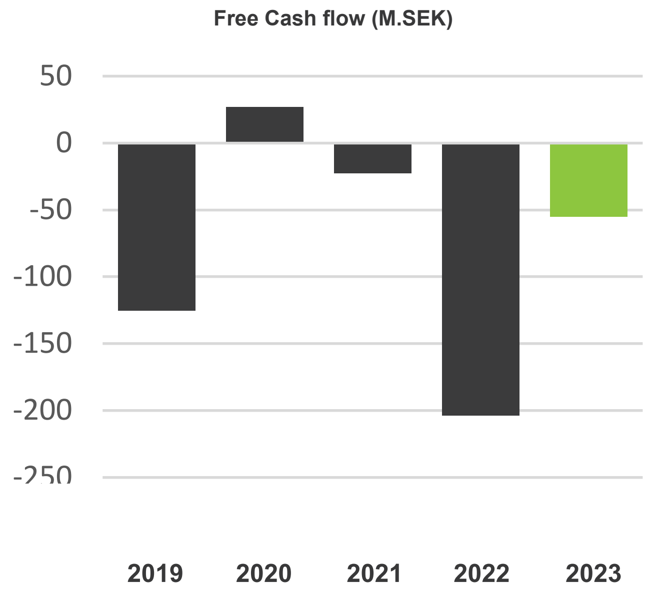


Key results 2023







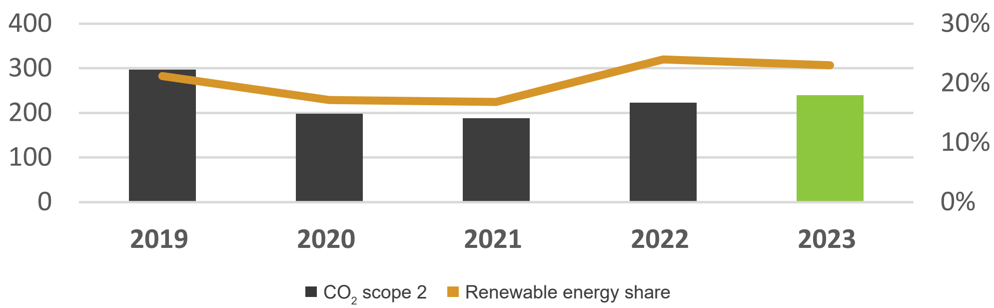


Environmental, Social and Governance Figures

GomSpace ESG data is calculated and aggregated at the Group level. The data points are based on the Danish ESG Nasdaq guidelines. GomSpace has aggregated data within each indicated data point across the whole Group.

Section	Unit	2023	2022	2021	2020	2019
Environmental						
CO_2 scope 1	ton CO_2e	4.42	2.96	1.90	5.27	154.9
CO_2 scope 2	ton CO_2e	240.13	222.43	185.15	201.96	296.65
Renewable energy share	%	23%	24%	17%	17%	21%
Water consumption	m³	1152	1314	198	1100	638.75
Social						
Average number of FTEs (annual full-time equivalents) in the workforce	FTE	147.0	191.9	155.3	133.5	168.4
Gender diversity, overall	% female	27%	22%	16%	16%	19%
Gender diversity, executive management	% female	0%	0%	0%	0%	0%
Gender pay ratio*	female & male multiple	1.30	1.47	1.54	1.24	1.37
Employee turnover rate	%	23%	11%	12%	12%	30%
Sickness absence	days per FTE	5.97	7.35	5.80	5.16	4.00
Customer retention rate	%	100%	80%	83%	65%	76%
Governance						
Gender diversity, board	%	0%	0%	0%	0%	0%
Board meeting attendance rate	%	97%	90%	98%	98%	96%
CEO pay ratio	multiple	4.18	4.34	4.68	5.31	4.66

** Pay used in pay ratio calculations consists of gross salary, bonus, and the Group's share of social security and pension contributions.*



General
This table presents GomSpace Group's ESG indicators for 2019 to 2023. They are calculated based on the Center for ESG Research's Integrated Ratio Guideline. All calculations are based on the available data provided by all GomSpace entities and aggregated at the Group level. The covered entities are GomSpace Group AB, GomSpace A/S (Denmark), GomSpace Sweden, GomSpace Luxembourg, GomSpace North America, GomSpace France, and GomSpace Asia (Singapore). Factors such as scopes 1 and 2 are not calculated for offices where a small space of a larger office is rented. GomSpace has not developed ESG targets. Therefore, the figures presented here are purely meant as information.

Environmental
The environmental factors cover scope 1, scope 2, the percentage of renewable energy purchased, and water consumption. The increase in scope 2 CO" emissions is mainly driven by a reassessment of the calculation methodology and data based on updated knowledge. This resulted in an increase in total scope 2 emissions for previous years. Scope 1 emissions are calculated based on the GHG Protocol and the UK Government GHG Conversion Factors for Company Reporting. Scope 2 emissions are calculated using the 2021 IEA Emissions factors. The reported data are from GomSpace A/S in Denmark, GomSpace Sweden, and GomSpace Luxembourg. The remaining entities work out of shared office spaces; thus, the office owner reports the environmental consumption. However, Sweden and Luxembourg use solely renewable energy. Water consumption is reported for GomSpace A/S in Denmark alone, as water consumption information is not available for the other offices. For scope 1, fuels include Per-fluorocyclobutane (PFC-318), Sulphur hexafluoride (SF6), and vehicle-related emissions. In 2019, GomSpace A/S started using new test equipment with very high electricity usage. From 2020, fuels such as Perfluorocyclobutane (PFC-318) and Sulphur hexafluoride (SF6) were not combusted, leading to a sharp decrease in scope 1 emissions, which have remained immaterial since. The decrease in scope 2 emissions and renewable energy share from 2022 to 2021 is due to the fact that the GHG Protocol was incorrectly applied in prior years. In 2020 and 2021, water usage decreased dramatically due to the ongoing Covid 19 pandemic, as most staff worked from home. A burst water pipe in 2020 partially offset the water savings in 2020. Water usage returned to pre-Covid levels in 2022. The increase in CO2 emissions in scope 1 and 2, is mainly driven by a shift in energy mix from suppliers in 2023. Furthermore, scope 1 emissions is affected by an extra diesel car.

Social
In 2020, the FTE workforce decreased because of the overcapacity in 2019, which illustrates the decreased employee turnover from 2019 to 2020. From 2020 to 2022 there was a significant FTE increase due to increased activity, but in the beginning of 2023 there was a decrease in FTE's due to cost reductions. The turnover rate has remained stable in 2021 and decreased slightly in 2022. In 2023 it increased due to the before mentioned cost reductions in the beginning of 2023. In GomSpace, the share of women has increased from 19% in 2019 to to 27% in 2023. In general, men are over-represented in the field of engineering and the space industry. GomSpace does not have women within the executive management group. A decrease in the gender pay ratio can be explained by difference in job levels.

Governance
All members of the board of directors are males. CEO salary has increased from 2022 to 2023 due to a new CEO hired and the overlap of two CEOs, while median staff salary has decreased by 12%. CEO pay ratio has averaged a factor of 5 for 2018 to 2023 but is showing a downward trend. The Board of Directors met 27 times in 2023. Board meeting attendance rates in 2023 increased from 90% in 2022 to 97% in 2023.

Administration report

The Board of Directors and Executive Officers of GomSpace Group AB (publ), corporate ID no. 559026-1888, with registered office in Uppsala, Sweden, present the parent´s annual accounts and the group consolidated accounts for the financial year 2023. The numerical information in brackets in these annual accounts is comparative figures with the financial year 2022 or the reporting date of 31 December 2022.

Information concerning operations
The overall purpose of GomSpace is to manufacture nanosatellites and components and turnkey solutions for satellites.

Significant events during the year
The company changed leadership during the year, appointing Carsten Drachman as the new CEO. In the first half of the year, the company completed a rights issue of M.SEK 101, terminated some nonprofit projects, and executed a major cost-saving program. In the second half of the year, a new organizational setup with three business segments was implemented. Finally, the year ended with several positive events, a settlement and restarted collaboration with major customer Startical and a significant opportunity for a project in Indonesia.

Ownership
GomSpace A/S, GomSpace Sweden AB, EPGS Partners ApS, GomSpace Asia PTE Ltd, GomSpace North America LLC, GomSpace Luxembourg S.à r.l. and GomSpace France SAS are the operating companies of the GomSpace Group, GomSpace Group AB is the holding company and listed on First North Premier Growth Market in Stockholm.

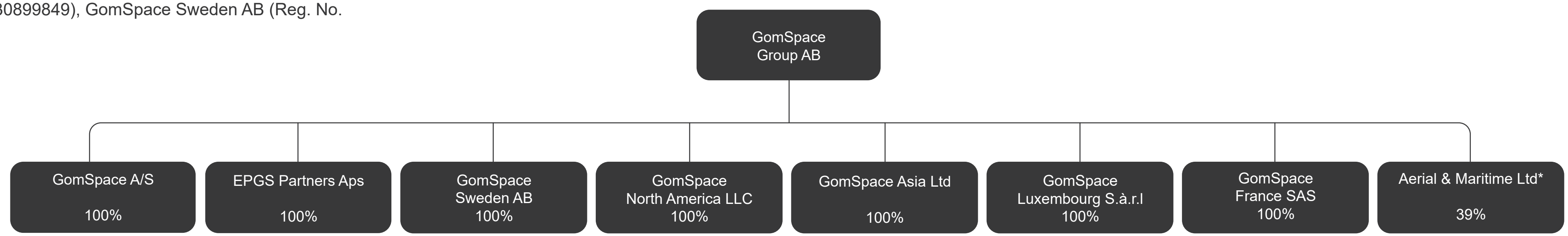
The Group consists of GomSpace Group AB (Reg. No. 559026-1888), GomSpace A/S (Reg. No. 30899849), GomSpace Sweden AB (Reg. No. 556643-0475), EPGS Partners ApS (Reg. No. 38173561), GomSpace Asia PTE Ltd (Reg. No. 201707094C), GomSpace North America LLC (Reg. No. S667083-2), GomSpace Luxembourg S.à r.l. (Reg. No. B218666), and GomSpace France SAS (Reg. No. 910 682 277).

Financial position and funding
The Group incurred an operating loss of M.SEK 84 and experienced a cash flow after investing activities of T.SEK -55,375 for 2023. As of December 31, 2023, the Group had a cash position of T.SEK 61,077. In March 2023, the Group received the first tranche of M.SEK 56 (M.EUR 5) from the European Investment Bank loan facility. This loan facility was part of a finance agreement the Group entered in November 2022. Additionally, in April 2023, the Group completed a rights issue, issuing 77,939,396 new shares, which generated approximately SEK 101 million in gross proceeds. During this rights issue, the Group also converted the convertible loans into new shares.

The Executive Board and Board of Directors have confirmed that the order intake and overall business performance during the first months of 2024 meet their expectations according to budget for 2024. This confirmation indicates the company will generate sufficient free cash flow to support its ongoing business transformation. Based on the company's knowledge and assessment of the estimated outlook according to budget for 2024, risks, and uncertainties related to them, the Board of Directors has concluded that sufficient financing and cash resources are available to support the planned activities and operations for the year.

5-year overview

T.SEK	2023	2022	2021	2020	2019
The Group					
Key figures					
Net revenue	237,841	198,379	213,605	194,576	136,263
Gross profit	18,616	-51,119	49,016	47,646	17,994
Operating profit (EBIT)	-84,416	-231,995	-29,524	-30,261	-113,856
Share of profit from associates	0	0	0	-9,029	-25,967
Net financial items	-9,710	-944	-1,667	-8,369	-6,708
Profit/loss before tax	-94,126	-232,939	-31,191	-47,659	-146,531
Profit/loss for the year	-92,601	-227,824	-27,327	-43,566	-151,663
Investments in intangible assets	7,277	34,297	24,511	14,757	14,998
Investments in PPE	958	9,552	1,962	900	6,953
Total assets	302,209	334,172	395,800	403,048	436,753
Equity	109,785	104,798	224,890	247,421	295,682
Total liabilities	192,424	229,374	170,910	155,627	141,071
Cash flow from operating activities	-47,907	-159,066	3,201	43,444	-92,627
Cash flow from investing activities	-7,468	-44,822	-25,806	-16,662	-32,678
Free cash flow	-55,375	-203,888	-22,605	26,782	-125,305
Cash flow from financing activities	84,853	132,848	16,932	-10,006	-16,518
Cash and cash equivalents	61,077	33,097	83,516	133,608	106,227
Working capital	-5,689	6,124	6,727	10,929	-20,522



* Aerial & Martime Ltd. is an associated company under liquidation. The cost price was written down to zero in 2020.

T.SEK	2023	2022	2021	2020	2019
Group					
Ratios					
Gross margin (%)	8%	-26%	23%	24%	13%
Operating (EBIT) margin (%)	-35%	-117%	-14%	-16%	-84%
Net margin (%)	-39%	-115%	-13%	-22%	-111%
Return on invested capital (%)	-31%	-68%	-7%	-11%	-35%
Return on equity (%)	-86%	-138%	-12%	-16%	-41%
Equity ratio (%)	36%	31%	57%	61%	68%
Earnings per share, basic, SEK	-0.91	-3.76	-0.52	-0.83	-2.90
Earnings per share, diluted, SEK	-0.91	-3.76	-0.52	-0.83	-2.90
Average number of employees	147	192	155	133	168
Number of outstanding shares, average	101,699,461	60,546,859	52,274,803	52,274,803	52,274,803
Number of outstanding shares as at 31 December	140,669,159	62,729,763	52,274,803	52,274,803	52,274,803

Earnings per share are computed following IAS 33 (note 23). Other key figures are computed following key ratio definitions, which can be found on page 38.

T.SEK	2023	2022	2021	2020	2019
The parent company					
Net revenue	41,690	40,678	27,494	25,841	25,676
Operating profit (EBIT)	-12,463	-67,851	-4,840	-6,537	-7,662
Share of profit from associates	0	0	0	-11,672	-12,442
Net financial items	-1,813	2,237	3,015	1,587	2,121
Profit/loss for the year	49,780	-431,222	-24,473	-47,687	-21,503
Total assets	317,836	211,124	491,507	515,111	562,502
Equity	302,785	154,840	489,541	513,924	561,118
Total liabilities	15,051	56,284	1,966	1,187	1,384
Operating (EBIT) margin (%)	-30%	-167%	-18%	-25%	-30%
Net margin (%)	119%	-1060%	-89%	-185%	-84%
Return on invested capital (%)	16%	-204%	-5%	-9%	-4%
Return on equity (%)	22%	-134%	-5%	-9%	-5%
Equity ratio (%)	95%	73%	100%	100%	100%
Earnings per share, basic, SEK	0.49	-7.12	-0.47	-0.91	-0.41
Earnings per share, diluted, SEK	0.49	-7.12	-0.47	-0.91	-0.41

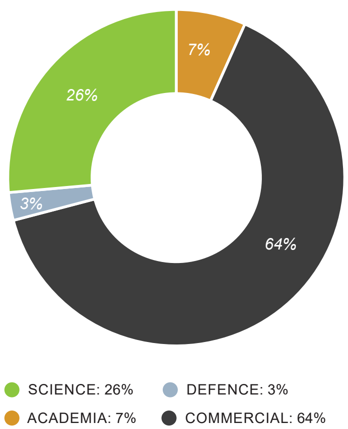
The parent company was established on 11 September 2015.
The definition of key figures and ratios are defined in Note 1.

Financial Review

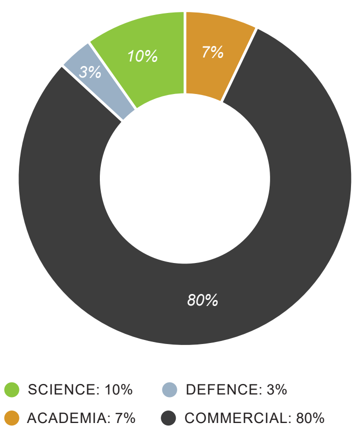
Financial Review

T.SEK	Business areas Academia	Commercial	Defense	Science	Total
Order backlog 1 January 2022	5,213	179,111	20,220	335,421	539,965
Currency adjustment and reclassification of orders	-3,137	5,844	2,920	-1,430	4,197
Order intake	11,774	132,327	5,603	16,243	165,947
Cancelled orders	-508	-100,496	0	-2,070	-103,074
Converted to revenue	-6,571	-127,869	-22,358	-41,581	-198,379
Order backlog 31 December 2022	**6,771**	**88,917**	**6,385**	**306,583**	**408,656**
Currency adjustment and reclassification of orders	-163	-9	184	4,316	4,328
Order intake	13,079	125,687	5,237	51,686	195,690
Cancelled orders	0	0	0	-218,222	-218,222
Converted to revenue	-12,099	-113,531	-5,672	-106,539	-237,841
Order backlog 31 December 2023	**7,588**	**101,064**	**6,134**	**37,825**	**152,611**

Order intake 2023 split per business area



Order intake 2022 split per business area



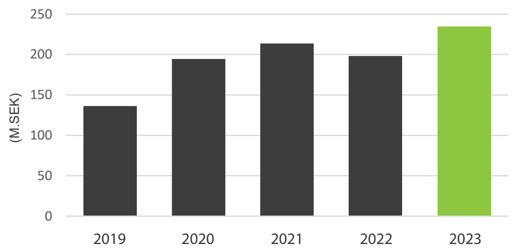
Order intake and backlog
Order intake for 2023 increased to T.SEK 195,690 (165,947) due to high order intake in platform, payloads and subsystems with a total of T.SEK 96,409 (77,796). We have received significant orders from Arogtec (T.SEK 14,078) and In-Space (T.SEK 11,710).

There has been an improvement in order intake from satellite solutions, with a total of T.SEK 99,281 (88,151) in 2023. The largest customer for satellite solutions in 2023 is ESA, with T.SEK 48,936 in orders, followed by the restart of the Startical program with T.SEK 28,759 in order intake.

During 2023 we cancelled orders of T.SEK 218,222. For satellite solutions, we agreed with ESA to cancel the large customer project of T.SEK 215,030. The backlog decreased to T.SEK 152,611 (T.SEK 408,656) in 2023.

Revenue and operating profit (EBIT)
In 2023, revenue increased to 237,841 (198,379). Revenue from satellite solutions has increased T.SEK 166,856 (137,194) in 2023. Most of the increase in revenue (T.SEK 29,662) from satellite solutions is from the Science segment, which is the segment with the lowest contribution margin.

Net revenue



The revenue generated from platforms, payloads, and subsystems has shown a significant increase, amounting to T.SEK 70,985 (T.SEK 61,185) for the year 2023. This increase in revenue is attributed to the improved capacity utilization and increased activity level of the company. These factors have positively impacted the margins, indicating a promising trend in the company's growth and performance.

The operating profit (EBIT) for 2023 has shown significant improvement compared to the previous year due to a cost saving program initiated in the beginning of the year, as a result of large cancelled customer projects in 2022. The cancelled project was settled at the end of the year with a positive impact of T. SEK 18,685, which is recognised in other operating income. The current value is negative T.SEK 84,416 (T.SEK -231,995).

Tax and deferred tax
In 2023, the Group recognised a deferred tax asset at a total amount of T.SEK 0 (0 T.SEK). Out of the total deferred tax asset, T.SEK 6.964 (14,621) relates to tax loss carry-forward. The Group had an effective tax rate of 2% (2%) in 2023.

Cash flow
The free cash flow was T.SEK -55.375, indicating a continued focus and an improvement from the previous year's negative T.SEK -203.888 in 2022. This improvement can be attributed to a greater emphasis on cost control, reducing inventory, and a heightened focus on invoicing and timely payment collection for deliveries. All these initiatives were undertaken to enhance focus and improve our net working capital.

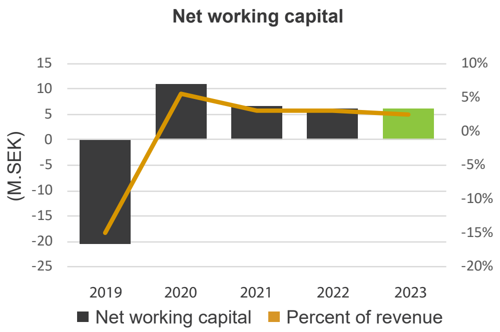
The working capital is positive T.SEK 7,396 (6,124) at the end of 2023. The net cash flow was positive during 2023, with T.SEK 29,477 (-71,040).

In 2023, the operating activities experienced a negative cash flow of T.SEK -51,947 (-160,978). The reason for this was the absence of new orders for scientific projects, which normally provide significant prepayments at contract signing. However, during the year, the operating activities improved due to increased focus on cost control, inventory reduction, and timely invoicing and payment collection for deliveries.

The cash flow generated from investing activities decreased to negative T.SEK 7,468 (-44,822). This decrease in investments is primarily due to a lower level of R&D expenses, followed by the cost reduction program, and also because a larger portion of development costs is now recognized in the profit and loss statement.

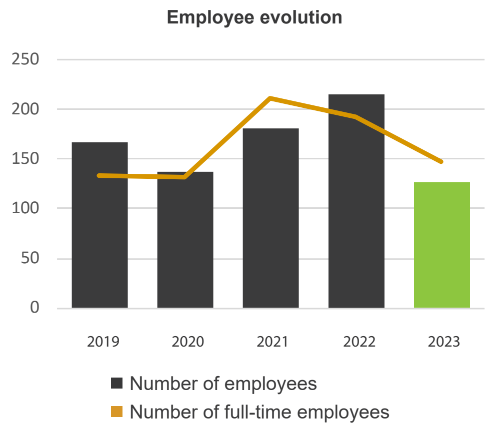
Cash flow from financing activities for the year 2023 amounted to T.SEK 84,853 (132,848). Cash flow from financing was positively affected by T.SEK 84,853, which relates to the directed share issue in May 2023. The first tranche of the EIB loan agreement was paid out in March 2023, amounting to T.SEK 57,320. Additionally, the convertible loan of T.SEK 57,615, which was taken from shareholders, board of directors, and management in November 2022, was paid back in full in 2023.

Cash and cash equivalents at the end of Q4 2023 were T.SEK 61,077 (33,097).



Shareholder's equity
As of 31 December 2023, total shareholder's equity amounted to T.SEK 109,785 (104,798). In 2023, a T.SEK 114 (0) amount was recognised as share-based payments concerning the warrant program established for the Group's employees.

Employees
In 2023, the number of employees decreased to 147 (from 215), which corresponds to 126 (from 192) full-time employees. This reduction was mainly due to the cost reduction program initiated in December 2022. The full impact of this program was seen at the end of Q2. As a result, there was a high employee turnover rate of 23% (11%) in 2023.



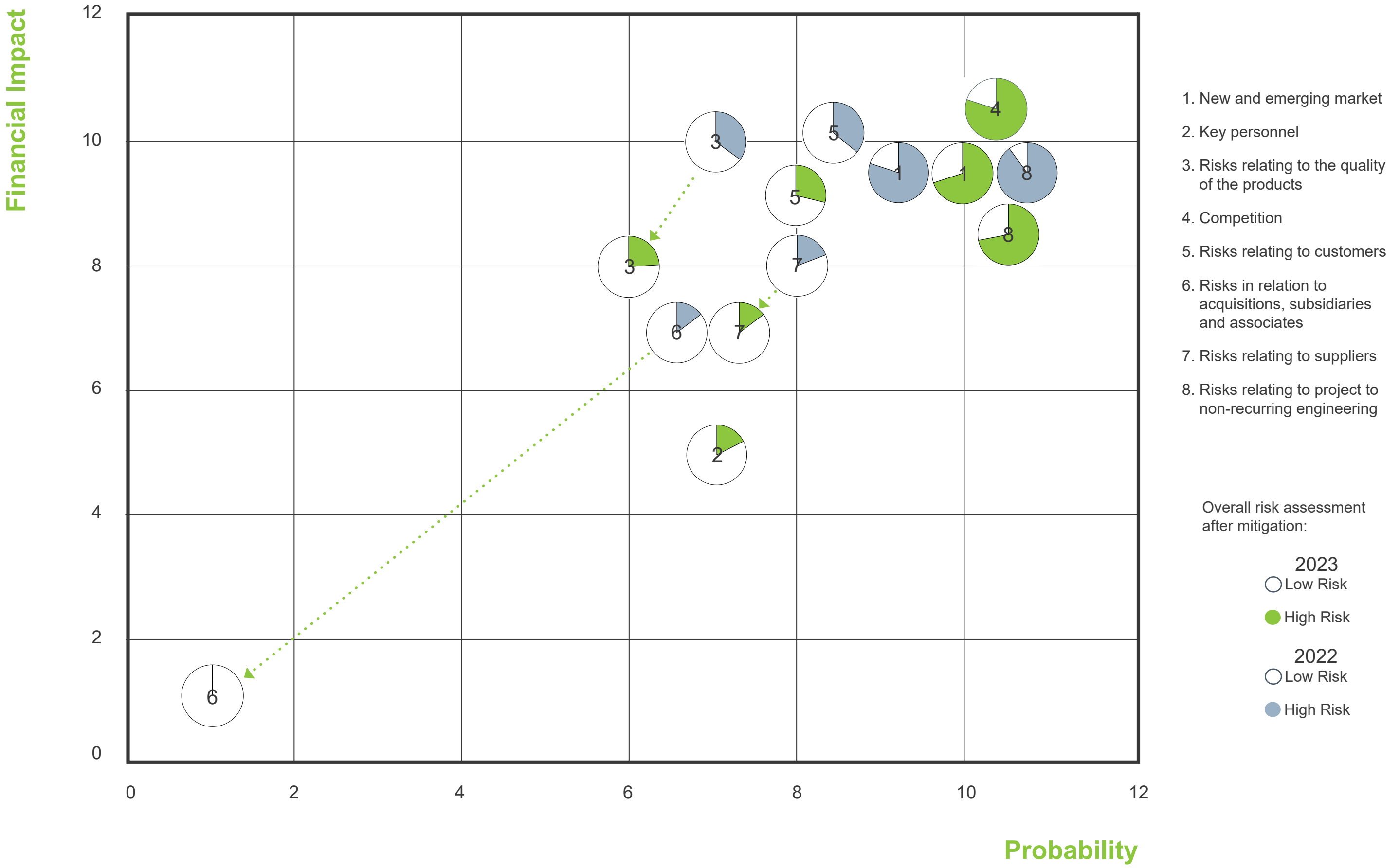
WORKFORCE AVERAGE FULL TIME EMPLOYEES

	2023		2022		2021		2020		2019	
Technology	86	*59%*	140	*65%*	117	*65%*	85	*62%*	82	*61%*
Manufacturing	35	*24%*	45	*21%*	37	*20%*	31	*22%*	30	*22%*
Sales and distribution	11	*7%*	12	*6%*	11	*6%*	11	*8%*	11	*8%*
Administration	14	*10%*	18	*8%*	16	*9%*	11	*8%*	11	*8%*
Number of employees	147	*100%*	215	*100%*	181	*100%*	138	*100%*	134	*100%*
Number of full-time employees	126		192		155		133		168	

Risk Management

Due to its activities, the Group is exposed to various financial risks, including changes in foreign currency, interest, liquidity, and credit risks. The Group manages the risks centrally and follows the board of directors' policies. For further information, please see note 27 Financial risks.

The risk factors set forth below are primarily associated with the subsidiaries GomSpace A/S, GomSpace Sweden AB, EPGS Partners ApS, GomSpace Asia Pte Ltd, GomSpace North America LLC, GomSpace Luxembourg S.A.R.L., and GomSpace France SAS as well as the associated Company Aerial & Maritime Ltd. and their currently conducted business operations. Several factors may adversely affect the Company's business, financial position, and future results. Some risks are related to the Company, while others do not have any particular connection with the Company. There may also be risks and uncertainties that the Company is unaware of or assesses as immaterial, that could be become material in the future. Disclosed risks are not presented in priority order or any other particular order. The risks below are deemed to include the main known risks to the Company's future development. They may adversely affect the Company's business, financial position, and profits in the future.



Description	Impact	Mitigation	Risk assessment 2023
1. New and emerging market			
The nanosatellite market may stagnate. The market could also develop in a way the Company cannot adapt. Even if the market becomes large and wide, the Company may face competition from other companies with greater financial conditions and/or better fit for the market requirements.	Competition could lead to a situation where the Company needs to compete on other terms, such as price. One of the significant challenges is ensuring the Company’s right positioning concerning technology and customers, thereby securing orders and profitability.	Recently, we established two new Business Units: Products and Programs. Products prioritize creating and selling customer-oriented products to maximize sales. Programs concentrate on custom satellite solutions, aiming to optimize our offerings to align with evolving market demands.	In the Products Business Unit, we're intensifying product sales focus and allocating resources for market-driven product roadmap execution. Continuous adjustment to market input is vital. Similarly, the Programs Business Unit is defining market needs and crafting solution roadmaps to sustain competitiveness, albeit potentially lagging in capturing market developments may introduce risk of the company falling behind in competitiveness. The level of risk remains the same as it was last year.

Description	Impact	Mitigation	Risk assessment 2023
2. Key personnel The Company mainly depends on its ability to retain and attract skilled personnel. Moreover, the Group depends on hiring and retaining certain skilled personnel to continue its growth and reach future success.	Should the Group lose and not be able to replace any member of its key personnel, it may interrupt ongoing projects and other development plans laid out for the Group.	In 2023, we implemented a system to measure employee satisfaction and secure long-term committed employees actively. We are committed to making GomSpace a more exciting and attractive place to work. We offer employment on favorable terms in desirable locations.	As a result of a reduced order backlog, we had to downsize our workforce in 2023. The employee turnover rate stood at 23% as a result. However, we are continuously improving and have successfully completed the cost reduction program from 2023. Therefore, we anticipate a normal employee turnover rate in 2024, and we'll be ready to start hiring again.
3. Risks relating to the quality of the product The Company relies upon its ability to develop and deliver products of a certain quality. Even if the Company deems the products to be of a certain quality, the customers' demand may deviate from what the Group is producing.	Should the Company focus on the wrong development projects or not be able to develop its products to meet market expectations, it may adversely impact the Company's business, financial position, and profits in the future.	The Product Business Unit is responsible for ensuring that products undergo continuous quality control registration and monitoring.	We have created a Product Business Unit, which gives them complete responsibility and control over the quality of their products. We have witnessed a reduction in the number of cases with quality issues, and we anticipate further improvements in quality. This will lead to a slightly lower probability and potential financial impact compared to last year.
4. Competition The Company cannot be certain of its market share or its competitors' position in terms of technology and products, and new actors may come forward. The competition may lead to markets where there is high competition on price and quality.	Failure to comply with this development may lead to lower order intake and market share loss.	We strive to offer value to our customers by providing them with a diverse range of products and satellites solutions. Our extensive experience in the industry allows us to offer our customers the best possible service for satellite integration and launch support. To further enhance our ability to compete and stay relevant, we have established a Products Business Unit and Programs Business Unit, allowing us to build key accounts plans and long-term customer relationships in dedicated customer segments.	In refocusing our priorities to profitable projects, we have reduced our order backlog significantly in 2023. Our order intake did increase over the year, compared to 2022, but no new customers were contracted in 2023. There is a need to increase the diversity in the customer base for Programs and Missions to reduce the reliance on a few selected customers to build order intake. The products sales have increased year on year in 2023 and with continuous efforts in the Products Business Unit, this constitutes a lower risk compared to previous years. The potential financial impact and likelihood of risk remain the same as last year.

Description	Impact	Mitigation	Risk assessment 2023
5. Risks relating to customers			
Today, a material part of the Group’s sales and revenue is generated from a few larger customers. There is a risk that customers do not place orders or otherwise fulfil their respective undertakings due to, e.g., lack of financial resources or other circumstances beyond the Company’s control. There is a risk that the Company fails to enter into customer agreements on favorable terms.	We risk losing payment if the customer is unable to pay and in case we do not meet the milestone requirements.	We seek to take out debtor insurance to gain knowledge of the customers’ funding situation and enter into a milestone payment plan with a positive cash flow and pre-payments on product orders.	Our sales strategy is to balance new sales to existing and new customers, which mitigates risk. In 2023, we had no significant payment losses and see more opportunities in our market, lowering risk compared to last year.
6. Risks relating to suppliers			
The company’s ability to deliver according to market demands and contractual commitments depends on obtaining a timely and adequate supply of materials and components.	The impact could be delayed revenue, increased cost of goods sold, and inventory.	We strive to avoid single-source supplier solutions, this is not always possible, and we aim to procure microchips in advance to reduce production delays. We have started to do 2-year forecasting and aim to enter advance payment contracts with customers that enable us to purchase components earlier.	The global shortage of semiconductor microchips that was previously unprecedented has shown signs of improvement in 2023. As a result, we have not encountered any problem related to this shortage. Our mitigation strategies have been effective, and the market conditions have also contributed to the improvement. Hence, the likelihood of this risk happening again next year is lower.
7. Risks in relation to acquisitions, subsidiaries, and associates			
The outcome of acquisitions, subsidiaries, and associates is related to some risk as this may not fulfill the desired business strategy and become unsuccessful.	There will be expenses to closing down subsidiaries and costs concerning any obligations we have entered into; rental costs etc.	During 2022 and 2023, we have impaired the value of our subsidiaries and associated companies.	We no longer perceive this as a risk that could significantly affect us.
8. Risk related to non-recurring engineering in project execution			
The company’s ability to execute customer- and product development projects according to planned scope, cost, and on time.	The impact could be delayed revenue, increased cost of goods sold, delayed customer payments, and increased investment cost.	We monitor and evaluate project progress and compare it to the budget. We are forecasting to estimate this risk impact on GomSpace’s ability to reach targets and evaluate future cash position. We have closed unprofitable projects and now prioritize less risky projects. Additionally, we have restructured our organization into Business Units to increase project earnings focus.	In 2023, fewer projects were delayed and became more expensive compared to the previous year. Some unprofitable projects were discontinued to minimize future losses and to be able to allocate resources to more profitable deliveries. "In 2024, we anticipate that a significant portion of the company's revenue will come from recurring engineering product sales. Although this, along with other factors, reduces the risk, it is still considered to be high. If these risks materialize, they could have a significant impact on the company's financials.".

Uncertainty relating to recognition and measurement
Recognition and measurement regarding the carrying amount of some assets and liabilities in the Consolidated Financial Statements require judgments, estimates and assumptions concerning future events. This includes those related to revenue recognition, development projects, inventories and contract work; also see note 2.

Unusual events
The Group's financial position and activities for 2023 have not been impacted by any unusual events as of December 31, 2023.

Subsequent events
The financial position of the Group and the results of its activities and cash flows for 2023 have not been impacted by any material subsequent events as of December 31, 2023.

Parent Company
The parent company had total revenues of T.SEK 42,470 (40,678) for 2023. The parent company incurred total costs of T.SEK 80,330 (108,529) for 2023. The operating result for 2023 is T.SEK -12,463 (-67,851). The net gain for 2023 is T.SEK 49,780 (-431,222). The reversal of the write-down of investment in subsidiaries is due to improved business fundamentals for our primary entity in Denmark. The other subsidiaries are partially impaired.

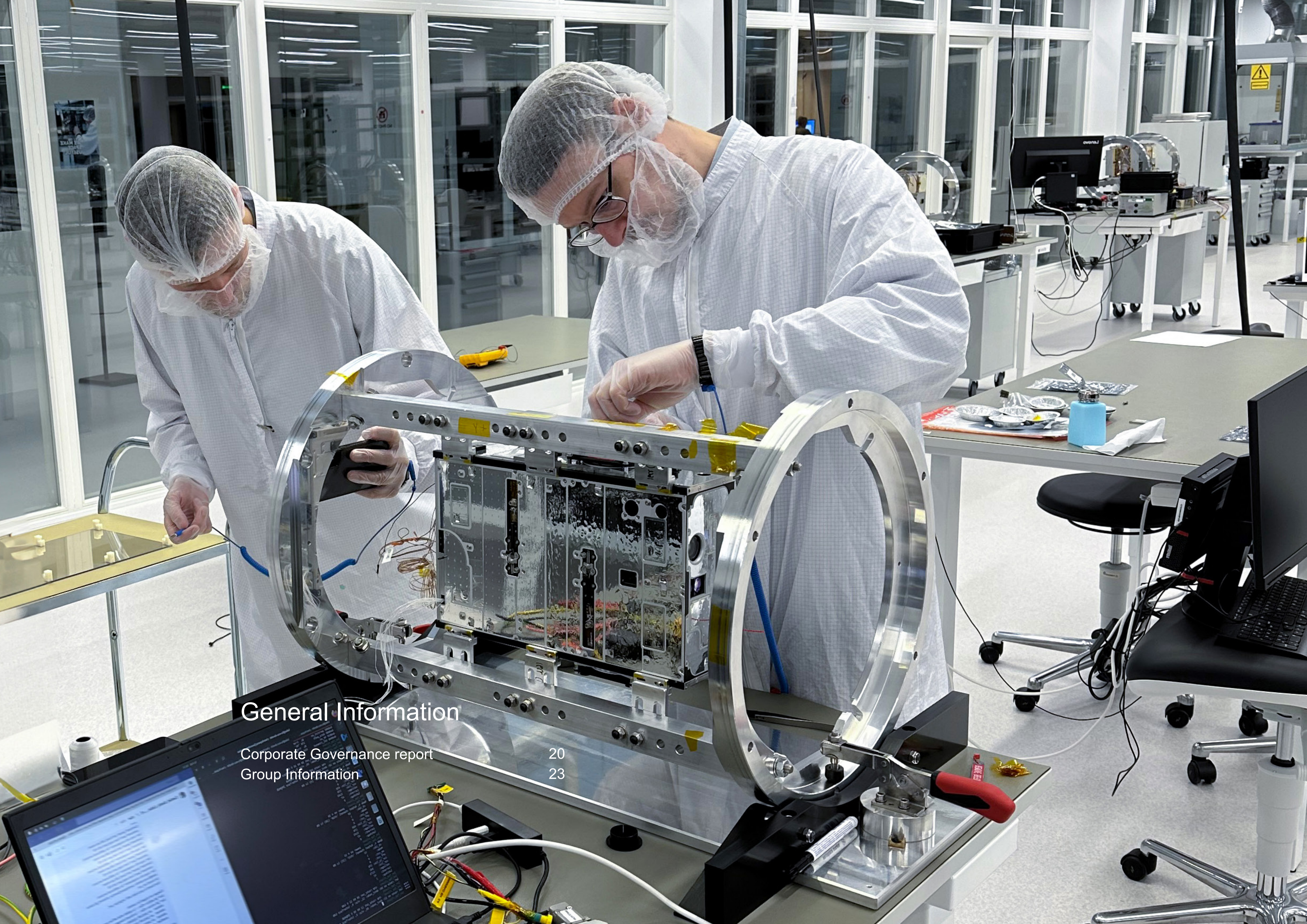
Tax and deferred tax
The Parent Company, GomSpace Group AB, had a non-recognized deferred tax loss carry-forward total of T.SEK 90,089 (79,320).

The Board of Directors' decision on items for the Annual General Meeting
Distribution of profit (loss) for the year.

The following funds are at the disposal of the parent company (SEK):

	2023
Share premium	765,813,929
Retained earnings	-522,654,282
Profit (loss for the year)	49 779 636
	292,939,283
To be distributed as follows:	
Paid out as dividend	0
Carried forward	292,939,283
	292,939,283

The Board of Directors is proposing to the Annual General Meeting that no dividend is paid for the financial year 2023.



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Corporate Governance report

Introduction
GomSpace Group AB is a Swedish public limited liability company with its registered office in Stockholm, Sweden. Through its subsidiaries, the company develops and manufactures small satellites and components and turnkey solutions for satellites and has been listed on Nasdaq First North Premier Growth Market since June 2016.

As a company listed on Nasdaq First North Premier Growth Market, the company must comply with the Swedish Corporate Governance Code (the “Code”) and prepare an annual corporate governance report as from the 2019 financial year. The company has not deviated from the Code in any respect during 2023, except that the company’s six- or nine-month report for 2023 has not been reviewed by the company’s auditor. This deviation is described further under heading “Internal controls of financial reporting.

GomSpace considers good corporate governance essential and an important part of its core business. Consequently, the company complies with the Code in all essential and obligatory aspects when preparing this corporate governance report, except for the deviation described above.

Corporate governance structure
The Swedish Companies Act contains basic rules for the company’s organization. It stipulates that there should be three decision-making bodies: the general meeting of shareholders, the board of directors, and the Chief Executive Officer (CEO), in a hierarchal relationship with each other. There must also be a monitoring body, the auditor, appointed by the general meeting of shareholders.

Governance, management, and control are distributed between the shareholders, the board of directors, the CEO, and company management according to applicable laws, rules and recommendations, GomSpace’s articles of association, the board of directors’ rules of procedure, and other internal instructions.

The current articles of association are kept available on the company’s webpage.

The regulatory framework consists of the Swedish Companies Act, the rules applicable to the market where the company’s shares are listed for trading (Nasdaq First North Growth Market – Rulebook for Issuers of Shares) incl. the rules applicable for the Premier Segment, and the Code.

Shareholders
The company has one shareholder with a direct or indirect shareholding in the company representing at least one tenth of the voting rights for all shares, The Hargreaves Family No. 14 Settlement with 41,606,536 shares, corresponding to 29.58% of the shares and votes in the company.

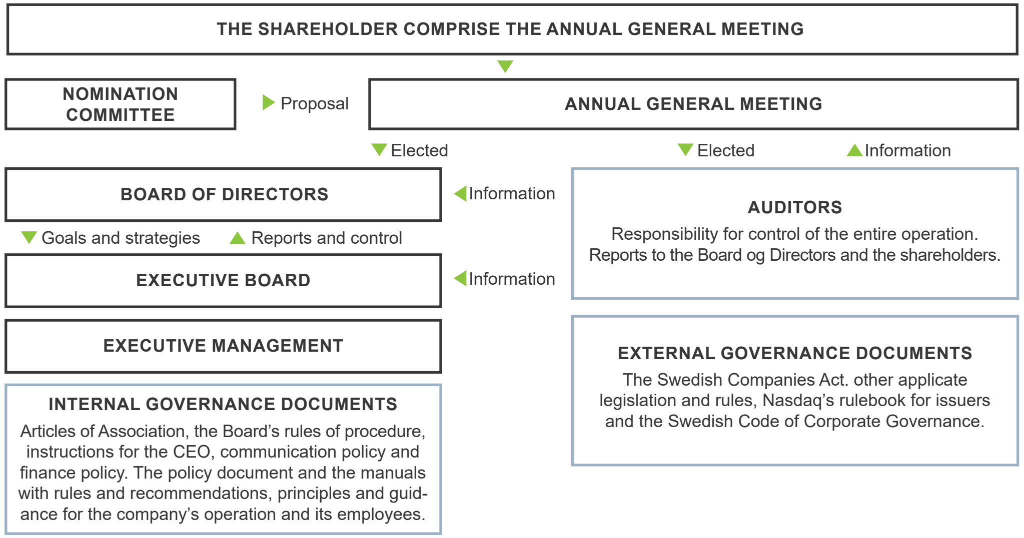
General meeting of shareholders
The annual general meeting of shareholders (“AGM”) is held in Stockholm within six months of the end of the financial year. The AGM adopts the financial statements (annual report) and decides how to allocate the result. Further, the AGM decides on discharge from liability for the board of directors and the CEO, elects members of the board of directors and auditor(s) and determines their fees. The AGM also decides on other matters the board of directors includes in the notice convening the AGM.

Regarding general meetings, the company has not deviated from the Code.

The regulatory framework consists of the Swedish Companies Act, the rules that apply to the market where the company's shares are listed for trading, Nasdaq First North Growth Market Rulebook for Issuers of Shares (incl. the rules applicable for the Premier Segment) and the Code.

The AGM to be held in 2023 has taken place on 31 May 2023 at 10.00 at Setterwalls Advokatbyrå’s office at Sturegatan 10 in Stockholm, Sweden.

At the AGM held on 31 May 2023, it was resolved to authorize the board of directors to – during the period until the next annual general meeting and at one or more occasions – resolve upon issuance of new shares, warrants and/or convertible debentures with or without deviation from the shareholders’ preferential rights. Payment may be made in cash, in kind, through setoff of claims or otherwise be conditional. Through issuances resolved upon with



support from the authorization – with deviation from the shareholders’ preferential rights – the company’s share capital and shares may be increased by an amount and number corresponding to not more than 20 percent of the share capital and number of shares/votes in the company (i.e. corresponding to a maximum dilutive effect of approximately 16.67 percent) at the first time the authorization is used with deviation from the shareholders’ preferential rights.

The AGM to be held in 2024 will take place on 17 May 2024 at 10.00 at Setterwalls Advokatbyrå’s office at Sturegatan 10 in Stockholm, Sweden.

Nomination committee
The nomination committee is to present proposals to the AGM regarding the chairman of the meeting, the election of chairman and other members of the board of directors, auditor(s), and fees and other remuneration payable to each member of the board of directors and the auditor(s). Further, the nomination committee is to present proposals on any changes to the principles for the appointment of and instructions to the nomination committee.

At the AGM held on 31 May 2023, it was resolved not to change the principles for the appointment of and instructions to the nomination committee, which were adopted at the AGM held in 2019. The nomination committee is to be composed of the chairman of the board of directors and three members appointed by the three largest shareholders by votes at the end of the third quarter each year. The nomination committee is to appoint a chairman among its members. The chairman of the board of directors may not be appointed as chairman of the nomination committee. In respect of the AGM to be held in 2024, the following shareholders have exercised their right to appoint a member to the nomination committee: Peter Hargreaves, Black Pepper Invest ApS and Longbus Holding ApS. Each of the aforementioned shareholders has appointed the following members:

- Hans Bloch, appointed by Peter Hargreaves
- Dino Dogan, appointed by Black Pepper Invest ApS
- Anne Breüner, appointed by Longbus Holding ApS

The chairman of the board of directors (Stefan Gardefjord) is considered independent of the company’s largest shareholders.

Pursuant to the principles for the appointment of and instructions to the nomination committee, the nomination committee shall be composed and perform such tasks stated from time to time in the Code.

The principles for the appointment of and instructions to the nomination committee are available on the corporate governance section on the company's website, included as an appendix to the AGM's minutes in 2019. A diversity policy is not legally required for the nomination committee in its work nor required by Code.

Tasks of the board of directors
The board of directors' rules of procedure includes, amongst other, the following tasks:

- appointing, evaluating and, if necessary, dismissing the CEO,
- establishing the overall goals and strategy of the company,
- identifying how sustainability issues impact risks to and business opportunities for the company,
- defining appropriate guidelines to govern the company's conduct in society, to ensure its long-term value creation capability,
- ensuring that there is an appropriate system for follow-up and control of the company's operations and the risks to the company that are associated with its operations, ensuring that there is a satisfactory process for monitoring the company's compliance with laws and other regulations relevant to the company's operations, as well as the application of internal guidelines, and
- ensuring that the company's external communications are characterized by openness and is accurate, reliable, and relevant.

In line with rules of procedure, each board member is:

- to form an independent opinion on each matter considered by the board and to request whatever information he or she believes necessary for the board to make well-founded decisions,
- to acquire continuously the knowledge of the company's operations, organization, markets, etc. that is necessary to carry out the assignment, and
- responsible for committing the time required to carry out the board's work in the context of the board member's other assignments and commitments.

If required, work among board members is divided based on competencies. The board is to approve any significant assignments the CEO has outside the company.

Size and composition of the board of directors
According to the articles of association, the board of directors consists of not less than three and not more than seven ordinary members without deputy members. Board members are elected for a period of one year.

On 18 January 2023, it was announced that the chairman of the board of directors, Jens Maaløe, would resign from the board due to health issues and that Jukka Pertola would take over as chairman of the board of directors.

At the AGM held on 31 May 2023, the following six board members were elected, with the re-election of Jukka Pertola, Kenn Herskind, Nikolaj Wendelboe, and Steen Hansen, and the new-election of Stefan Gardefjord and Henrik Kølle. Jukka Pertola was further elected as chairman of the board.

Effective as of 1 October 2023, Jukka Pertola resigned from the board of directors due to growing focus on good corporate governance casting a critical view on how many board positions a board member should have. On 26 September 2023, the board of directors resolved to appoint Stefan Gardefjord as new chairman of the board, effective as from 1 October 2023.

The requirements to size and composition according to the Code, including but not limited to in respect of independence, are fulfilled. No board member is a member of the executive management, and most board members are independent of the company and its executive management. Only one current board member is dependent in relation to the company's major shareholders.

A detailed presentation of the board members, including information about other assignments and holding of GomSpace shares, is found under the Board of Directors in the Corporate Governance section on the company's website.

Furthermore, information about board meeting attendance during the last financial year is included in ESG reporting. In 2023 the attendance rate was 97%. Steen Hansen was absent at one out of 27 board meetings resulting in an attendance rate of 96%, Stefan Gardefjord and Henrik Kølle were each absent at one out of 12 board meetings held during the period they have served as board members resulting in an attendance rate of 92% each, Jens Maaløe was absent at the only board meeting held during the period he served as board member during 2023 resulting in an attendance rate of 0%, and the other board members had an attendance rate of 100%. Since the last AGM, 14 board meetings have taken place.

The CEO and CFO usually attend the board meetings, and other persons within the company group can participate in board meetings from time to time (as decided by the board of directors).

Chair of the board of directors
The chair of the board of directors leads the work of the board. The chair has a special responsibility to follow the group's development between board meetings and ensure that the board members are continually provided with the information necessary to perform the work satisfactorily.

Pursuant to the board of directors' rules of procedure and in line with the Code, the chair ensures that the board's work is performed efficiently and that the board of directors fulfils its obligations.

The general meeting elects the chair of the board. The current chair is not an employee of the company or has duties assigned by the company regarding his chair responsibilities.

The chair maintains regular contact with the CEO and CFO and holds meetings with them as required.

Board procedures
The board of directors is responsible for ensuring that the group has good internal controls and ensures that the group has formalized routines to ensure that approved principles for financial reporting and internal controls are applied as well as to ensure that the company's financial reports are produced pursuant to legislation, applicable accounting standards and other requirements for listed companies.

The following policies and plans have been implemented and are regularly reviewed and updated:

- Rules of procedure for the board of directors
- Rules of procedure for duties incumbent upon an audit committee
- Rules of procedure for duties incumbent upon a remuneration committee
- Instructions for the CEO
- Instructions for financial reporting
- Accounting policy
- Authority rights
- Information policy
- Insider policy
- IT policy and Disaster Recovery plan
- Business continuity plan
- Code of Conduct

A detailed description of the group's internal controls is included in a separate section below, including the board's monitoring measures that the internal controls related to financial reports and reporting to the board function adequately.

A separate internal audit function has not been established. The board of directors believes that the limited size of the company's business in a centralized organization does not require a more extensive audit function in an internal audit function. The assessment is updated annually.

The board of directors has decided not to establish an audit committee, given that the board finds it more appropriate that the entire board fulfils the duties of the audit committee.

At least once a year, the board meets the company's statutory auditor without the CEO or any other executive management member.

CEO and executive management
The CEO is primarily responsible for the continuous management of the company's affairs and daily operations. The division of work between the board of directors and CEO are outlined in the board of directors' rules of procedure and the instructions for the CEO.

The CEO is responsible for keeping the board of directors informed of the company's operations, results of operation, and financial position. The CEO is also responsible for preparing reports, compiling information ahead of board meetings, and reporting the board meetings' materials.

A detailed presentation of the CEO and the entire executive management team, including information about other assignments and holding of GomSpace shares, is to be found under Executive Management in the Corporate Governance section on the company's website.

On 18 January 2023, it was announced that Niels Buus would step down as CEO and that CFO Troels Dalsgaard would take over as interim CEO until a new CEO has been appointed. On 13 March 2023, Carsten Drachmann was appointed as CEO.

Evaluation of the board of directors and CEO
The chair is to ensure that the board's work is evaluated annually and that the nomination committee is informed of the evaluation result.

The annual evaluation of the board work follows an established procedure in line with the corporate governance rules. The evaluation was conducted through a third party by means of a survey which was answered by the board members, in the aim of gaining an idea about the board members' views on how the board work has been conducted and which measures can be taken to improve the board work as well as which matters the board members deem should be given more attention and in which areas it could possibly be suitable to have additional expertise on the board. The results of this evaluation were reported to and discussed by the board. The results of the evaluation have further been reported to the nomination committee.

Furthermore, the chair is to ensure that the CEO's work is evaluated annually, and the board continuously evaluates the CEO's work. A formal examination is carried out at least once a year, and no member of the executive management is to be present during this evaluation process. The formal evaluation of the CEO will take place at the board meeting on May 16, 2024.

Remuneration of the board of directors and executive management
The board of directors has decided not to establish a remuneration committee, given that the board finds it more appropriate that the entire board fulfils the duties of the remuneration committee. If the board uses the services of an external consultant, the board ensures that there is no conflict of interest regarding other assignments this consultant may have for the company or its executive management.

The AGM adopts guidelines for remuneration for executive management in line with principles set out in the Swedish Corporate Governance Board's Rules on Remuneration of the Board and Executive Management and on Incentive Programs. The following guidelines are highlighted:

- The main principle is that remuneration and other employment conditions for executive management members shall be based on market terms and competitive to ensure that the group can attract and retain competent members of the executive management at a reasonable cost for the company.
- The total remuneration for the executive management shall consist of fixed salary, variable remuneration, pension, and other benefits. To avoid the executive management being encouraged to take inappropriate risks, there shall be a fundamental balance between fixed and variable remuneration.
- Thus, the fixed salary shall be large enough concerning the total remuneration paid to the executive management to render it possible to reduce the variable remuneration to zero.
- The variable remuneration to a member of the executive management whose function or total remuneration level implies that he or she can have a material effect on the company's risk profile may not be greater than the fixed salary.

Each year, the board of directors shall consider whether the AGM is to be proposed to adopt a share-based incentive program. Proposed incentive programs shall contribute to long-term value growth.

For further details regarding the company's guidelines for remuneration for executive management, see appendix 2 to the minutes from the AGM held in 2020, available on the company's webpage. The guidelines apply until the AGM to be held in 2024, and the board of directors intends to propose that the AGM to be held on 17 May 2024 resolves to re-adopt the current guidelines with no changes. The board of director's proposal will be included in the notice convening the AGM.

At the company's AGM held in 2023, it was resolved that the fees payable to the board of directors for the period until the end of the next AGM shall amount to a total of SEK 1,575,000, out of which SEK 450,000 shall be paid to the chair and SEK 225,000 to each of the other board members. The company's commitment regarding variable salary to the group's executive management for 2023 is SEK 4,277,604.

Information on sustainability and remuneration
The group is not legally required to publish a sustainability report. Still, an ESG reporting based on the Center for ESG Research's Integrated Ratio Guideline has been compiled voluntarily and included in the annual report (page 9) since 2019.

Furthermore, the group is not legally required to publish a remuneration report. Disclosures of management remuneration, including share-price related incentive programs, are included in Note 4 and 5 of the annual report and are also found on the company's webpage.

Internal controls of financial reporting
Internal controls regarding financial reporting aim to provide reasonable certainty regarding external financial reporting reliability and ensure that the financial reporting has been prepared pursuant to law, applicable reporting standards, and other requirements.

The control environment includes how targets are set, how earnings are monitored, and how risks are managed.

Financial reporting's control environment is based on allocating roles and responsibilities within the organization and accounting policies, instructions, and routines.

The authorization instructions in place regulate the decision-making process for important contracts, major investments, and other significant decisions, thus becoming an important part of the group's control environment.

The board of directors is responsible for identifying and addressing material financial risks and the risk of financial reporting errors.

Management reports its assessment of existing risks and any other issues concerning internal control continuously to the board. The board can then call for further measures if considered necessary.

The company's six- or nine-month report for 2023 has not been reviewed by the company's auditor, which is a deviation from rule 7.7 of the Code. The board of directors has made the assessment that the additional cost for such a review during 2023 cannot be motivated. The intention is that the company's nine-month report for 2024 is reviewed by the auditor.

Description of risk management and assessment are included on pages 13–15 of the annual report.

Control activities within GomSpace take place in the entire organization at all levels and include approval of projects and agreements and ongoing monitoring of earnings performance on projects.

Financial reporting and statements are analyzed and validated by the group's finance team.

Under the management of the group's CFO, the group's finance department conducts an annual evaluation of the company group's internal control.

Group Information

Board of Directors

Stefan Gardefjord
(Chairman of the Board)

Born: 1958
Position: Board member since May 2023. Chairman of the board October 2023.
Other current assignments:
Mr. Gardefjord is a strategic corporate advisor and currently non-executive director of the publicly listed BTS Group (Nasdaq OMX Nordic), and non-executive director of Knowit Plc (Nasdaq OMX Nordic).
Relevant experience (last five years):
Mr. Gardefjord has been CEO of SSC (Swedish Space Corporation) for more than 10 years.
Other relevant experience: Mr. Gardefjord has held numerous senior management positions in the information technology industry including CEO of Logica Sweden and member of the Logica Group (plc) Executive Committee. Mr. Gardefjord has also been a board member, and past chairman, of SAI – Swedish Aerospace Industries – the trade organization and interest association for the civil aviation and space industry in Sweden.
Independent of GomSpace and the senior management: Yes.
Independent of major shareholders as of today: Yes.
Holdings in GomSpace: Direct holding of 200,000 shares.

Steen Hansen
(Vice chairman of the board)

Born: 1948
Position: Board member since 2017.
Other current assignments: Mr. Hansen is chairman of the board of directors of Nyati Safari ApS, Beach Lodge ApS, H&L Ejendomme A/S, CN Group Holding ApS, Vilanculos ApS, Marineco Holding ApS, HB Invest Holding ApS, Scan Antenna A/S, DKF Invest A/S, EH Holding ApS and H&L Scan Antenna ApS. He is also a member of the board of directors of MSG Capital ApS, Go Hotel City ApS, CNDE Holding ApS, H&L Invest ApS, SHA Holding ApS, Grunden138 ApS, Huset 144 A/S, Komplementar-selskabet Stevns ApS, Dencam Composite A/S, Denwind ApS, S3e ApS, Hotels Holding ApS, Ejendomsselskabet Lergravsvej 53 ApS, Go Hotel Copenhagen ApS, Ejendomsselskabet Englandsvej 333 ApS, Go Hotel Saga A/S, Go Hotel Ansgar A/S, Go Hotel Ansgar Holding ApS, Melsted Badehotel ApS, Lidsøparken A/S, MSGM Ejendomme ApS, H&L Wind A/S, Stevns Broker P/S, Hages ApS, Herløv Kro & Hotel A/S, AG Krimsvej 17B ApS, AMAGER STRAND 10 ApS, Kemberg I/S, I/S BREGNERØD-VEJ 139, Melsted Restaurant ApS, MSG Capital APS, Go Hotel Herlev ApS and Grandalsgård Ap. Mr. Hansen is also the CEO of H&L Leasing ApS, SHA Holding ApS, H&L Obligationer ApS, H&L Invest ApS, SLJH Holding ApS, CNDE Holding ApS, and EH Holding ApS. He is also a director of Grunden 138 ApS, Huset 144 A/S, CATERING 133 ApS, H&L Wind A/S, H&L Junior 01 ApS, H&L Vind I/S and Partsrederiet Helle Stevns.
Relevant experience (last five years): None
Other relevant experience: Mr. Hansen has been working in the position as CEO for 39 years. He holds a Master of Science in electrical engineering from the Technical University of Denmark (Lyngby, Denmark).
Independent of GomSpace and the senior management: Yes.
Independent of major shareholders as of today: No.
Holdings in GomSpace: Indirect holding of 13,691,953 shares through H&L Invest ApS.

Nikolaj Wendelboe
(board member)

Born: 1975
Position: Board member since 2022.
Other current assignments:
Mr. Wendelboe is a member of the board of directors of Strandgaarden Wine & Spirits A/S and a director in NWE Invest ApS. He is also Executive Vice President & CFO for Bang & Olufsen A/S.
Relevant experience (last five years):
Mr. Wendelboe was chairman of the board of directors of Sparkle ApS undtil 2023, chairman of the board of directors of UCplus A/S until 2019, member of the board of the Danish Transport Federation until 2019, the Confederation of Danish Industry until 2019 and VENZO_ nxt until 2020. He was also CEO for Arriva Denmark A/S until 2019.
Other relevant experience: Mr. Wendelboe has considerable management experience in large corporations, thereof five years as CFO for NNIT A/S and five years as CEO for Arriva Denmark A/S.

He holds a Master of Science in Economics from University of Copenhagen (cand.polit).
Independent of GomSpace and the senior management: Yes.
Independent of major shareholders as of today: Yes.
Holdings in GomSpace: Direct holding of 173,076 shares.

Kenn Herskind
(board member)

Born: 1964
Position: Board member since 2022.
Other current assignments:
Mr. Herskind is Chairman of Goonhilly Earth Station Ltd. and Director at Winford Holding Ltd.
Relevant experience (last five years):
Mr. Herskind held the position of Director at Winford Holding Ltd. until 2023.
Other relevant experience: Mr. Herskind has an extensive career and has held positions such as Associate Lawyer, Director and Chairman at companies such as Mazanti-Andersen, Korsø Jensen & Partnere, AP Møller Maersk (global logistics) and Goonhilly Earth Station.

In addition, Mr. Herskind holds a Master in Law (cand.jur.) from Copenhagen University, a Master in Business Administration (MBA) from London Business School and a Master in Wealth Management from Chartered Institute for Securities and Investments (CISI).
Independent of GomSpace and the senior management: Yes.
Independent of major shareholders as of today: No.
Holdings in GomSpace: Direct holding of 242,000 shares.

Henrik Kølle
(board member)

Born: 1965
Position: Board member since 2023.
Other current assignments:
CEO at tandlægen.dk, board of directors CCIT, AllUnite.
Other relevant experience: Mr. Kølle has held numerous of leading and founding positions, as well as great experience as an engaged investor in IT companies and companies with strong growth potential and has many years of experience of board work in several companies.
Independent of GomSpace and the senior management: Yes.
Independent of major shareholders as of today: Yes.
Holdings in GomSpace: Direct holding of 754,701 shares and 1,196,293 shares indirectly through a holding company.

Executive Board and Executive Management

Carsten Drachmann
(CEO)

Born: 1966
Position: Mr. Drachmann is CEO for the company since March 2023.
Other relevant experience: Mr. Drachmann holds an MSc in Software & Electronics from the Technical University of Denmark and an E-MBA in Strategy & Organisation from Stanford University.
Relevant experience (last five years): Mr. Drachmann's career spans dynamic leadership roles in the global tech sector from start-ups to fortune 500. Notable among his recent positions are CEO at Zero Error Systems PTE LTD in Singapore, CEO at KebNi AB in Stockholm, and Chief Sales & Marketing Officer & Managing Director at DataPath Inc. in London, and CEO at International Copyright Enterprise in Stockholm. Previously, he spent 20 years at Nokia, refining his expertise in tech industry leadership and management. Throughout his career, he has consistently demonstrated his ability to drive company growth, enhance shareholder value, and ensure profitability.
Holdings in GomSpace: Direct holding of 72,232 shares.

Troels Dalsgaard
(Deputy CEO and CFO)

Born: 1986
Position: Mr. Dalsgaard is CFO of the Company and for GomSpace A/S since 2014.
Other current assignments: Mr. Dalsgaard is a partner of Dalsgaard Capital LLC and board member in Roblight A/S.
Other relevant experience: Mr. Dalsgaard was previously a partner in a family-owned construction and development group and has held the position of interim financial manager of Aalborg Boldspilklub A/S and various positions in two of the "big four" accounting firms. He is currently a board member of Roblight A/S. Mr. Dalsgaard has experience and education from internal auditor education from EY and PwC, FSR – Danish Auditors, and New York Institute of Finance. He holds a Graduate Certificate in Business Administration from Aalborg University (Aalborg, Denmark).
Holdings in GomSpace: Direct holding of 786,994 shares. Related persons (children) also hold a total of 7,500 shares.

Thomas Pfister
(CCO)

Born: 1976
Position: Mr. Pfister is CCO of the Company since March 2022.
Other relevant experience: Mr. Pfister held positions in SMEs, Global Groups and various space business environment (civilian/defence, earth observation/telecom, services/hardware, institutional/commercial) in his 15y+ Space carrer. Mr Pfister spent the 2020's decade in the APAC region, living in Singapore, Thailand and Australia. He graduated from Skema Business School, Sophia-Antipolis, France.
Relevant experience (last five years): Mr. Pfister was leading the Airbus Defence and Space division businesses in several Asian countries and the global Pacific region up to 2020. He then led the Airbus Space commercial export sales team for MEA/Asia/Pacific and strategic accounts.
Holdings in GomSpace: Direct holding of 123,076 shares.

Lars K. Alminde
(CPO)

Born: 1979
Position: Mr. Alminde is Vice President of Strategy and Business Development of GomSpace and has been with the company since September 2007.
Other relevant experience: Mr. Alminde holds a MSc.EE. and a PhD degree from Aalborg University and has built experience with space systems technology and commercialization since first working with nanosatellites from 2001.
Holdings in GomSpace: Indirect holding of 1,726,439 shares in the Company through Black Pepper Invest ApS.

Henrik Kalstrup

Vice President, Product Business Unit

Born: 1963
Position: Mr. Kalstrup has held the position as Vice President of Products Business Unit since March 2024.
Other relevant experience: Mr. Kalstrup holds an M. Sc.EE in System design from Aalborg University 1992 and an Executive MBA in Technology Management from Aalborg University 2007.
Relevant experience (last five years):
Mr. Kalstrup has held positions within Cobham SATCOM for the last 5 years. In 2017 he took over the full R&D development responsibility as Senior Development Director of Radio, Safety, Tracking as well as L-Band satellite products leading a full development team of forty people on two sites. From 2020 Mr. Kalstrup's career became more commercial as the organization matured and he became Head of Product Management of Radio, Safety, tracking and L-Band products. In this role Mr. Kalstrup's technical expertise was used commercially. The last 2 years of his appointment with Cobham SATCOM was as Director of the Agile team Critical Communications, an incubator group serving the land mobile and maritime market with augmented radio coverage via Satellite.
Holdings in GomSpace: None.

Oliver Schiewe

Vice President, Program Business Unit

Born: 1967
Position: Mr. Schiewe has held the position as Vice President of Programs Business Unit since April 2024.
Other relevant experience: Mr. Schiewe holds a degree in mechanical engineering from the university of applied siences in Nuremberg. Mr. Schiewe worked since more than 20 years in the space industrie (astrium, EADS, Contraves and RUAG Space). He was responsible ramping-up new production line for space structures in Decatur/USA being on-side from zero until operation.
Relevant experience (last five years): Mr. Schiewe has held several senior management position at RUAG Space last position Senior Vice President Product Group Spacecraft at RUAG Space until 2021. He took over in June 2021 the role as Vice President Engineering, Operations & Quality at RUAG Aerostrucutures before he moved January 2023 as Director Safety & Quality to the Federal Railway Switzerland.
Holdings in GomSpace: None.

Frank T. Tobin Jr. P.E.

Vice President, North America Business Unit

Born: 1960
Position: Mr. Tobin is Vice President of GomSpace, North America Business Unit.
Other current assignments: Mr. Tobin currently serves as BoD for the EOD Warrior Foundation.
Other relevant experience: Mr. Tobin has held Executive positions in multinational companies Lockheed and Thales NA. He has held positions as BoD & President for Systematic a US Proxy Company, Chaiman and CEO of NABCO, and BoD position for Hi-Rel as part of his affiliation with Main Street Capital Private Equity group.

Mr. Tobin is a Professional Engineer (PE), and received his MBA from Florida Institute of Technology and his Bachelor of Science degree in Engineering from the University of Florida.
Relevant experience (last five years):
Mr. Tobin served as Director/President/CEO, of HIC, a technology company which combined the top handset developers with the leaders in biometrics and security to bring a new approach to mobile security to protect critical personal and corporate information.
Holdings in GomSpace: Direct holding of 10,000 shares.

For further information on the Board of Directors and the Executive Management, please visit https://gomspace.com/corporate-governance.aspx

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Consolidated Income

T.SEK	Note	2023	2022
Net revenue	3	237,841	198,379
Cost of goods sold	4,5,6,19	-219,225	-249,498
Gross profit (loss)		**18,616**	**-51,119**
Sales and distribution costs	4,5,6,19	-24,563	-63,297
Development costs	4,5,6	-39,905	-73,945
Administrative costs	4,5,6	-58,617	-43,765
Other operating income		20,053	131
Operating profit (EBIT)		**-84,416**	**-231,995**
Finance income	8	16,736	10,745
Finance expenses	9	-26,446	-11,689
Profit (loss) before tax		**-94,126**	**-232,939**
Tax	10	1,525	5,115
Profit (loss) for the year		**-92,601**	**-227,824**
Profit (loss) is attributable to			
Owners of GomSpace Group AB (publ)		-92,601	-227,824
		-92,601	**-227,824**

T.SEK	Note	2023	2022
Consolidated Comprehensive Income			
Profit (loss) for the year		-92,601	-227,824
Items which may be reclassified to the income statement:			
Foreign exchange rate adjustments, subsidiaries		-579	11,211
Other comprehensive income for the year, net of tax		**-579**	**11,211**
Total comprehensive income for the year		**-93,180**	**-216,613**
Total comprehensive income for the year is attributable to:			
Owners of GomSpace Group AB (publ)		-93,180	-216,613
		-93,180	**-216,613**
Earnings per share, basic, SEK	23	-0.91	-3.76
Earnings per share, diluted, SEK	23	-0,91	-3.76

Consolidated Financial Position

T.SEK	Note	Dec 31 2023	Dec 31 2022
ASSETS			
Goodwill	11	0	0
Other intangible assets	11	92,443	122,332
Property, plant and equipment	12	11,156	18,767
Right of use assets (leasing)	13	29,998	43,581
Other non-current assets	16	4,800	4,794
Total non-current assets		**138,397**	**189,474**
Inventories	17	43,475	46,162
Contract work asset	18,19	22,567	29,264
Trade receivables	19	25,345	19,954
Tax receivable	20	1,992	6,898
Prepayments	21	4,725	4,033
Other receivables	22	4,631	5,290
Cash and cash equivalents		61,077	33,097
Total current assets		**163,812**	**144,698**
Total assets		**302,209**	**334,172**

T.SEK	Note	Dec 31 2023	Dec 31 2022
EQUITY AND LIABILITIES			
Share capital	23	9,847	4,391
Share premium		769,102	676,505
Other reserves		114	0
Translation reserve		17,921	18,500
Retained earnings		-687,199	-594,598
Total equity		**109,785**	**104,798**
Credit institutions	27,28	53,078	6,885
EIB warrant	29	7.181	0
Leasing liabilities	13,27,28	21,182	32,382
Other liabilities	25,27,28	8,337	8,521
Total non-current liabilities		**89,778**	**47,788**
Credit institutions	27,28	4,375	4,228
Leasing liabilities	13,27,28	11,940	12,481
Trade payables and other payables	27,28	17,757	27,757
Contract work liability	18	49,178	51,458
Prepayments	24	1,737	2,261
Corporation tax		1,042	1,120
Loans from shareholders, Board of Directors and management	30,37	156	52,930
Other liabilities	25,28	11,620	15,947
Provision for contract work loss	34	4,841	13,404
Total current liabilities		**102,646**	**181,586**
Total liabilities		**192,424**	**229,374**
Total equity and liabilities		**302,209**	**334,172**

Consolidated Changes in Equity

T.SEK	Share capital	Share premium	Other reserves	Translation reserve	Retained earnings	Total equity
Equity 01.01.2022	**3,660**	**581,599**	**0**	**7,289**	**-367,658**	**224,890**
Profit (loss) for the year	0	0	0	0	-227,824	-227,824
Other comprehensive income	0	0	0	11,211	0	11,211
Total comprehensive income for the year	**0**	**0**	**0**	**11,211**	**-227,824**	**-216,613**
Transactions with owners in their capacity as owners						
Increase in share capital	731	101,831	0	0	0	102,562
Increase in share capital, costs	0	-6,925	0	0	0	-6,925
Fair value adjustment, convertible loan	0	0	0	0	884	884
Total transactions with owners in their capacity as owners	**731**	**94,906**	**0**	**0**	**884**	**96,521**
Equity 31.12.2022	**4,391**	**676,505**	**0**	**18,500**	**-594,598**	**104,798**
Equity 01.01.2023	**4,391**	**676,505**	**0**	**18,500**	**-594,598**	**104,798**
Profit (loss) for the year	0	0	0	0	-92,601	-92,601
Share based payments	0	0	114	0	0	114
Other comprehensive income	0	0	0	-579	0	-579
Total comprehensive income for the year	**0**	**0**	**114**	**-579**	**-92,601**	**-93,066**
Transactions with owners in their capacity as owners						
Increase in share capital	5,456	95,865	0	0	0	101,321
Increase in share capital, costs	0	-3,269	0	0	0	-3,269
Total transactions with owners in their capacity as owners	**5,456**	**92,597**	**0**	**0**	**0**	**98,053**
Equity 31.12.2023	**9,847**	**769,102**	**114**	**17,921**	**-687,199**	**109,785**

Consolidated Cash Flow

T.SEK	Note	2023	2022
Profit (loss) before tax		-94,126	-232,939
Reversal of financial items		9,710	944
Depreciation and amortisations		59,010	74,507
Non-cash items	31	2,410	21,307
Changes in net working capital	32	-28,951	-24,797
Cash flow from primary operating activities		**-51,947**	**-160,978**
Received interest		7,721	22
Paid interest		-10,320	-2,587
Tax received		6,639	6,037
Tax paid		0	-1,560
Cash flow from operating activities		**-47,907**	**-159,066**
Investments in intangible assets (before grants)	11	-7,596	-40,706
Investments in leasehold improvement, plant and equipment		-1	-9,552
Deposit paid		-30	-260
Government grants	35	159	5,696
Cash flow from investing activities		**-7,468**	**-44,822**
Free cash flow		**-55,375**	**-203,888**

T.SEK	Note	2023	2022
Financing from debt:			
Borrowings	33	57,320	53,593
Repayment of borrowings	33	-58,608	-4,012
Payment of lease liabilities	33	-11,912	-12,370
		-13,200	**37,211**
Financing from shareholders:			
Capital increase		101,321	102,562
Capital increase, costs		-3,269	-6,925
		98,053	**95,637**
Cash flow from financing activities		**84,853**	**132,848**
Net cash flow for the year		**29,477**	**-71,040**
Cash and cash equivalents, beginning of the year		33,097	83,516
Unrealised exchange rate gains and losses on cash		-1,496	4,319
Change in bank deposit for security		0	16,302
Cash and cash equivalents, end of the year		**61,077**	**33,097**
Reconciliation of cash and cash equivalents			
Cash and cash equivalents according to the balance sheet		61,077	33,097
Cash and cash equivalents according to the cash flow statement		**61,077**	**33,097**

The cash flow statement cannot be directly derived from the items in the consolidated financial statements.

Parent Company Income

T.SEK	Note	2023	2022
Net revenue	3	42,470	40,678
Gross profit		**42,470**	**40,678**
Administrative costs		-80,330	-108,529
Other operating income		25,397	0
Operating profit (EBIT)		**-12,463**	**-67,851**
Finance income	8	7,518	3,591
Write-down/reversal of write-down of investments in subsidiaries	14	64,055	-365,608
Finance expenses	9	-9,330	-1,354
Profit (loss) before tax		**49,780**	**-431,222**
Tax	10	0	0
Profit (loss) for the year		**49,780**	**-431,222**
Statement of Comprehensive Income			
Profit (loss) for the year		49,780	-431,222
Items which may be reclassified to the income statement:			
Other comprehensive income for the year, net of tax		**0**	**0**
Total comprehensive income for the year		**49,780**	**-431,222**

Parent Company Financial Position

T.SEK	Note	2023	2022
ASSETS			
Investments in subsidiaries	14	247,868	183,813
Total financial fixed assets		**247,868**	**183,813**
Total non-current assets		**247,868**	**183,813**
Receivables from subsidiaries		36,575	10,193
Deferred tax asset		55	55
Other prepayments	21	1,226	932
Other receivables	22	247	31
Receivables		**38,103**	**11,211**
Cash and cash equivalents		**19,500**	**16,100**
Total current assets		**57,603**	**27,311**
Total assets		**305,471**	**211,124**

T.SEK	Note	2023	2022
EQUITY AND LIABILITIES			
Restricted equity:			
Share capital	23	9,847	4,391
Total restricted equity		**9,847**	**4,391**
Free equity:			
Share premium		765,813	673,217
Retained earnings		-472,875	-522,768
Total free equity		**292,938**	**150,449**
Total equity		**302,785**	**154,840**
Payables to subsidiaries		0	0
Loans from shareholders, Board of Directors and management	30,37	156	52,930
Trade payables and other payables		2,279	2,844
Other liabilities	25	251	510
Total current liabilities		**2,686**	**56,284**
Total liabilities		**2,686**	**56,284**
Total equity and liabilities		**305,471**	**211,124**

Parent Company Changes in Equity

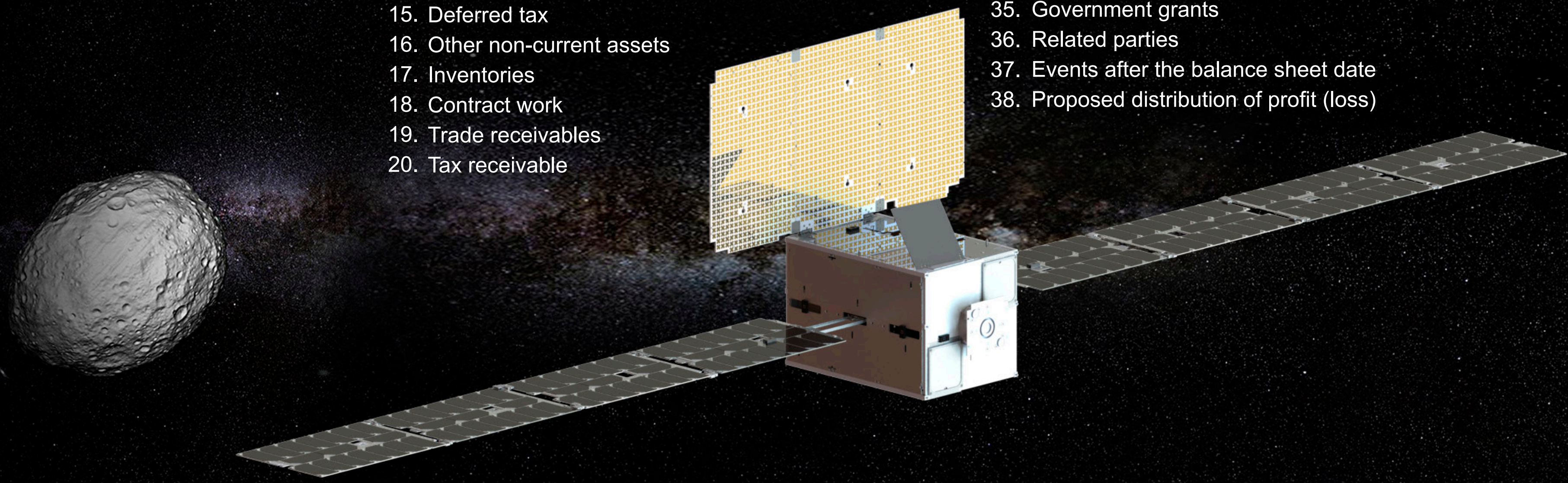
T.SEK	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.2022	**3,660**	**578,311**	**-92,430**	**489,541**
Profit (loss) for the year	0	0	-431,222	-431,222
Total comprehensive income for the year	**0**	**0**	**-431,222**	**-431,222**
Transactions with owners in their capacity as owners				
Increase in share capital	731	101,831	0	102,562
Increase in share capital, costs	0	-6,925	0	-6,925
Fair value adjustment, convertible loan	0	0	884	884
	731	**94,906**	**884**	**96,521**
Equity 31.12.2022	**4,391**	**673,217**	**-522,768**	**154,840**
Equity 01.01.2023	**4,391**	**673,217**	**-522,768**	**154,840**
Profit (loss) for the year	0	0	49,780	49,780
Total comprehensive income for the year	**0**	**0**	**49,780**	**49,780**
Transactions with owners in their capacity as owners				
Increase in share capital	5,456	95,865	0	101,321
Increase in share capital, costs	0	-3,269	114	-3,155
	5,456	**92,596**	**114**	**98,166**
Equity 31.12.2023	**9,847**	**765,813**	**-472,874**	**302,785**

Parent Company Cash Flow

T.SEK	Note	2023	2022
Profit (loss) before tax		49,780	-431,222
Reversal of financial items		1,813	-2,237
Non-cash items	31	-64,432	364,507
Change in net working capital	32	-34,051	83,175
Cash flow from primary operating activities		**-46,891**	**14,223**
Received interest		6,706	3,591
Paid interest		-875	-31
Tax received		1	60
Tax paid		0	-60
Cash flow from operating activities		**-41,059**	**17,783**
Acquisition of and capital increase in subsidiaries	14	0	-151,022
Cash flow from investing activities		**0**	**-151,022**
Borrowings	33	-53,593	53,593
Capital increase		101,321	102,562
Capital increase, costs		-3,269	-6,925
Cash flow from financing activities		**44,459**	**149,230**
Net cash flow for the year		**3,400**	**15,991**
Cash and cash equivalents, beginning of the year		16,100	109
Cash and cash equivalents, end of the year		**19,500**	**16,100**
Reconciliation of cash and cash equivalents			
Cash and cash equivalents according to the balance sheet		19,500	16,100
Cash and cash equivalents according to the cash flow statement		**19,500**	**16,100**

Notes

1. Accounting policies
2. Significant accounting estimates and judgments
3. Net revenue
4. Staff costs
5. Share-based payment
6. Depreciation and amortizations
7. Remuneration to auditors
8. Finance income
9. Finance expenses
10. Tax on profit (loss) for the year
11. Intangible assets
12. Property, plant and equipment
13. Right of use assets (leasing)
14. Investments in subsidiaries
15. Deferred tax
16. Other non-current assets
17. Inventories
18. Contract work
19. Trade receivables
20. Tax receivable
21. Prepayments
22. Other receivables
23. Share capital
24. Prepayments
25. Other liabilities
26. Contractual commitments and contingent liabilities
27. Financial risks
28. Classification of financial assets and liabilities
29. European Investment Bank loan
30. Convertible loans
31. Non-cash items
32. Changes in net working capital
33. Liabilities from financing of debt activities
34. Provision for contract work loss
35. Government grants
36. Related parties
37. Events after the balance sheet date
38. Proposed distribution of profit (loss)



Notes

1. Accounting policies

Group
This note provides a list of the material accounting policies adopted to prepare these consolidated financial statements as per 31 December 2023. Unless otherwise stated, these policies have been consistently applied to all the years the Group's financial statements consist of GomSpace Group AB and its subsidiaries.

Basis of preparation
The consolidated financial statements of GomSpace Group AB (publ) and its subsidiaries for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 27 April 2024.

The consolidated financial statements of GomSpace Group AB (publ) have been prepared following IFRS Accounting Standards (IFRS) as adopted by the EU and the Annual Accounts Act. IFRS Accounting Standards includes interpretations issued by the IFRS Interpretations Committee (IFRS IC). In addition to the Annual Accounts Act and IFRS, the Swedish Financial Reporting Board's recommendation RFR 1, Supple-mentary Accounting Rules for Groups, has also been applied. The consolidated financial statements are pre-sented in Swedish Kronor and all values are rounded to the nearest thousand (000).

New and amended standards and interpretations
The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.
The amendments had no impact on the Group's con-solidated financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12
Amendments to IAS 12 have been introduced in re-sponse to the OECD's BEPS Pillar Two rules but have had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules as its revenue is less that EUR 750 million/year.

Definition of Accounting Estimates - Amendments to IAS 8
The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's con-solidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materi-ality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments had no impact on the Group's consolidated financial statements

Standards issued but not yet effective
IASB has issued below new or amended accounting standards and interpretations that have not yet be-come effective and have consequently not been im-plemented in the consolidated financial statements for 2023.

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
- Amendments to IAS 21 Lack of exchangeability

Then Company expects to adopt the accounting stand-ards and interpretations as they become effective.

The new or amended standards or interpretations are not expected to have a significant impact on our consolidated financial statements.

Consolidation of subsidiaries
Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to or has the right to variable return from its holding in the entity and can affect this return through its influence. Subsidiaries are included in the financial statements as of the date when control passes to the Group. They are de-consolidated from the date on which the control ceases.

Associates
An associate is an entity over which GomSpace has significant influence. Significant influence is the power to participate in the investee's financial and operating policy decisions but is not control or joint control over those policies.

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the association since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The income statement reflects the Group's share of profit or loss after tax from the associates. Any change in Other Comprehensive Income ('OCI') of those inves-tees is presented as part of the Group's OCI. When there has been a change recognised directly in the as-sociate's equity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the associate's interest.

Translation of foreign currency
(i) Functional currency and reporting currency
Items included in each of the Group's entities' financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Swedish kronor (SEK), the parent company's functional currency. The functional currency of the operating companies GomSpace A/S and EPGS Partners ApS is DKK, GomSpace Sweden AB is SEK, GomSpace Asia PTE Ltd. is SGD, GomSpace North America Ltd. is USD, and GomSpace Luxembourg SARL and GomSpace France SAS is EUR.

(ii) Transactions and balance-sheet items
Transactions in foreign currencies are translated into the functional currency at the exchange rates appli-cable on the transaction date. The income statement under the item Net financials recognises exchange gains and losses arising in the payment of such trans-actions and the translation of monetary assets and liabilities in foreign currencies at the rate prevailing on the reporting date.

(iii) Group companies
The results and financial position of foreign operations that have a functional currency different from the pres-entation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transac tions), and
- all resulting exchange differences are recognised in other comprehensive income.

Segments report
Operating segments are reported consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, responsible for allocating resources and assessing the performance of the operating segments, has been identified as Management that makes strategic deci-sions. The business of GomSpace Group AB (publ) only includes one segment; the consolidated financial statements of comprehensive income, the consolidated

1. Accounting policies (continued)

statements of financial position, the consolidated statements of cash flows, and the statement of equity changes and notes represent this segment.

Revenue
Revenue includes sales of satellite solutions, platforms, payloads, and subsystems. Revenue is recognised to the extent that the economic benefits will flow to the Group, and the revenue can be measured reliably, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined payment terms and excluding taxes or duty. The Group has concluded that it is the principal in all its revenue arrangements since it is the primary obligor in all the revenue arrangements, pricing latitude, and exposure to inventory and credit risks.

In general, the transaction price is fixed, but the Group considers the effects of variable consideration, if any. Suppose the consideration in a contract includes a variable amount. In that case, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is resolved.

Contract work subject to a high degree of individual adaptation is recognised as revenue over time using the percentage-of-completion method. This means that revenue corresponds to the selling price of work performed during the year. Percentage-of-completion is calculated based on costs using the input method. When the outcome of contract work cannot be estimated reliably, revenue is recognised at the costs incurred so far when they are likely to be recovered. When it is probable that the total contract costs will exceed the total contract revenue, the contract's anticipated loss is immediately recognised as an expense and a provision.

Product sales, platforms, payloads, and subsystems are either sold as separated components to customers or integrated as a platform or turnkey nanosatellite. It has been assessed that satellite solutions and platforms, payloads, and subsystems meet the criteria for revenue to be recognised over time on a percentage of completion basis. This is due to customising components to customer specifications (selected options), which means GomSpace has no alternative use for the component once customisation commences.

GomSpace has a right to receive payment for work completed to date. The Group's contracts with customers to sell satellite solutions, platforms, payloads, and subsystems generally include one performance obligation.

For satellite solutions and platforms, payments are based on milestones, generally leading to prepayments in the first phase and assets in the ending period.
Trade receivables are non-interest bearing and generally payment terms are 14 to 60 days.

Generally, normal standard warranty obligations apply.

Cost of goods sold
The cost of goods sold comprises the cost of products and projects sold. Cost comprises the purchase price of raw materials, consumables, and goods for resale, direct labour costs, and a share of indirect production costs, including costs of operation and depreciation of production facilities and operation, administration, and management of production sites.

Sales and distribution costs
Costs incurred in distributing goods sold during the year and conducting sales campaigns, etc., are recognised as distribution costs. Also, costs relating to sales staff, advertising, exhibitions, depreciation, and impairment losses are recognised as distribution costs. Also included in this item are the impairment of trade receivables under the expected credit loss model.

Development costs
Development costs include expenses relating to development activities not meeting the capitalisation criteria. Such expenses include staff costs, cost of material, as well as depreciation and impairment losses.

Administrative costs
Administrative costs comprise expenses incurred during the year for Management and administration, including costs relating to administrative staff, office premises, office expenses, and depreciation and impairment losses.

Share-based payments
Executive Management receives remuneration which also includes warrants which are classified as equity-settled transactions. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes option-pricing valuation model, further details of which are given in Note 5.

In the consolidated financial statements of the Group, the cost is recognised in employee benefits expense together with a corresponding increase in equity over the period in which the service conditions (continued employment) are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense in the income statement for a period represents the movement in cumulative expenses recognised as the beginning and the end of that period.

Employee benefits
Liabilities for wages and salaries, including non-monetary benefits, are recognised regarding employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Variable salary
Provisions for variable salaries are expensed on an ongoing basis following the economic substance of current agreements.

Pension obligations
The company only has defined contribution pension plans. The contributions are recognised as employee benefit expenses when they are due. The Group has no further payment obligations once the contributions have been paid.

Termination benefits
A provision for costs connected with personnel termination is only recognised if the company is obligated to end employment before the normal retirement date or when benefits are provided as an incentive to encourage voluntary termination. Estimated termination benefits are recognised as a provision when a detailed plan for the measure is presented.

Financial income and expenses
Financial income and expenses comprise interest receivable, interest payable, and value adjustments of financial assets and items denominated in a foreign currency.

Income tax and deferred tax
The period's income tax expense or credit is the tax payable on the current period's taxable income based on each jurisdiction's applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions in tax returns concerning situations where applicable tax regulation is subject to interpretation. It establishes appropriate provisions based on amounts expected to be paid to the tax authorities. Deferred income tax is provided in full, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it stems from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) enacted or substantially enacted by the end of the reporting period. It is expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in the income statement, except that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Intangible assets
Development costs
Costs associated with maintaining software and products are recognised as an expense as it is incurred. Development costs that are directly attributable to the design and testing of identifiable and unique development projects controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the development project so that it will be available for use
- management intends to complete the development project and use or sell it
- there is an ability to use or sell the development project
- it can be demonstrated how the development project will generate probable future economic benefits

1. Accounting policies (continued)

- the expenditure attributable to the development project during its development can be reliably measured

Directly attributable costs capitalised as part of the development project include employee costs and an appropriate portion of relevant overheads.
Capitalised development costs are recorded as intangible assets and amortised from when the asset is ready for use.

Amortisation is based on the straight-line method over the expected useful lives of the assets:

- Development projects: 5 years

Intangible assets not yet available for use are not subject to amortisation but are tested annually for impairment, irrespective of whether there is any indication that they may be impaired.

Government grants
Government grants comprise grants for investments, development projects, etc. Grants are recognised when there is reasonable certainty that they will be received. Grants for investments and capitalised development projects are set off against the assets' cost to which the grants relate. Other grants are recognised in development costs in the income statement to offset the expenses they compensate.

Other intangible assets
Other intangible assets are measured at cost less accumulated depreciation and amortisation.

Other intangible assets are amortised on a straight-line method over the expected useful lives of the assets:

- Customer relationships: 5 years
- Licenses/software: 3-5 years

Amortisation of a development project begins at a stage where its commercial potential can be utilised as intended by Management.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. On initial recognition, lease liabilities are measured at the present value of future lease payments discounted using an incremental borrowing rate. The following lease payments are recognised as part of the lease liability:

- Fixed lease payments.
- Variable lease payments that change concurrently with an index or interest rate change based on a current index or interest rate.
- Amounts payable under a residual value guarantee.
- The exercise price for purchase options that Management is reasonably certain to exercise.
- Payments included in an extension option that the Group is reasonably certain to exercise.
- Penalty for termination option unless the Group is reasonably certain not to exercise the option.

The lease liability is subsequently measured at amortised cost using the effective interest method. The lease liability is remeasured when there are changes in the underlying contractual cash flows from changes in an index or an interest rate, if there are changes in the Group's estimated residual value guarantee or if the Group changes its assessment of whether a purchase, extension or termination option is reasonably certain to be exercised.

Right-of-use assets are measured at initial recognition measured at cost, corresponding to the value of the lease liability adjusted for prepaid lease payments plus directly related costs and estimated costs for dismantlement, restoration, or the like and less incentives received. The asset is subsequently measured at cost less accumulated depreciation, amortisation and impairment losses. The asset is depreciated over the shorter of the lease term and the leased asset's useful life. Depreciation is recognised on a straight-line basis in the income statement. The asset is adjusted for changes in the lease liability due to changes in terms of the lease agreement or changes in the contract's cash flows concurrently with changes in an index or interest rate.

Right-of-use assets are depreciated on a straight-line basis over the expected lease period, which is:

- Properties 2-8 year
- Operating equipment 3 - 5 years

The Group has chosen not to recognise low-value and short-term leased assets in the balance sheet. Instead, lease payments are recognised in the income statement.

Impairment testing of non-current assets
The carrying amount of non-current assets is tested annually for indicators of impairment. When there is an indication that assets may be impaired, the asset's recoverable amount is determined. The recoverable amount is the highest of an asset's fair value, less expected costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or the cash-generating unit to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. The impairment loss is recognised in the income statement.

Inventories
Inventories are measured at the lowest cost and net realisable value. Cost is determined using the first-in, first-out method.

The cost of goods for resale and raw materials and consumables comprises purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising costs incurred to bring the product to the current completion rate and location. Costs include raw materials, consumables, direct wages and salaries, and indirect production overheads. Indirect production overheads comprise indirect materials, wages, salaries, maintenance, and depreciation of machinery and equipment, as well as production, administration, and management.

Trade receivables
Receivables are initially recognised at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortised cost less provisions for expected credit losses. Impairment on expected credit losses on trade receivables is recognised immediately in the income statement at the same time as the amount receivable based on a simplified expected credit loss model. The impairment is based on historical data. This data is based on expected loss over the total maturity of the amount receivable, corrected for estimates of the effect of expected changes in relevant parameters, for instance, financial development, political risks, etc., on the market in question.

Management applies estimates when assessing provisions for bad debts upon initial recognition and ongoing risk management.

Contract work
Contract work is measured at the selling price of the work performed, less progress billings and anticipated losses. Contract work entails a significant degree of design customisation of produced goods. Moreover, before any work is commenced, a binding agreement must have been entered into, which will imply a penalty or damages on subsequent termination of the contract.

The selling price is measured by the completion percentage at the end of the reporting period, and the contract's total expected income. The completion percentage is determined based on an assessment of the work performed, which is usually measured as the proportion of contract costs incurred for work completed to date relative to the total estimated contract costs.

When it is probable that the total contract costs will exceed the total contract revenue, the contract's anticipated loss is immediately recognised as an expense and a provision.
When income and expenses on contract work cannot be determined reliably, contract revenue is recognised only to the extent of contract costs incurred that will probably be recoverable.

If the selling price of work performed exceeds progress billings on contract work and anticipated losses, the excess is recognised under receivables. If progress billings and expected losses exceed the selling price of contract work, the deficit is recognised under liabilities.

Prepayments from customers are recognised under liabilities.

Prepayments under assets
Prepayments recognised under assets include costs to be incurred in subsequent financial years, primarily relating to prepaid expenses and prepayments for inventories.

Provisions
Provisions are recognised when, as a consequence of an event occurring on or before the balance sheet date, the Group has a legal or constructive obligation, and it is probable that economic benefits must be given up to settle the obligation. The obligation is measured based on Management's best estimate of the discounted amount at which the obligation is expected to be met.

Financial assets and liabilities
Cash and cash equivalents comprise cash balances and restricted and unrestricted bank deposits.

1. Accounting policies (continued)

Financial liabilities are initially measured at fair value, less transaction costs incurred. Subsequently, the financial liabilities are measured at amortised cost using the Effective Interest Method (EIR). Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs integral to the EIR. The EIR amortisation is included as finance costs in the income statement. Financial liabilities are derecognised when settled.

Contributed equity
Ordinary shares are classified as equity.

Incremental costs directly attributable to new shares or options are shown in equity as a net tax deduction from the proceeds.

EIB Loan (non-derivative loan component only)
The loan is initially recognised at fair value minus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method, with the unwinding of the discount recorded as finance expense over the life of the loan. The effective interest rate is determined based the loan amount paid out, fair value of vested warrants, transaction costs and future payments. See below regarding the treatment of the EIB warrants.

EIB Warrants
The warrants are considered to be part of the overall return to EIB on the financing arrangement and are thus accounted for in accordance with IAS 32 and IFRS 9. The fair value of the vested warrants measured at initial recognition is accounted for as transaction costs as it directly linked to the draw down on each individual tranche of the loan.

The warrants are initially and subsequently measured at fair value with fair value movements presented in either finance expense or finance income.

Compound financial instruments
A compound financial instrument which contains both a liability and an embedded put option component is separated at the issue date.

When establishing the accounting treatment of these non-derivative instruments, the company first verifies whether the instrument is compound and classifies such instruments or components separately as financial liabilities or warrant put option instruments following IAS 32 Financial Instruments: Presentation.
The company separately recognises the components of a financial instrument that: (a) creates a financial liability for the company and (b) grants a put option to the lender to purchase all or part of the warrants held by the lender.

Classification of the liability and warrant put option components is not revised because of a change in the likelihood that the warrant put option will be exercised, even when the exercise of the option may appear to have become economically advantageous to the holders. When allocating the initial carrying amount of a compound financial instrument to its liability and warrant put option components, the liability component is assigned the residual amount after deducting from the entire fair value of the instrument, the amount separately determined for the warrant put option component.

Prepayments under liabilities
Prepayments recognised under liabilities include payments received regarding income in subsequent financial years and primarily relate to received government grants.

Cash flow statement
The cash flow statement has been prepared under the indirect method and shows the Group's cash flows from operating, investing, and financing activities for the year. Cash flows from operating activities comprise profit or loss before tax adjusted for non-cash operating items, changes in working capital, financial items received and paid, and income tax paid.

Cash flows from investing activities comprise payments concerning the acquisition and divestment of companies and activities and investment, development, sale, and improvements of intangible assets and property, plant, and equipment.

Cash flows from financing activities comprise capital increases and costs incidental to it, the arrangement of loans, and the repayment of interest-bearing debt, incl. lease liabilities, shares, and dividends to the Group's shareholders.

Cash and cash equivalents in the cash flow statement comprise cash balances and unrestricted deposits with banks.

Earnings per share are computed following IAS 33 (note 23). Other key figures are calculated by key ratio definitions. GomSpace presents alternative target results in the Annual Report, which IFRS does not define. It is assessed that these financial highlights will contribute to increased comparability and value when evaluating this year's and previous years' results.

Key ratios definitions and reconciliation of alternative key figures

Gross margin	=	gross profit / net revenue	The gross margin shows the amount of total sales revenue that the group retains after incurring the direct costs associated with producing.
Operating margin	=	operating profit / net revenue	The ratio shows the group's operational profitability after depreciation and write-downs.
Net margin	=	profit / net revenue	The net margin shows the ratio of profit (loss) the group earns to the group's total amount of revenue.
Return on invested capital	=	profit / total assets	The ratio shows how well the group is using its capital to generate profits.
Return on equity	=	profit / average equity*	Return on equity shows how good the group is in generating returns on the investment it received from its shareholders.
Equity ratio	=	equity / total assets	The ratio is used to measure the group's financial stability.
Earnings per share, basic	=	profit / number of shares basic, average	The ratio shows the profitability of the group based on outstanding shares.
Earnings per share, diluted	=	profit / number of shares diluted, average	The ratio shows the profitability of the group based on outstanding shares and expected dilutive securities.
Net working capital	=	Inventory + Contract work + Trade receivables + Other prepayments + Other receivables - Trade payables and other payables - Contract work - Prepayments - Other liabilities	Net working capital shows the group's ability to pay its current liabilities with its current assets.
Order backlog			Order backlog consists of the sales value of confirmed orders that are yet to be performed or delivered to the final customers.
Order intake			Order intake is the sales value of confirmed orders, that has been closed by GomSpace in the period.

***Other liabilities is adjusted for the current part of non current debt (convertible loan)**
GomSpace presents financial highlights in the Annual Report, which are not defined according to IFRS. These financial highlights are considered to give the investors and group management valuable information to assess the performance of the group. Other companies may compute these figures differently; therefore, the figures may be different from other companies' financial highlights. The financial highlights should not be considered to substitute the target results defined according to IFRS.

1. Accounting policies (continued)

Parent Company

Basis of preparation

The parent company's financial statements have been prepared following the Annual Accounts Act and the recommendation RFR 2 Accounting for legal entities.

The differences between the Group's and the Parent's accounting principles are described below. The parent company's below-stated accounting principles have been applied consistently to all periods presented in the Parent's financial statements, if not otherwise described.

Share-based payment

In the separate financial statements of GomSpace Group AB, as principal to the share-based payment transaction, the company will recognise an increase in the investment cost in the subsidiary receiving the employment services, representing a capital contribution based on the share-based payment charge over the vesting period.

A management recharge based on the grant date fair value of the warrants is accrued over the vesting period of the share-based payment. The accrued recharge is credited against the cost of investment (a return of capital contribution), up to the amount of the original capital contribution, with any excess recharge being recognised in the income statement.

Investment in subsidiaries

Investments in subsidiaries are recognised at cost. This comprises the purchase price at fair value plus direct acquisition costs. If there is an indication of impairment, an impairment test is conducted. Where the carrying value exceeds the recoverable amount, the investment is written down to this lower amount.

A previously recognised impairment loss is reserved only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last imapairment loss was recognised. The reserval is limited so that the carrying amount of the amount of the asset does not exceed the cost price before impairment.

Investment in associates

Investments in associates are recognised at cost. This comprises the purchase price at fair value plus direct acquisition costs. If there is an indication of impairment, an impairment test is conducted. Where the carrying value exceeds the recoverable amount, the investment is written down to this lower amount.

2. Significant accounting estimates and judgments

In preparing the Consolidated Financial Statements, Management makes various accounting estimates and assumptions, which form the basis of presentation, recognition, and measurement of the Group's assets and liabilities. The most significant accounting estimates and judgments are presented below.

In applying the Group's accounting policies, Management makes judgments that may significantly influence the amounts recognised in the Consolidated Financial Statements. Determining the carrying amount of some assets and liabilities requires judgments, estimates, and assumptions concerning future events.

The judgments, estimates, and assumptions made are based on historical experience and other factors that Management considers reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates, and assumptions for the individual items are described below. The Group is also subject to risks and uncertainties that may lead to results differing from these estimates, both positively and negatively.

Development projects

For in-process development projects, an impairment test is performed annually. The impairment test is performed based on various factors, including the future expected use of the project's outcome, the fair value of the estimated future earnings or savings, interest rates, and risks.

For in-process development projects, Management estimates on an ongoing basis whether each project is likely to generate future economic benefits for the Group to qualify for recognition. The development projects are evaluated on technical as well as commercial criteria. The carrying amount of in-process development projects is disclosed in note 11.

Inventories

Inventories are measured at the lower of the cost and net realisable value. Management considers the inventory value based on the inventory parts turnover rate and the future sales mix on an ongoing basis. The carrying amount of inventories is disclosed in note 17.

Contract work

Recognised revenue on contract work is based on the percentage of completion based on the cost incurred on the contract as a percentage of the total cost estimated to complete the project. On an ongoing basis, Management estimates the cost required to complete the projects and whether the costs can be recovered through the contract. The carrying amount of contract work in progress is disclosed in note 18.

Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products. Even though the Group has concluded that no single climate-related assumption is a key assumption for the 2023 impairment test, the Group considered expectations for increased costs of emissions, cost increases due to stricter recycling requirements in the cash-flow forecasts in assessing value-in-use amounts. See Note 11 for further information.

The group, as in previous years, has not identified any significant risks from climate-related matters that could negatively and significantly impact the group's financial position as at 31 December 2023.

Loan obtained from the European Investment Bank

Besides a non-derivative loan component, the loan liability includes a prepayment option (the Group's option to prepay the loan prior maturity), a put option (EIB has an option to require that the Group should settle EIB's warrants to a specified cash amount) and warrants to EIB. The warrants are considered to be a part of the overall return for the financing arrangement and therefore IAS 32 and IFRS 9 have been applied and not IFRS 2.

Management has assessed that all of the derivative financial instruments mentioned above should be bifurcated and accounted for at fair value through profit and loss. However, according to management, the prepayment and put options have an estimated fair value of nil at initial recognition and as at 31 Dec 2023.

The warrants are measured at fair value by use of the Black Scholes model and the most significant input to the model is related to the company's share price, which the warrants are directly correlated to.

Please see note 29 for a further description.

Backlog, Revenue and Trade receivables

A few large customers generated a material part of the Group's backlog, sales, revenue, and trade receivables. There is an increased risk that customers do not place orders or fulfil their respective undertakings due to, e.g., lack of financial resources or other circumstances beyond the Company's control. Should the Group lose business from all or some of its top customers, it may harm the Group's business, financial position, and future profits.

3. Net revenue

T.SEK	GomSpace Group AB 2023	2022
Parent Company		
Management fee (point of time)	42,470	40,678
	42,470	**40,678**

Net revenue is distributed to the following geographical markets, based on where the customer resides.

T.SEK	2023	2022
Geographic distribution		
Denmark	31,352	31,314
Sweden	2,682	3,192
Europe (excluding Denmark and Sweden)	7.059	5,451
USA	1,352	696
Asia	25	25
	42,470	**40,678**

T.SEK	Business areas (customers) Academia	Com-mercial	Defense	Science	Total
Group 2023					
Geographical					
Sweden	0	961	0	0	961
Denmark	0	2,889	0	0	2,889
Europe (excluding Sweden and Denmark)	2,259	91,638	537	104,997	199,431
USA	5,257	10,843	557	70	16,727
Asia	3,032	7,218	0	1,472	11,722
Rest of the world	1,551	-19	4,579	0	6,110
	12,099	**113,531**	**5,672**	**106,539**	**237,841**
Group 2022					
Geographical					
Sweden	0	246	0	673	919
Denmark	0	398	256	0	654
Europe (excluding Sweden and Denmark)	1,647	109,292	1,996	38,917	151,852
USA	935	10,610	804	237	12,586
Asia	3,484	7,130	0	1,754	12,368
Rest of the world	505	193	19,302	0	20,000
	6,571	**127,869**	**22,358**	**41,581**	**198,379**
Group 2023					
Major goods/service lines					
Sales of satellite solutions, platforms, payloads and subsystems (over time)	1,277	55,886	4,464	105,229	166,856
Product sales (over time)	10,822	57,645	1,208	1,310	70,985
	12,099	**113,531**	**5,672**	**106,539**	**237,841**
Group 2022					
Major goods/service lines					
Sales of satellite solutions, platforms, payloads and subsystems (over time)	1,593	74,581	20,736	40,284	137,194
Product sales (over time)	4,978	53,288	1,622	1,297	61,185
	6,571	**127,869**	**22,358**	**41,581**	**198,379**

3. Net revenue (continued)

T.SEK	Business areas (customers) Academia	Com-mercial	Defense	Science	Total
Group 2023					
Orderbook					
Order backlog 1 January 2023	**6,771**	**88,917**	**6,385**	**306,583**	**408,656**
Currency adjustment and reclassification of orders	-163	-9	184	4,316	4,328
Order intake	13,079	125,687	5,237	51,686	195,690
Cancelled orders	0	0	0	-218,222	-218,222
Converted to revenue	-12,099	-113,531	-5,672	-106,539	-237,841
Order backlog 31 December 2023	**7,588**	**101,064**	**6,134**	**37,825**	**152,611**
Group 2022					
Orderbook					
Order backlog 1 January 2022	**5,213**	**179,111**	**20,220**	**335,421**	**539,965**
Currency adjustment and reclassification of orders	-3,137	5,844	2,920	-1,430	4,197
Order intake	11,774	132,327	5,603	16,243	165,947
Cancelled orders*	-508	-100,496	0	-2,070	-103,074
Converted to revenue	-6,571	-127,869	-22,358	-41,581	-198,379
Order backlog 31 December 2022	**6,771**	**88,917**	**6,385**	**306,583**	**408,656**

T.SEK	2023	2022
Revenue to be recognised from non-completed contracts		
Within one year	137,065	160,287
More than a year	15,546	248,369
	152,611	**408,656**

Group revenue

Geographical

Revenue from France accounts for 49% of the total net revenue (19% in 2022).
Revenue from the Netherlands accounts for 16% of the total net revenue (15% in 2022).

Customers

Revenue from The European Space Research and Technology Centre accounts for 45% of the total revenue (19% in 2022), even though a significant part of the Group's revenue stems from ESA (one customer). The concentration on one customer is mitigated by the underlying activity performed on several individual and independent missions for the Agency. Furthermore, the project portfolio is in different stages of completion, which also mitigates the interdependency of specific resources. Revenue from UnseenLabs SAS accounts for 21% of the total revenue (10% in 2022).

Parent company

Revenue in the parent company consists of revenue from management fees to subsidiaries.

4. Staff costs

T.SEK	Basic salary, board fee	Bonus	Share-based payments	Pension costs	Other remunera-tion	Total
2023						
Chairman of the board						
Stefan Gardefjord	188	0	0	0	0	188
Board members						
Jukka Pekka Pertola	328	0	0	0	0	328
Steen Lorenz Johan Hansen	225	0	0	0	0	225
Henrik Jørgen Skouboe Kølle	131	0	0	0	0	131
Nikolaj Wendelboe	225	0	0	0	0	225
Jens Maaløe	21	0	0	0	0	21
Kenn Herskind	225	0	0	0	0	225
Nomination Committee						
Stefan Gardefjord	20	0	0	0	0	20
	1,363	**0**	**0**	**0**	**0**	**1,363**
Key management personnel						
Carsten Drachmann	2,880	795	57	-	150	3,882
Troels Dalsgaard	3,531	982	57	-	406	4,976
Niels Buus	2,869	-	-	-	135	3,004
Total Key management personnel	**9,280**	**1,777**	**114**	**-**	**691**	**11,862**
Other key management personnel (6 persons)	11,113	2,176	0	238	0	13,527
Total Key and other management personnel	**20,394**	**3,953**	**114**	**238**	**691**	**25,386**
Total incl. Board of Directors	**21,757**	**3,953**	**114**	**238**	**691**	**26,752**
The subsidiaries' share of this amount is	*20,394*	*3,953*	*114*	*238*	*691*	*25,389*

T.SEK	Basic salary, board fee	Bonus	Share-based payments	Pension costs	Other remunera-tion	Total
2022						
Chairman of the board						
Jens Maaløe	450	0	0	0	0	450
Board members						
Jukka Pekka Pertola	225	0	0	0	0	225
Steen Lorenz Johan Hansen	225	0	0	0	0	225
Niels Jesper Jespersen Jensen	100	0	0	0	0	100
Nikolaj Wendelboe	155	0	0	0	0	155
Kenn Herskind	126	0	0	0	0	126
Nomination Committee						
Stefan Gardefjord	20	0	0	0	0	20
	1,301	**0**	**0**	**0**	**0**	**1,301**
Key management personnel						
CEO, Niels Buus	3,466	0	0	0	249	3,715
Other key management personnel (5 persons)	9,560	0	0	158	274	9,992
	13,026	0	0	158	523	13,707
Total	**14,327**	**0**	**0**	**158**	**523**	**15,008**
The subsidiaries' share of this amount is	*13,026*	*0*	*0*	*158*	*523*	*13,707*

*Management in GomSpace Group AB is employed in GomSpace A/S, GomSpace Luxembourg S.A.R.L. and GomSpace France SAS. GomSpace A/S, GomSpace Luxembourg S.A.R.L. and GomSpace France SAS invoices management fee to GomSpace Group AB and GomSpace Group AB invoices management fee to the subsidiaries.

4. Staff costs (continued)

T.SEK	2023	2022
GomSpace Group AB		
*Board of directors**		
Wages and salaries	1,363	1,301
	1,363	**1,301**
Other employees		
Wages and salaries	619	776
Social security contributions	236	273
Pension costs	44	101
	899	**1,150**
Subsidiaries		
Other employees		
Wages and salaries	140,987	162,379
Share-based payments	118	0
Social security contributions	5,340	6,066
Pension costs	12,425	15,444
	158,870	**183,889**
Of which:		
Wages and salaries capitalised as development projects	5,104	37,767
	153,766	**146,122**
Group total		
Wages and salaries	141,606	163,155
Share-based payments	118	0
Social security contributions	5,576	6,339
Pension costs	12,469	15,544
	159,769	**185,038**
Of which:		
Wages and salaries capitalised as development projects	5,104	37,767
	154,665	**147,271**

T.SEK	2023	2022
Other employee costs	5,455	8,747
Total staff costs	**160,120**	**156,018**
Staff costs are included in:		
Costs of goods sold	105,296	113,596
Sales and distribution costs	14,964	12,190
Development costs*	14,731	44,834
Administrative costs	30,233	23,165
Total staff costs	**165,224**	**193,785**
*of which:		
Wages and salaries capitalised as development projects	5,104	37,767
Total staff costs	**160,120**	**156,018**
Average number of full time employees per country		
Parent company		
Sweden (of which women, %)	1 (100%)	1 (100%)
	1 (100%)	**1 (100%)**
Subsidiaries		
Sweden (of which women, %)	6 (18%)	13 (20%)
Denmark (of which women, %)	115 (30%)	150 (23%)
Luxembourg (of which women, %)	22 (18%)	26 (11%)
USA (of which women, %)	1 (0%)	1 (0%)
France (of which women, %)	2 (0%)	1 (0%)
Asia (of which women, %)	0 (0%)	0 (0%)
	146 (27%)	**191 (20%)**
Group total	**147 (27%)**	**192 (22%)**

4. Staff costs (continued)

T.SEK	2023	2022
Number of employees per country as at 31 december		
Parent company		
Sweden (of which women, %)	1 (100%)	1 (100%)
	1 (100%)	**1 (100%)**
Subsidiaries		
Sweden (of which women, %)	3 (0%)	16 (19%)
Denmark (of which women, %)	102 (30%)	163 (25%)
Luxembourg (of which women, %)	17 (24%)	32 (16%)
USA (of which women, %)	1 (0%)	1 (0%)
France (of which women, %)	2 (0%)	2 (0%)
Asia (of which women, %)	0 (0%)	0 (0%)
	125 (29%)	**214 (23%)**
Group total	**126 (29%)**	**215 (23%)**
Share of women on the board of directors	0%	0%
Share of men on the board of directors	100%	100%
Share of women amongst key management personnel	0%	0%
Share of men amongst key management personnel	100%	100%

Termination benefits
Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. CEO has a retirement period of 6-12 months and key management personnel has a retirement period of 1-6 month(s) and retirement remuneration of 0-2 month(s) salary.

5. Share-based payment

In 2023 a total of 648,000 warrants were approved and granted to the CEO and CFO of GomSpace A/S. The warrants relate to shares in the parent Company, GomSpace Group AB. The share-based payment transaction is accounted for as an equity-settled share-based payment scheme. The warrants vest in five equal annual instalments commencing on the grant date, with the final instalment vesting on 1 June 2028. The warrants can be exercised within certain exercise windows between 1 June 2026 and 1 June 2028. Vesting of the warrants will be conditional upon the continued employment of the participants.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes option-pricing valuation model; please see below.

In the consolidated financial statements of the Group, the cost is recognised within administrative costs, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense in the income statement represents the movement in cumulative expense recognised at the beginning and end of that period.

The financial statements of GomSpace Group AB, as principal to the share-based payment transaction, will recognise an increase in the cost of investment in the subsidiary receiving the employment services, representing a capital contribution based on the share-based payment charge over the vesting period.

A management recharge based on the grant date fair value of the warrants is accrued over the vesting period of the share-based payment. The accrued recharge is credited against the cost of investment (a return of capital contribution), up to the amount of the original capital contribution, with any excess recharge being recognised in the income statement.

The total expense recognised in the income statement for the year related to the warrant schemes was T.SEK 114 (2022: T. SEK. 0).

5. Share-based payment (continued)

The fair value of the warrants has been calculated using the Black-Scholes option-pricing model. Key inputs in the valuation model include:

Warrant Program	2023 31 May
Expected future dividend (SEK per share)	0
Volatility	73,8%
Risk free interest rate	3,53%
Life of warrant	65 months
Share price at grant date (SEK per share)	1.41
Exercise price (SEK per share)	2.7
Fair value at grant date (SEK per warrant)	0.71
Outstanding warrants 31 December 2022	0
Outstanding warrants 31 December 2023	648,000

The volatility has been determined using the volatility in GomSpace Group AB’s share price, together with bench-marking against peer group companies.

The exercise price is calculated as follows:

The market value of the warrants is estimated to SEK 1.07 per warrant, in accordance with the preliminary valuation made based on the exercise price of SEK 2.70 per share and a market value of the underlying share corresponding to SEK 1.62 (closing price for GomSpace Group AB's share on Nasdaq Firth North Premier Growth Market on 26 April 2023). The Black & Scholes valuation model has been used for valuing the warrants, assuming a risk-free interest of 3 per cent and a volatility of 80 per cent.

Set out below are the summary movements in warrants during the year. All warrants granted in the year related to the warrant program 2023 have an exercise price of SEK 2.7.

No. warrants	2023	2022
Outstanding at 1 January	0	236,757
Granted	648,000	0
Forfeited	0	0
Exercised	0	0
Expired	0	-236,757
Outstanding at 31 December	648,000	0
Exercisable at 31 December	0	0

6. Depreciation and amortisations

T.SEK	Group 2023	Group 2022	GomSpace Group AB 2023	GomSpace Group AB 2022
Costs of goods sold	11,920	11,450	0	0
Sales and distribution costs	1,049	1,588	0	0
Development costs	3,049	5,788	0	0
Administrative costs	3,438	2,337	0	0
Total depreciation	**19,456**	**21,163**	**0**	**0**
Costs of goods sold	33,188	27,617	0	0
Sales and distribution costs	24	14	0	0
Development costs	6,344	25,699	0	0
Administrative costs	0	14	0	0
Total amortisations	**39,556**	**53,344**	**0**	**0**

7. Remuneration to auditors

T.SEK	Group 2023	Group 2022	GomSpace Group AB 2023	GomSpace Group AB 2022
Appointed auditor				
Ernst & Young				
Audit service	2,061	2,047	388	885
Other services	127	420	89	285
Tax advise services	74	157	0	20
Total	**2,262**	**2,624**	**477**	**1,189**
Others				
Other services	303	254	0	0
Tax advise services	134	105	0	0
Total	**437**	**359**	**0**	**0**
Total	**2,699**	**2,983**	**477**	**1,189**

8. Finance income

T.SEK	Group 2023	Group 2022	GomSpace Group AB 2023	GomSpace Group AB 2022
Interest income from subsidiaries	0	0	5,907	3,538
Interest income	1,335	77	800	53
Exchange rate adjustments	15,401	10,668	812	0
	16,736	**10,745**	**7,518**	**3,591**

9. Finance expenses

T.SEK	Group 2023	Group 2022	GomSpace Group AB 2023	GomSpace Group AB 2022
Interest leasing liabilities	904	966	0	0
Interest expenses	7,197	979	1	5
Exchange rate adjustments	13,804	8,881	8,456	1,102
Fair value losses on securities	3,387	0	0	0
Other financial expenses, including bank fees	1,154	863	874	247
	26,446	**11,689**	**9,330**	**1,354**

10. Tax on profit (loss) for the year

T.SEK	Group 2023	Group 2022	GomSpace Group AB 2023	GomSpace Group AB 2022
Tax on profit (loss) for the year comprises				
Current tax on profit (loss) for the year [1]	-1,525	-5,551	0	0
Changes in deferred tax	0	356	0	0
Adjustments to previous years	0	80	0	0
Tax expense/(income) for the year	**-1,525**	**-5,115**	**0**	**0**
Reconciliation of effective tax rate:				
Profit (loss) before tax	-94,126	-232,939	49,780	-431,222
Swedish tax rate for GomSpace Group AB (publ)	20.60%	20.60%	20.60%	20.60%
Tax expense/(income)	-19,390	-47,985	10,255	-88,832
Tax effect of:				
Non-taxable income	-19,431	0	-19,431	0
Non-deductible expenses	1,322	73	7,677	87,808
Deductible issue costs	-673	0	-673	0
Tax value of unrecognised tax asset	36,585	45,896	2,173	1,024
Adjustments to previous years	61	73	0	0
Tax on profit (loss) for the year	**-1,525**	**-5,115**	**0**	**0**
Effective tax rate	2%	2%	0%	0%
Income tax expense/(income) reported in the income statement	-1,525	-5,115	0	0
	-1,525	**-5,115**	**0**	**0**
Tax loss carry-forward	633,658	572,745	90,089	79,320
Unrecognised as deferred tax asset	-602,004	-506,288	-90,089	-79,320
Tax loss carry-forward recognised as deferred tax asset	**31,655**	**66,457**	**0**	**0**
Deferred tax asset amount recognised	**6,964**	**14,621**	**0**	**0**

[1] Development costs cause a part of the tax loss for the year. According to the Danish tax legislation, the tax value (22%) of development costs can be paid out subsequent to filing the taxable income for the year. Accordingly, the tax loss carried forward is reduced.

11. Intangible assets

T.SEK	Goodwill	Technology	In-process development projects	Completed development projects	Other intangible assets	Total
Group						
Cost price at 1 January 2023	3,710	12,000	137,193	54,610	23,366	230,879
Change to opening balance*	0	0	-15,977	-4,890	0	-20,867
Additions during the year	0	0	7,277	0	0	7,277
Disposals during the year	0	0	-662	-2,799	-198	-3,659
Reclassification	0	0	-32,265	32,265	0	0
Exchange rate adjustment	0	0	289	-6,075	-104	-5,890
Cost price at 31 December 2023	**3,710**	**12,000**	**95,855**	**73,111**	**23,064**	**207,740**
Amortisation at 1 January 2023	-3,710	-12,000	-27,179	-43,027	-22,631	-108,547
Change to opening balance*	0	0	15,918	4,890	0	20,808
Amortisation	0	0	0	-7,794	-162	-7,956
Disposals	0	0	0	1,183	113	1,296
Impairments	0	0	-15,870	-11,450	85	-27,235
Exchange rate adjustment	0	0	528	5,702	107	6,337
Amortisation at 31 December 2023	**-3,710**	**-12,000**	**-26,603**	**-50,496**	**-22,488**	**-115,297**
Carrying amount at 31 December 2023	**0**	**0**	**69,252**	**22,615**	**576**	**92,443**
Cost price at 1 January 2022	3,710	12,000	95,949	48,325	21,060	181,044
Additions during the year	0	0	33,319	0	667	33,986
Reclassification	0	0	-1,459	1,459	0	0
Exchange rate adjustment	0	0	9,384	4,826	1,639	15,849
Cost price at 31 December 2022	**3,710**	**12,000**	**137,193**	**54,610**	**23,366**	**230,879**
Amortisation at 1 January 2022	0	-4,200	0	-26,807	-18,654	-49,661
Amortisation	0	-800	0	-8,877	-2,362	-12,039
Impairment	-3,710	-7,000	-26,482	-4,028	-85	-41,305
Exchange rate adjustment	0	0	-697	-3,314	-1,531	-5,542
Amortisation at 31 December 2022	**-3,710**	**-12,000**	**-27,179**	**-43,026**	**-22,632**	**-108,547**
Carrying amount at 31 December 2022	**0**	**0**	**110,014**	**11,584**	**734**	**122,332**

* Due to changes in systems and procedures an adjustment has been made to opening balance figures in order to ensure consistency between underlying registrations and the table above.

11. Intangible assets (continued)

Other intangible assets primarily consist of costs for the ERP system and software.

Apart from goodwill, management considers that all intangible assets have definite useful lives. In 2023, the group received T.SEK 0 (2022: T. SEK 6,721) in government grants set off against additions during the year. Intangible assets have a carrying amount of T.SEK 140 (T.SEK 166 in 2022) in Sweden, a carrying amount of T.SEK 90,444 (T.SEK 117,918 in 2022) in Denmark, a carrying amount of T.SEK 2,175 (T.SEK 3,993 in 2022) in Luxembourg, and a carrying amount of T.SEK 207 (T.SEK 255 in 2022) in France.

Goodwill was written down to zero in 2022. Due to the financial performance of the Group, an impairment test has been conducted applying the two methods described below. The overall result is that there are no indication on impairment. The group is identified as a Cash Generating Unit (CGU). The group has realised a loss of T.SEK 92,600 in 2023 (2022: loss of T.SEK. 227,824). GomSpace expects the next years to generate sales growth supported by the underlying market. The group's activities are primarily carried out in GomSpace A/S and GomSpace Luxembourg. GomSpace Group AB's sole activity is holding shares in subsidiaries and associates and the NASDAQ First North Premier stock listing.

Based on the market value of GomSpace Group AB on NASDAQ First North Premier in Stockholm (2023: mSEK 619 and 2022: mSEK 192), management assesses there is headroom between the recoverable amount and the carrying amount of intangible assets as of 31 December 2023.

Furthermore, management has prepared a consolidated impairment test based on the discounted cash flow model reflecting the financial targets for the coming five-year period, market reports on future growth, and technology trends. Management applies five years to reflect the long-term approach to customers' purchasing decisions. Cash flows beyond the five years are extrapolated using an estimated growth rate. Key assumptions include revenue, EBIT, the investment growth rate in the terminal period, and discounting factor (WACC) according to the specification below, including sensitivity analysis. The impairment test shows headroom between the recoverable amounts and the carrying amounts of goodwill and non-current assets as of 31 December 2023.

	2023			2022		
	Terminal period*	Actual	Sensitivity	Terminal period*	Actual	Sensitivity
Revenue	606 M.SEK	235 M.SEK	565 M.SEK	503 M.SEK	198 M.SEK	499 M.SEK
Growth rate	2%	18%	1%	2%	-7%	1%
EBIT ratio	14%	-40%	4%	10%	-117%	9%
Investments	26,2 M.SEK	7,6 M.SEK	37,8 M.SEK	36,0 M.SEK	50,3 M.SEK	44,1 M.SEK
Discounting factor (WACC)	9.6%	**	10.2%	9.9%	**	10.2%

* The terminal period is key assumptions beyond the forecasted five-year period
** Sensitivity indicates the level at which an impairment may be triggered

In-process development projects
In-process and completed development projects are subject to an annual impairment test. Development projects consist of nanosatellite platforms and expand our processing and radio capabilities with more powerful processing components. During 2023, we have written down development projects of 27,235 T.SEK that will not be utilised or we do not intend to finalise, mainly because of the cancellation of the large customer project.

The carrying amount for development projects at 31 December 2023 amounts to T.SEK 92,443 (T.SEK 122,332 as 31 December 2022).

The development projects are tested annually for impairment and as a minimum as of 31 December. The recoverable amount of the development projects was set based on computations of value in use. The value in use is based on business plans approved by management for the individual in-process development projects, including projected cash inflows from budgeted and estimated revenue and budgeted and estimated cash outflows from completing the projects and cash flows related to the sale of the developed products. The business plans are, among other things, based on market reports on future growth and technology trends.

Based on the impairment tests, management assesses there is headroom between the recoverable amount and the carrying amount of development projects as of 31 December 2023.

Development costs recognised in the income statement
Development costs recognised in the income statement in 2023 amount to T.SEK 40,130 (T.SEK 73,945 in 2022).

12. Property, plant and equipment

T.SEK	Leasehold improvements	Other fixtures, fittings, tools and equipment	Total property, plant and equipment
Group			
Cost price at 1 January 2023	40,873	28,740	69,613
Additions during the year	131	827	958
Disposals during the year	-141	-11,032	-11,173
Exchange rate adjustment	-199	-113	-312
Cost price at 31 December 2023	**40,664**	**18,422**	**59,086**
Depreciation at 1 January 2023	-28,173	-22,673	-50,846
Depreciation	-6,717	-973	-7,690
Disposals during the year	0	10,145	10,145
Exchange rate adjustment	366	95	461
Depreciation at 31 December 2023	**-34,524**	**-13,406**	**-47,930**
Carrying amount at 31 December 2023	**6,140**	**5,016**	**11,156**
Cost price at 1 January 2022	33,046	23,480	56,526
Additions during the year	4,695	4,857	9,552
Disposals during the year	0	-841	-841
Exchange rate adjustment	3,132	1,244	4,376
Cost price at 31 December 2022	**40,873**	**28,740**	**69,613**
Depreciation at 1 January 2022	-19,673	-20,608	-40,281
Depreciation	-6,637	-1,466	-8,103
Disposals during the year	0	377	377
Exchange rate adjustment	-1,863	-976	-2,839
Depreciation at 31 December 2022	**-28,173**	**-22,673**	**-50,846**
Carrying amount at 31 December 2022	**12,700**	**6,067**	**18,767**

Property, plant and equipment have a carrying amount of T.SEK 17 (T.SEK 1,399 in 2022) in Sweden, a carrying amount of T.SEK 5,718 (T.SEK 6,571 in 2022) in Luxembourg and a carrying amount of T.SEK 5,438 (T.SEK 11,285 in 2022) in Denmark. GomSpace Group AB's property, plant and equipment are located in Sweden, Luxembourg and Denmark.

13. Right of use assets (leasing)

Leasing assets T.SEK	Property	Other fixtures, fittings, tools and equipment	Total
Group			
Balance at 1 January 2023	40,043	3,538	43,581
Exchange rate adjustment	146	37	183
Additions	0	1,300	1,300
Disposals	-993	-816	-1,809
Depreciation	-11,082	-2,175	-13,257
Balance at 31 December 2023	**28,114**	**1,884**	**29,998**
Balance at 1 January 2022	30,633	2,568	33,201
Exchange rate adjustment	1,783	259	2,042
Additions	18,848	2,086	20,934
Depreciation	-11,221	-1,375	-12,596
Balance at 31 December 2022	**40,043**	**3,538**	**43,581**

The weighted rate amounts to 2-4%.

Leasing liabilities	Group		GomSpace Group AB	
T.SEK	2023	2022	2023	2022
Within 0-1 years	12,500	13,346	0	0
Within 1-5 years	19,220	28,572	0	0
After 5 years	2,781	5,180	0	0
Total non-discounted leasing payments	**34,501**	**47,098**	**0**	**0**
Recognised in balance at 31 December				
Current leasing liability (0-1 years)	11,940	12,481	0	0
Non-current leasing liability (after 1 year)	21,182	32,382	0	0
	33,122	**44,863**	**0**	**0**
Income statement leasing costs				
Interest costs related to leasing contracts	904	996	0	0
Payments related to low-value leasing contracts	2,335	1,989	0	0

14. Investments in subsidiaries

T.SEK	2023	2022
GomSpace Group AB		
Cost price at 1 January	183,813	398,400
Additions during the year	0	151,021
Capital contribution (share-based payments)*	114	0
Return of capital contribution**	-114	0
Write-down/reversal of write-down of investments***	64,055	-365,608
Cost price at 31 December	**247,868**	**183,813**

* See a description of the accounting policies related to the treatment of share-based payment transactions in note 1 and note 5.
** See a description of the accounting policies related to the treatment of share-based payment transactions in note 1 and note 5.
*** Movement to investments in 2023 consists of reversal of write-down in GomSpace A/S of T.SEK 68,926, and write down of T.SEK 1,519 for GomSpace Luxembourg S.A.R.L., GomSpace Asia Pte. Ltd. of T.SEK 2,142, GomSpace North America LLC of T.SEK 1,105 and GomSpace France of T.SEK 105. The reversal of an impairment loss is due to improved business fundamentals. During the year, we assessed the financial projections and concluded that the carrying value was higher than the booked value and, therefore, reversed impairment in previous years

Impairment test
Investments in subsidiaries are measured in the parent company's financial statements at cost price. If there is an indication of impairment, the recoverable amount of the asset is calculated. The recoverable amount is the highest of the fair value or value in use.

The carrying amount for investments in subsidiaries amounts to T.SEK 247,868 as of 31 December 2023 (T.SEK 183,813 as of 31 December 2022).

The group has realised a loss of T.SEK 92,601 in 2023 (T.SEK 227,824 in 2022). Expectations for the next year aim to generate sales growth supported by the underlying market and entering 2024 with a strong order book and backlog.

The group's activities are primarily carried out in GomSpace A/S with a booked value of T.SEK 229,067 as of 31 December 2023 (T.SEK 160,141 as of 31 December 2022). There are activities on a smaller scale in GomSpace Luxembourg S.A.R.L. with a booked value of T.SEK 18,801 (T.SEK 20,320 as of 31 December 2022), GomSpace Sweden AB with a booked value of T.SEK 0 (T.SEK 0 as of 31 December 2022), and GomSpace France SAS with a booked value of T.SEK 0 as of 31 December 2023 (T.SEK 105 as of 31 December 2022). And GomSpace North America with a booked value of T.SEK 0 as of 31 December 2023 (T.SEK 1,105 as of 31 December 2022) . GomSpace Group AB's sole activity is holding shares in subsidiaries and associates and the NASDAQ First North Premier stock listing.

Management has prepared impairment tests for the subsidiaries as separate assets based on the discounted cash flow model reflecting the financial targets for the coming five-year period, market reports on future growth, and technology trends. Key assumptions are based on the key assumptions for the Group adapted to the subsidiaries; see note 11.

T.SEK	GomSpace A/S 30899849 Aalborg, Denmark	GomSpace Sweden AB 556643-0475 Uppsala, Sweden	EPGS Partners ApS 38173561 Aalborg, Denmark	Gomspace North America LLC S667083-2 Washington, USA	Gomspace Asia PTE Ltd 201707094C Singapore	GomSpace Luxembourg S.à r.l. 1008250/0 Luxembourg	GomSpace France SAS 910682277 Toulouse, France
Result	-93,254	-11,219	-513	-374	109	8,186	-2,543
Equity	-25,797	-9,637	-3,915	3,400	4,397	10,867	-3,417
Proportion of shares	100%	100%	100%	100%	100%	100%	100%
Booked value	229,067	0	0	0	0	18,801	0
Carrying amount of equity 2023	-25,797	-9,637	-3,915	3,400	4,397	10,867	-3,417
Carrying amount of equity 2022	64,684	1,582	-3,437	3,347	4,939	2,960	-960
Carrying amount of equity 2021	88,968	20,134	-3,306	2,679	2,860	5,978	0
Carrying amount of equity 2020	99,286	186	-3,362	2,909	1,351	13,066	0
Carrying amount of equity 2019	15,286	1,533	-3,362	2,893	1,686	10,507	0

15. Deferred tax

T.SEK	Group 2023	Group 2022	GomSpace Group AB 2023	GomSpace Group AB 2022
Deferred tax at 1 January	0	356	0	0
Deferred tax recognised in the income statement	-356	-356	0	0
Exchange rate adjustment	356	0	0	0
Deferred tax at 31 December	**0**	**0**	**0**	**0**
Deferred tax relates to:				
Intangible assets	-14,798	-22,174	0	0
Property, plant and equipment	4,673	2,691	0	0
Short-term assets	0	0	0	0
Short-term liabilities	3,161	4,862	0	0
Tax loss carry-forwards	6,964	14,621	0	0
	0	**0**	**0**	**0**
Deferred tax assets	0	0	0	0
Deferred tax liabilities	0	0	0	0
Deferred tax, net	**0**	**0**	**0**	**0**

The Group has updated the analysis of the expected utilisation of tax loss carry-forwards based on existing facts and the development regarding deferred tax assets under IFRS. The Group had recognised a tax asset regarding deferred tax loss carry-forward at a total amount of T.SEK 6,964 as of 31 December 2023 (T.SEK 14,621 as of 31 December 2022). Unrecognised tax assets regarding tax losses carry forward amount to T.SEK 130,589 as of 31 December 2023 (T.SEK 110,058 as of 31 December 2022) for the Group.

The parent company had a non-recognised deferred tax loss carry-forward at a total amount of T.SEK 90,089 (T.SEK 79,320 as of 31 December 2022). The Swedish entities can only use this amount, and no tax profit is expected to be generated within the foreseeable future. Once the non-recognised deferred tax loss carry-forward in the parent company is recognised, part of this is done over equity regarding deferred tax concerning expenses booked on equity.

16. Other non-current assets

Other non-current assets as of 31 December 2023 and 2022 consist of lease deposits.

17. Inventories

T.SEK	Group 2023	Group 2022
Raw materials and consumables	39,581	35,060
Work in progress	3,894	11,102
	43,475	**46,162**

T.SEK 47,262 of inventories was recognised in the cost of sales during 2023 (T.SEK 50,386 in 2022).

18. Contract work

T.SEK	Group 2023	Group 2022
Revenue from contract work	315,136	348,487
Less progress billings	-342,835	-369,319
Exchange rate adjustment	1,088	-1,362
	-26,611	**-22,194**
Recognised in the balance sheet as:		
Amounts due from customers for contract work	22,567	29,264
Amounts due to customers for contract work	-49,178	-51,458
	-26,611	**-22,194**

Contract assets are initially recognised as revenue from Sales of satellite solutions, platforms, payloads and subsystems and product sales.

Contract assets and liabilities decreased in 2023 which is mainly due to the strategic focus on the commercial business area and platforms, payloads and subsystems.

The outstanding balances of these accounts decreased in 2023 due to shorter project times in general.
In 2023, T.SEK 4,841 (2022: T. SEK 13,404) was recognised as a provision for expected losses on contract assets. Please refer to note 34 for further details.

19. Trade receivables

(from contract work) T.SEK	Group 2023	2022
Trade receivables	45,541	84,263
Write-downs	-20,196	-64,309
	25,345	**19,954**
Ageing of receivables		
Not due	12,953	14,548
0 - 30 days overdue	7,173	2,147
31 - 90 days overdue	4,373	2,742
>90 days overdue	846	517
	25,345	**19,954**
Movement in allowance for doubtful trade receivables		
Carrying amount at the beginning of the year	64,309	3,046
Allowances for losses during the year	-20,751	61,166
Confirmed losses	-23,051	0
Exchange rate adjustment	-311	97
	20,196	**64,309**

As of 31 December 2023, trade receivables of T.SEK 12,392 (T.SEK 5,406 in 2022) were past due but not impaired. As of 31 December 2023, due receivables relate to several independent customers with no recent history of non-payment. Payments totalling T.SEK 23,587 (T.SEK 8,530 in 2022) were received in 2024.

The remaining trade and other receivables do not contain impaired assets as these are not past due. Based on the credit history of these other classes, these amounts are expected to be received when due. The Group does not hold any collateral concerning these receivables.

20. Tax receivable

Development costs cause a part of the tax loss for the year. According to Danish legislation, the tax value (22%) of development costs can be paid out after filing the taxable income for the year.

21. Prepayments

	Group		GomSpace Group AB	
T.SEK	**2023**	**2022**	**2023**	**2022**
Prepayments for inventories	154	222	0	0
Rental costs	411	395	0	0
Prepaid insurance	147	662	147	297
Other prepayments	4,013	2,754	1,079	635
	4,725	**4,033**	**1,226**	**932**

22. Other receivables

	Group		GomSpace Group AB	
T.SEK	**2023**	**2022**	**2023**	**2022**
VAT	3,525	5,054	245	0
Other receivables	1,106	236	2	31
	4,631	**5,290**	**247**	**31**

23. Share capital

The share capital comprises 140,669,159 shares at a nominal value of SEK 0.07 each. No shares carry any special rights.

	Number of shares
Changes in share capital:	
Share capital at 1 January 2016	13,907,334
Capital increase 2016	8,000,000
Capital increase 2016	2,000,000
Capital increase 2016	600,000
Capital increase 2017	1,750,000
Capital increase 2018	26,017,469
Capital increase 2022	10,454,960
Capital increase 2023	77,939,396
Share capital at 31 December 2023, fully paid	**140,669,159**

Capital management
The Group is primarily financed through equity with an equity ratio of 36% as of 31 December 2023 (31% as of 31 December 2022). Still, we will use debt financing when this can be achieved at attractive conditions.

Management evaluates the need for capital on an ongoing basis. When maintaining capital, the objectives are to maintain sufficient capital to meet short-term obligations and maintain investors' confidence required to sustain the future development of the business.

Covenants on loans pertain to the European Investment Bank (EIB), where there is an ongoing requirement to provide information on project progress, technical descriptions of the performed activities, and general business performance. Additionally, some obligations are triggered by significant events like changes to the investment program, corporate restructuring, and more. Finally, there are negative undertakings in case of the sale of substantial assets and subsidiaries and additional indebtedness above certain thresholds. No covenants have been breached as at 31 December 2023.

The Group is not exposed to any externally imposed capital requirements.

T.SEK	2023	2022
Earnings per share, basic, SEK	-0.91	-3.76
Earnings per share, diluted, SEK	-0.91	-3.76
Number of outstanding shares basic, average	101,699	60,547
Number of outstanding shares diluted, average	101,699	60,547

24. Prepayments

	Group	
T.SEK	2023	2022
Accrued income from grants received for development projects	0	154
Prepayments from customers	870	872
Accrued rental reduction	867	1,235
	1,737	**2,261**

25. Other liabilities

	Group		GomSpace Group AB	
T.SEK	2023	2022	2023	2022
Non-current				
Accrued holiday pay	8,337	8,521	0	0
	8,337	**8,521**	**0**	**0**
Current				
Accrued holiday pay	6,654	10,363	177	84
Payroll liabilities	4,966	5,224	74	66
VAT	0	360	0	360
	11,620	**15,947**	**251**	**510**
Total other liabilities	**19,957**	**24,468**	**251**	**510**

26. Contractual commitments and contingent liabilities

	Group		GomSpace Group AB	
T.SEK	**2023**	**2022**	**2023**	**2022**
Commitments				
Security for debt to credit institutions				
Security in company assets (floating charge)	48,386	46,444	0	0
Total	**48,386**	**46,444**	**0**	**0**
The group has entered into a negative pledge with the European Investment Bank preventing it from placing any of its assets as security, excluding the abovementioned floating charge to credit institutions.				
Low-value assets				
Operating lease commitments*:				
Due within 1 year	1,138	1,271	0	0
Due between 1 and 5 years	1,042	1,390	0	0
Due after 5 years	0	0	0	0
	2,180	**2,661**	**0**	**0**
Lease payments recognised as an expense amount to	2,335	1,989	0	0
*Lease commitments primarily relate to IT equipment				
Contingent liabilities				
Letter of support to subsidiary*	0	0	42,766	3,437
Parent company guarantee	0	0	57,453	11,113
Total	**0**	**0**	**100,220**	**14,550**

* The parent company has given a letter of support to the subsidiaries stating that it will support the company financially until the general meeting in 2025, if necessary.

27. Financial risks

General risk management
Due to its activities, the Group is exposed to various financial risks, including changes in foreign currency, interest, liquidity, and credit risks. The Group manages the risks centrally and follows the board of directors' policies. The Group does not actively engage in speculation of financial risks.

Credit risks
Credit risk is when a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, which mainly relate to contract work in progress, trade receivables, and other receivables. Its financing activities include deposits with banks and financial institutions, foreign exchange transactions, and other financial instruments. Maximum exposure corresponds to the carrying amount. For the sale of products, advance payment is received from the customer.

According to the simplified expected credit loss model, after IFRS 9, which allows for assessing impairment needs regarding impairment of financial assets measured at amortised cost, including trade receivables and contract work. The model entails that the expected credit loss over the asset's useful life is recognised immediately in the income statement and regularly monitored according to the Group's risk management until realisation. Impairment is computed based on expected loss rates, which are individually distributed by geographical location. Loss rates are computed based on historical data. This data is based on expected credit loss over the total maturity of the amount receivable, corrected for estimates of the effect of expected changes in relevant parameters, for instance, financial development, political risks, etc., on the market in question.

The Group assesses the risks of losses on an ongoing basis, and, if necessary, write-downs are made according to the Group's policies. Excess cash is placed with banks with ratings A or above. Today, a material part of the Group's sales and revenue is generated from a few larger customers. However, the risk is considered to be limited, as several of the larger projects and customer base is publicly funded and/or financed by local governments with high credit ratings. There is still a risk that customers do not place orders or otherwise fulfil their respective undertakings due to, e.g., lack of financial resources or other circumstances beyond the Company's control. Should the Group lose business from all or some of its top customers, it may harm the Group's business, financial position, and future profits. The credit quality of a customer is assessed based on an extensive credit rating scorecard, and individual credit limits are defined following this assessment. Outstanding customer receivables are regularly monitored, and any deliveries to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date. The management assesses credit risk concerning the individual customer, considering whether they are public customers who are deemed to have a lower credit risk than industry customers. Except for the increased risks mentioned in Note 2, the Group evaluates the concentration of risk for trade receivables as low, as its customers are located in several jurisdictions. The Group's activities occur in the global market for nanosatellites, and management does not distinguish between customers' geographical affiliations in the credit risk assessment. At the reporting date, the maximum exposure to credit risk is the carrying value of each class of financial assets disclosed in Note 28.

Foreign exchange risks
The Group's sales, cost of goods sold, and expenses are mainly incurred in DKK, USD, SGD or EUR. The Group has transactions in other currencies, but exposure in those currencies is not significant. There is no foreign currency hedging regarding transactions in foreign currency.

- A change in foreign exchange rates of +/- 10% concerning assets and liabilities in DKK will have an effect on result and equity before tax on T.SEK 187 (2022: T.SEK 434) based on the net position at balance day
- A change in foreign exchange rates of +/- 10% concerning assets and liabilities in EUR will have an effect on result and equity before tax on T.SEK 9,544 (2022: T.SEK 10,180) based on the net position at balance day
- A change in foreign exchange rates of +/- 10% concerning assets and liabilities in USD will have an effect on result and equity before tax on T.SEK 946 (2022: T.SEK 180) based on the net position at balance day
- A change in foreign exchange rates of +/- 10% concerning assets and liabilities in SGD will have an effect on result and equity before tax on T.SEK 498 (2022: T.SEK 2) based on the net position at balance day

27. Financial risks (continued)

Interest rate risk
The Group's loans are carried at variable interest rates. A change in the interest level will have a limited effect on the result or equity.

- A change in the interest of +/- 2,5% will affect 2023 on result and equity before tax on T.SEK 1,573 (2022: T.SEK 114) based on interest-bearing loans on the balance day.

Liquidity risk
Funding and adequate liquidity are fundamental factors in driving an expanding business, and management of both is an integrated part of the Group's continuous budget and forecasting process. To ensure focus on managing the risks related to funding and liquidity, the Group manages and monitors funding and liquidity and ensures the availability of required liquidity through cash management and borrowing facilities.

By continually maintaining cash assets or unused credit facilities, the Group ensures sound payment capacity, reducing the liquidity risk. Payment capacity, i.e., cash from capital increases, cash equivalents, and unused credit facilities as of 31 December 2023, was T.SEK 7,561 (T.SEK 41,328 in 2022).

The Group has the following long-term financing:

- A loan from Vækstfonden under EU's InnovFin SMV Programme in 2015. The loan bears a floating rate of 9.3% p.a. as of 31 December 2023 with CIBOR 3 month rate as reference rate (2022: 6.2%). The Group can redeem the loan at par value at any time and is subject to change of control and transfer of assets clauses.
- A loan tranche of M.SEK 56 (M.EUR 5) based on a 10% interest rate p.a. with the European Investment Bank. The finance contract with the European Investment Bank contains an option to disburse 2 more tranches of respectively M.EUR 6 and M.EUR 7 provided certain financial governants are met. Please refer to note 29 for further details on the finance contract with the European Investment Bank.

As of 31 December 2023, the cash position is T.SEK 61,077, cash flow after investing activities is T.SEK -55,375 and the Group incurred an operating loss of M.SEK 84 for 2023. The Group believes its cash position and the liquidity available from its operations, external borrowings and other current sources are sufficient to satisfy its working capital requirements for the next twelve months. In March 2023, the Board of Directors resolved on a rights issue of up to 94,094,644 new shares at a subscription price of SEK 1.30 per share with preferential rights for existing shareholders, and raised gross proceeds of approximately M.SEK 101. Based on the improved financial performance during 2023, including a staff reduction in January 2023 together with the proceeds from the rights issue and the EIB funding, the Group's and the Company's cash position will be sufficient to meet the Group's and Company's requirements for the year 2024.

The Executive Board and Board of Directors assess sufficient financing and cash resources for the planned activities and operations for the year according to the budget for 2024. The conclusion has been made based on knowledge of the Group and the Company, the estimated outlook, and the identified uncertainties and risks related to them.

T.SEK	0-1 year	1-5 years	>5 years	Total contractual cash flows
Group				
31 December 2023				
Borrowings from credit institutions	10,367	76,876	0	87,243
Leasing liabilities	12,526	19,220	2,781	34,527
Trade and other payables	29,377	574	7,763	37,714
Loans from shareholders, Board of Directors and management	156	0	0	156
	52,426	**96,670**	**10,544**	**159,640**
31 December 2022				
Borrowings from credit institutions	4,840	7,631	0	12,471
Leasing liabilities	13,346	28,872	5,180	47,398
Loans from shareholders, Board of Directors and management	53,593	0	0	53,593
Trade and other payables	43,705	429	8,091	52,225
	115,484	**36,932**	**13,271**	**165,687**

The analysis is based on all undiscounted cash flows, including estimated interest payments and expected instalments on loans. The estimates on interest are based on current market condition.

The payment obligations are expected to be settled through cash inflows from operating activities and through cash from capital injections in previous years.

28. Classification of financial assets and liabilities

T.SEK	Financial assets measured at amortised cost price	Financial liabilities measured at amortised cost prices	Derivative measured at fair value through profit and loss	Total Carrying amount
31 December 2023				
Assets				
Trade and other receivables	29,976	0	0	29,976
Cash and cash equivalents	61,077	0	0	61,077
Total assets	**91,053**	**0**	**0**	**91,053**
Liabilities				
Credit institutions, non-current	0	53,078	0	53,078
Other non-current liabilities, non-current	0	8,337	0	8,337
Lease liabilities, non-current	0	21,182	0	21,182
EIB warrants (derivative liability)	0	0	7,181	7,181
Credit institutions, current	0	4,375	0	4,375
Lease liabilities, current	0	11,940	0	11,940
Trade and other payables	0	17,757	0	17,757
Other liabilities	0	11,620	0	11,620
Total liabilities	**0**	**128,289**	**7,181**	**135,470**
31 December 2022				
Assets				
Trade and other receivables	25,244	0	0	25,244
Cash and cash equivalents	33,097	0	0	33,097
Total assets	**58,341**	**0**	**0**	**58,341**
Liabilities				
Credit institutions, non-current	0	6,885	0	6,885
Other non-current liabilities, non-current	0	8,521	0	8,521
Lease liabilities, non-current	0	32,382	0	32,382
Credit institutions, current	0	4,228	0	4,228
Lease liabilities, current	0	12,481	0	12,481
Trade and other payables	0	27,757	0	27,757
Loans from shareholders, Board of Directors and management	0	52,930	0	52,930
Other liabilities	0	15,947	0	15,947
Total liabilities	**0**	**161,131**	**0**	**161,131**

The fair value of the EIB loan has been determined to be T.SEK -57,122 as at 31 Dec 2023 and classified as level 3 in the fair value hierarchy. The loan was obtained during 2023. The fair value of the loan is determined by discounting the future cash flows (interest payments and principal repayments) with a market interest rate. The market rates has been determined based on a risk-free rate component and a credit spread component.

The fair value of EIB warrants (a derivative financial instrument) has been determined by using the black-scholes model where the Group's share price is the primary valuation input. Since the share price is observable on a listed, active market, management has determined that the EIB warrants are classified as level 1 in the fair value hierarchy.

For the rest of the Group's financial instruments measured at amortised cost, the carrying amounts are a reasonable approximations of fair values since they are either short term and/or are exposed to floating rates.

The different levels of fair value are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly in the form of quoted prices or indirectly, i.e., derived from quoted prices (Level 2)
- Inputs for the asset or liability are not based on observable market data (non-observable inputs) (Level 3).

The fair values of financial instruments not traded in an active market are determined with the help of valuation techniques. Market data is used as far as possible when such data is available. If all significant inputs required fair value measurement of an instrument are observable, it belongs to Level 2. When one or several significant inputs are not based on observable market information, the instrument is classified as Level 3.

29. European Investment Bank loan

Loan facility, warrant and put option agreement with the European Investment Bank
Finance contract with the European Investment Bank
In November 2022, GomSpace A/S entered into a finance contract with the European Investment Bank ensuring a loan facility of EUR 18.0 million at a 10 % fixed interest rate for tranche A, 8% for tranche B and 7% for tranche C. Under the finance contract, the loan shall be disbursed in up to three tranches and the repayment date is no later than the fifth anniversary of the relevant disbursement date. The loan agreement is subject to a number of financial and non-financial terms including requirements to financing by the parent, consolidated income/gross profit and equity contributions.

In March 2023, GomSpace A/S called the first of the three tranches under the finance contract. The first tranche totalled EUR 5 million. As at 31 December 2023, the carrying amount was T.SEK 55,479.

Consideration for the loan in the form of warrants (Tranche A)
As consideration for Tranche A (besides the 10% interest), GomSpace A/S has granted 1,650,783 warrants to the European Investment Bank that vest upon payment of the loan. EIB is entitled to 2.50 per cent of the fully diluted share capital of GomSpace Group AB. Vested warrants can be exercised in part of or in full at any time at the discretion of the European Investment Bank. The subscription price corresponds to the quotient value of the Group's shares at the relevant time of exercise.

Put option related to repurchase of vested warrants held by the European Investment Bank
The loan agreement further includes an embedded derivative in form of a put option, pursuant to which the European Investment Bank may require GomSpace A/S to purchase all, or part of the warrants (i.e. a net settlement in cash) held by the European Investment Bank at an option price equivalent to the fair value of the warrants at the time of exercise. A cap has been agreed on. According to management, the fair value of the options (prepayment and put) are out-of-the-money as at 31 Dec 2023.

30. Convertible loans

In November 2022, the Group entered into a convertible loan agreement for T.SEK 53,593 with the - at the time - largest shareholder, board members, and members of the executive management. The loan financed our short-term working capital needs of the Company. The convertible loan was denominated in SEK and carried an annual interest rate of five percent. In March 2023, the loan was converted in a share issue (through set-off) on the same terms as offered to the other investors. As a consequence the liability's carrying value, together with the derivative's fair value, were de-recognised and transferred to equity. The share issue was treated as an equity transaction and measured at fair value.

In 2022, the convertible loan was initially measured at fair value, less transaction costs incurred. As the interest-free period of the loan up to 1 April 2023 is considered to be a transaction with related parties at non-market terms, the fair value was calculated at T.SEK 52,709 and the difference of T.SEK 884 was booked as borrowing costs against the equity and amortised over the loan's maturity as a financial cost in the income statement using the Effective Interest Method (EIR). The balance of the loan at 31 December 2022 was T.SEK 52,930.

31. Non-cash items

	Group		GomSpace Group AB	
T.SEK	**2023**	**2022**	**2023**	**2022**
Grants deducted in fixed assets	0	0	0	0
Exchange rate adjustments	-346	6,700	-6,712	-1,101
Amortised borrowing costs	2,441	66	0	0
Warrant costs	0	0	0	0
Elimination of transactions with associates	0	0	0	0
Profit (loss) on fixed assets	243	-107	0	0
Adjustment to prior year	72	-16	0	0
Cancellation of the large customer project	0	14,664	0	0
Reversal of impairment investment in subsidiaries	0	0	-64,055	0
Write down in subsidiaries	0	0	6,334	365,608
	2,410	**21,307**	**-64,432**	**364,507**

32. Changes in net working capital

	Group 2023	Group 2022	GomSpace Group AB 2023	GomSpace Group AB 2022
Changes in inventories	2,595	-6,849	0	0
Changes in trade receivables (Gomspace Group AB: Receivables from subsidiaries)	-5,605	14,849	-21,383	81,782
Changes in other receivables	7,211	-8,768	-258	5
Changes in trade and other payables	-33,152	-24,029	-12,410	1,388
	-28,951	**-24,797**	**-34,051**	**83,175**

33. Liabilities from financing of debt activities

T.SEK	At the beginning of the year	Cash flow	Non-cash alterations			At the end of the year
			Other	Borrowing costs	Exchange adjustment	
31 December 2023						
GomSpace Group AB						
Short-term debt	52,930	-53,593	0	663	0	0
Total liabilities from financing of debt activities	**52,930**	**-53,593**	**0**	**663**	**0**	**0**
Group						
Long-term debt	47,788	41,725	0	1,980	-1,588	89,778
Short-term debt	69,639	-54,925	993	663	101	16,471
Total liabilities from financing of debt activities	**117,427**	**-13,200**	**993**	**2,643**	**-1,487**	**106,249**
31 December 2022						
GomSpace Group AB						
Short-term debt	0	53,593	0	-663	0	52,930
Total liabilities from financing of debt activities	**0**	**53,593**	**0**	**-663**	**0**	**0**
Group						
Long-term debt	44,405	-18,566	21,002	1,441	-494	47,788
Short-term debt	14,495	55,777	0	-663	30	69,639
Total liabilities from financing of debt activities	**58,900**	**37,211**	**21,002**	**778**	**-464**	**117,427**

34. Provision for contract work loss

T.SEK	Group		GomSpace Group AB	
	2023	2022	2023	2022
Opening balance	13,404	0	0	0
Arising during the year	4,841	13,404	0	0
Utilised	-13,404	0	0	0
Closing balance	**4,841**	**13,404**	**0**	**0**

A provision is recognised for one contract with a customer for which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received. It is anticipated that these costs will be incurred in the next financial year.

35. Government grants

Group
In 2023, the Group received T.SEK 159 in public grants for development purposes (2022: T.SEK 6,721). Hereof, T.SEK 159 (2022: T.SEK 6,721) were set off against the cost of the assets to which the grants relate.

36. Related parties

Related parties comprise the associated companies, Board of Directors and management team. Furthermore, related parties comprise companies where the persons mentioned above have significant interests.

Related parties also comprise subsidiaries in which GomSpace Group AB has controlling influence.

Group
The Group had expenses for accounting (with significant influence over the company) at a total of T.SEK 100 (T.SEK 76 in 2022), apart from management costs in note 4.

As of 31 December 2023, The Group has a debt to Management of 156 T.SEK, which is accumulated interests from the convertible loan described in note 30.

GomSpace Group AB
GomSpace Group AB had the following transactions with subsidiaries and no transactions with associates:

T.SEK	2023	2022
Transactions with subsidiaries		
Sale of goods and services	42,470	40,678
Purchase of goods and services	36,593	36,918
Receivables on the balance sheet date	48,940	10,193
Interest income from subsidiaries	5,907	3,538

37. Events after the balance sheet date

No material events have occurred subsequent to the balance sheet date.

38. Proposed distribution of profit (loss)

GomSpace Group AB
The Board of Directors recommends the following distribution of profit/loss for the year (SEK):

	2023	2022
Share premium	765,813,929	673,218,034
Retained earnings	-522,654,282	-91,547,114
Profit/loss for the year	49,779,636	-431,221,743
	292,939,283	**150,449,177**
To be distributed as follows:		
Paid out as dividend	0	0
Carried forward	292,939,283	150,449,177
	292,939,283	**150,449,177**

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MANAGEMENT'S STATEMENT

The Board of Directors and the Chief Executive Officer declare that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and give a true and fair view of the Group's financial position, results of operations and cash flow.

The separate financial statements of the parent company have been prepared in accordance with generally accepted accounting practice in Sweden and give a true and fair view of the parent company's financial position and results of operations.

The Administration Report for the group and parent company gives a true and fair view of the progress of the group's and parent company's operations, financial position and results of operations, and state the significant risks and uncertainties factors facing the parent company and the companies in the Group.

The Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position will be submitted to the Annual General Meeting on 17 May 2023 for adoption.

Stockholm, 27 April 2024

Executive Board and Board of Directors

Carsten Drachmann
CEO

Troels Dalsgaard
Deputy CEO

Stefan Gardefjord
Chair

Steen Lorenz Johan Hansen
Vice Chair

Henrik Kølle

Nikolaj Wendelboe

Kenn Herskind

Our audit report was submitted on 27 April 2024

Ernst & Young AB

Martin Henriksson
Authorised Public Accountant,
Auditor-in-charge

Auditor's report

To the generals meeting of the shareholders of GomSpace Group AB (publ), corporate identity number 559026-1888

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of GomSpace Group AB (publ) except for the corporate governance statement on pages 20-22 for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 10-61 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 20-22. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-9 and 64-65. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also::

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of GomSpace Group AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's' accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 20-22 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö 27 April 2024

Ernst & Young AB

Martin Henriksson
Authorized Public Accountant

Definition of ESG figures

CO_2 scope 1

Formula
Greenhouse gasses are computed based on each individual fuel type, e.g.: CH4 = ∑ (used fuel type in tons * CH4 conversion factor per fuel type)

Unit: ton CO_2e

CO_2 scope 2

Formula
Scope 2 emissions are computed per land per bought MWh of electricity and/or GJ of district heating/remote cooling, e.g.: CH4 = ∑ (bought MWh or GJ * CH4 conversion factor per land)

Unit: ton CO_2e

Renewable energy share

Formula
(renewable energy/energy consumption) * 100

Unit: %

Water consumption

Formula
the sum of all used water – gross

Unit: m^3

Workforce FTEs

Formula
FTE's + temporary labour

Unit: FTE

Gender diversity, overall

Formula
((Female FTE's + female temporary labour)/(FTE workforce)) * 100

Unit: % female

Gender diversity, management

Formula
((Female managers)/(All managers)) * 100

Unit: % female

Gender pay ratio

Formula
Median male salary/Median female salary

Unit: times

Employee turnover rate

Formula
((Voluntary + involuntary resigning FTE's)/(FTE's) * 100

Unit: %

Sickness absence

Formula
(Number of sickness days for all own FTE's in the period)/(Total FTE's)

Unit: days per FTE

Customer retention rate

Formula
((Number of customers at the end of the period) – (New customers added during the period))/(Number of customers at the beginning of the period)) * 100

Unit: %

Gender diversity, board

Formula
((Female board members elected by the general meeting)/(All members elected by the general meeting)) * 100

Unit: %

Board meeting attendance rate

Formula
((∑ Number of board meetings where members are present) per board member/(Number of board meetings * Number of board members)) * 100

Unit: %

CEO pay ratio

Formula
CEO compensation / Median employee salary

Unit: multiple

Financial Calendar

Interim report, January-March 2024	17 May 2024
Annual general meeting	17 May 2024

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