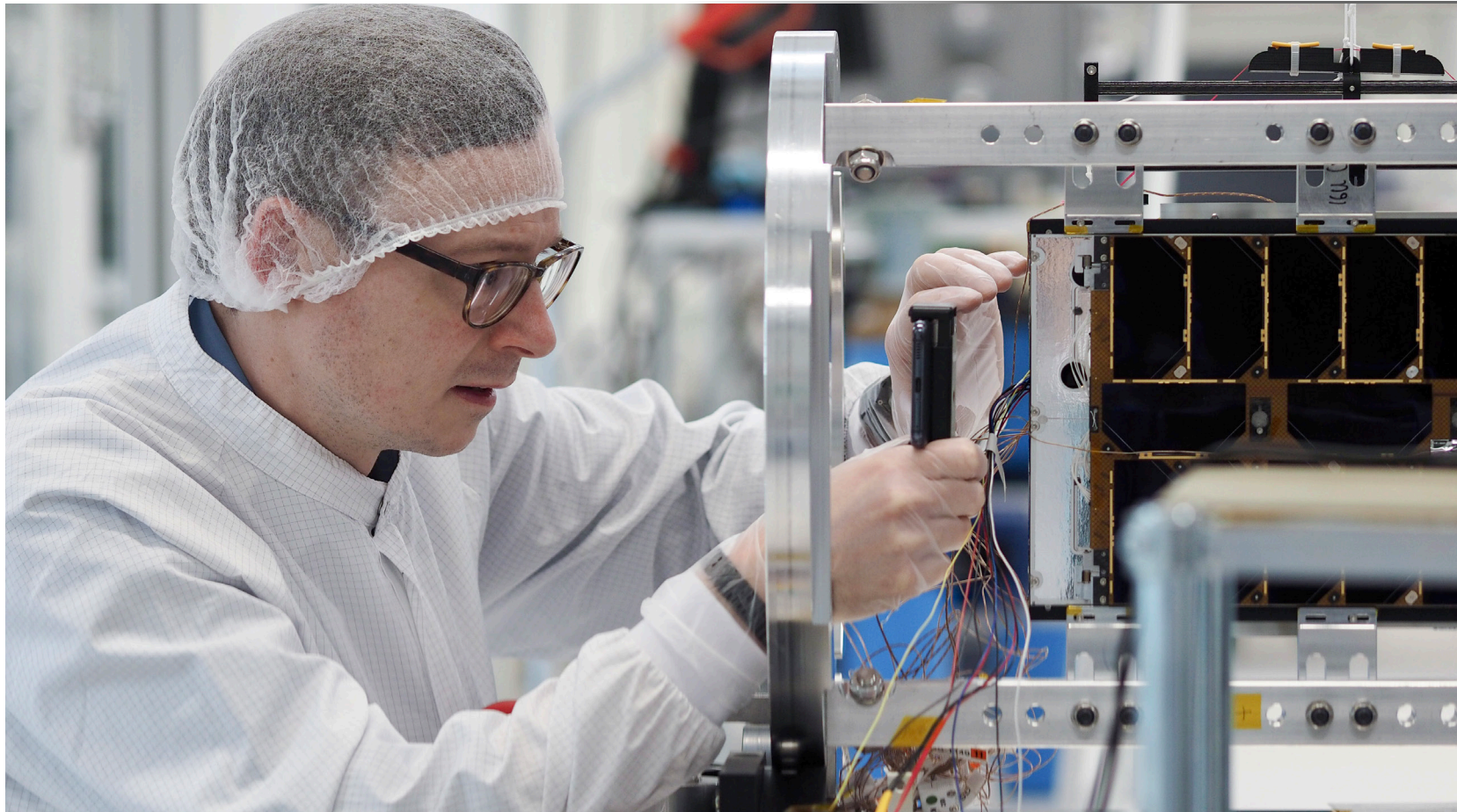


# ANNUAL REPORT 2022



**GOMSPACE**

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## Introduction to our Business

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## Gomspace at a Glance

### Mission

*We help teams across the globe achieve their goals in space*

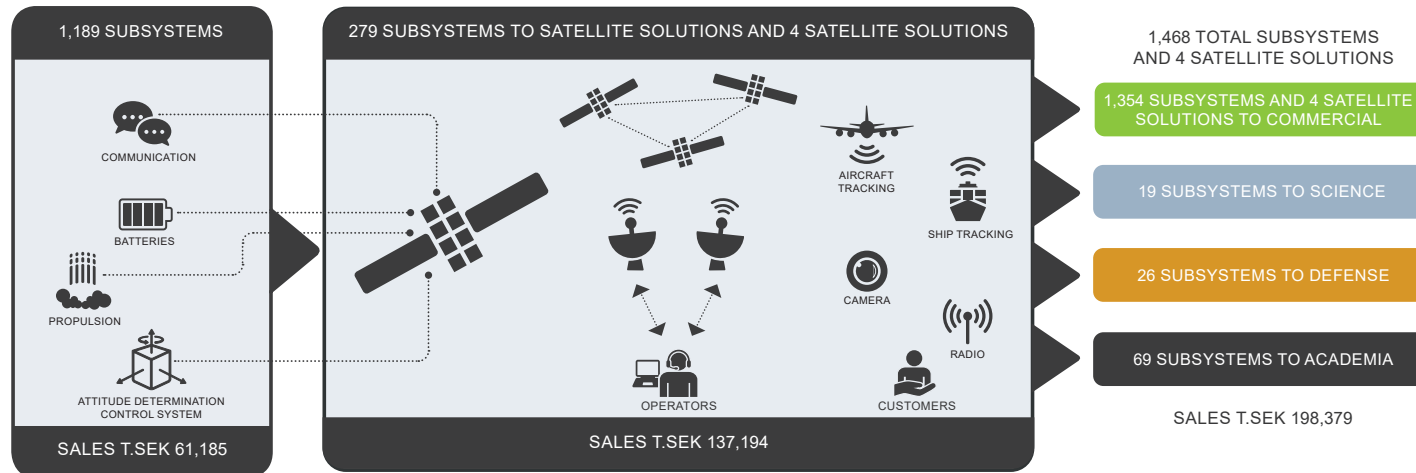
### Vision

To make nanosatellites the preferred choice for customers who have demands for professional mission critical radio-based surveillance and communications solutions

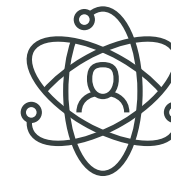
### Core strategy

Independent horizontal supplier of technology for commercial service providers and government, education and research institutions

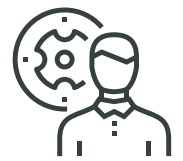
### The year in numbers



215 employees

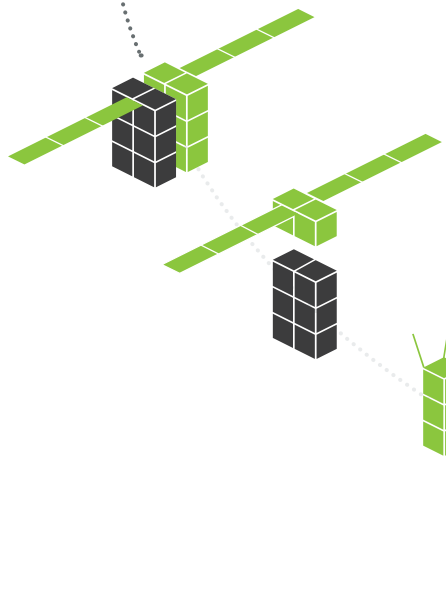
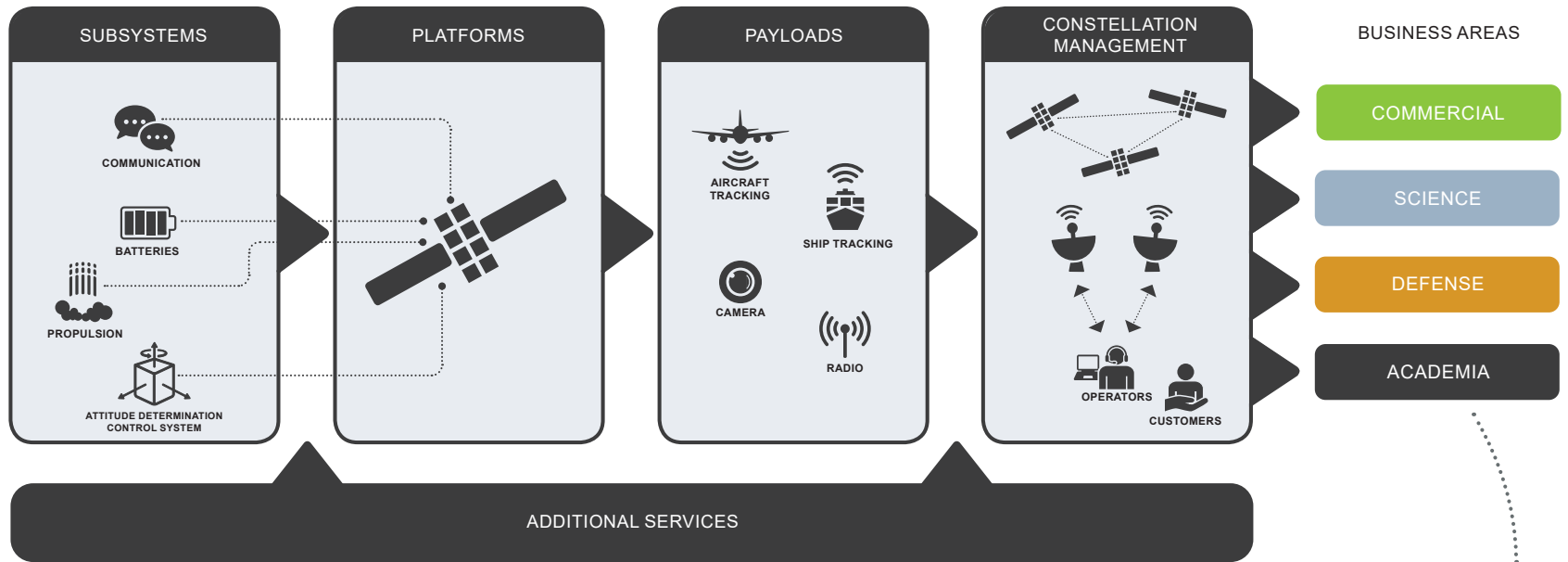


63,819 development hours

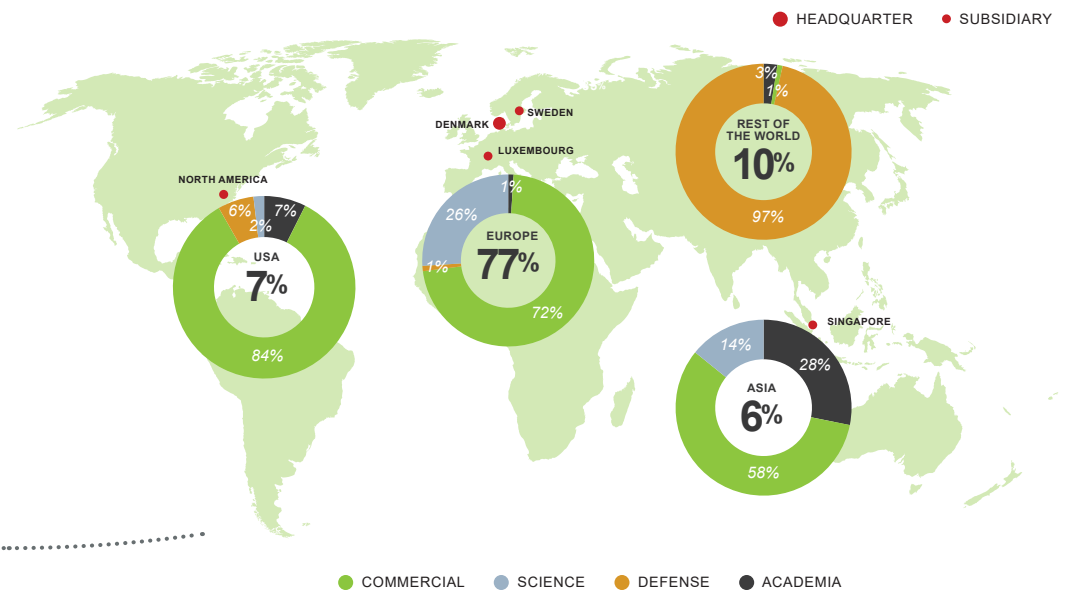


149,489 hours to cost of goods sold

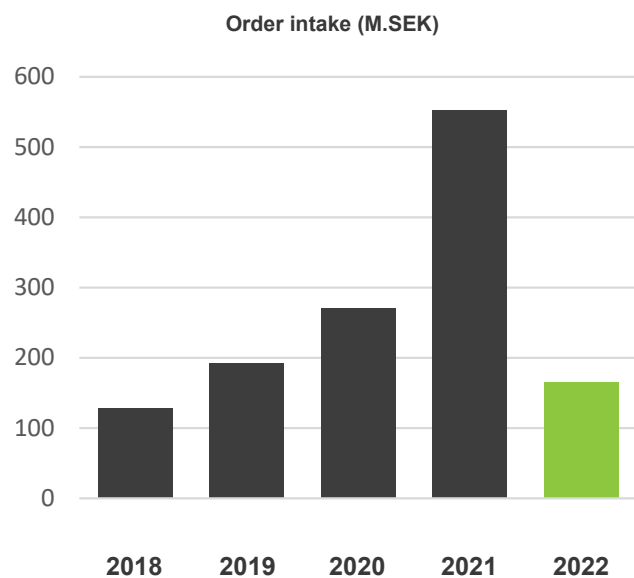
# Business Model



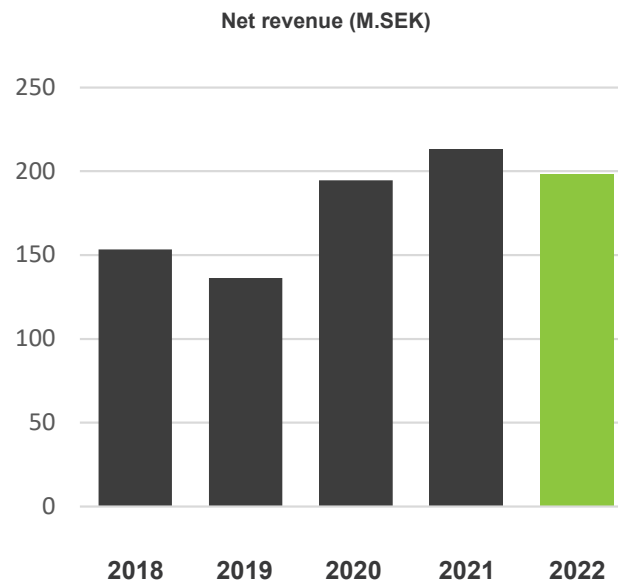
## SALES BY GEOGRAPHY



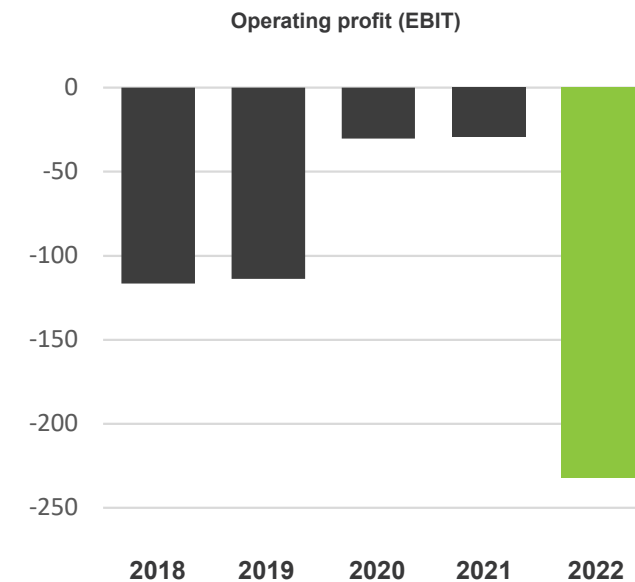
## Key results 2022



Order intake decreased by 70% to SEK 165.9m due to low order intake from sales of satellite solutions.



Net revenue decreased 7% to SEK 198.4m due to the cancelled large customer project and the spillover effect.



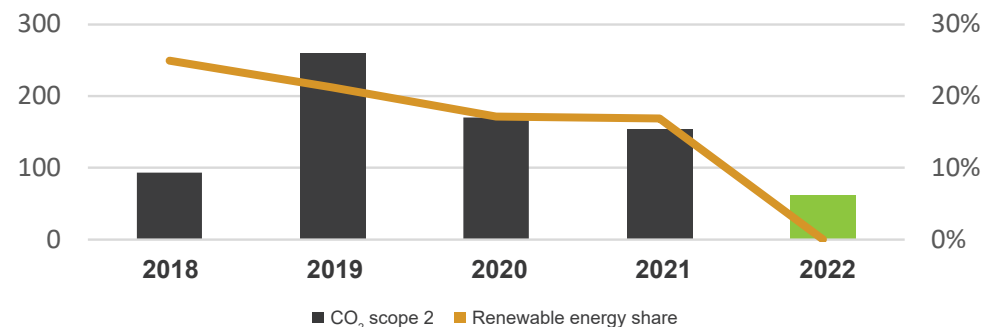
Operating loss increased to SEK 232.0m due to the impairment of development projects and goodwill.

## Environmental, Social and Governance Figures

GomSpace ESG data is calculated and aggregated at the Group level. The data points are based on the Center for ESG Research's Integrated Ratio Guideline. GomSpace has aggregated data within each indicated data point across the whole Group.

Section	Unit	2022	2021	2020	2019	2018
<b>Environmental</b>						
CO <sub>2</sub> scope 1	ton CO <sub>2</sub> e	2.96	1.90	5.27	154.91	154.07
CO <sub>2</sub> scope 2	ton CO <sub>2</sub> e	61.85	153.64	170.30	259.33	93.08
Renewable energy share	%	0%	17%	17%	21%	25%
Water consumption	m <sup>3</sup>	1314	198	1100	638.75	1085.92
<b>Social</b>						
Average number of FTEs (annual full-time equivalents) in the workforce	FTE	191.9	155.3	133.5	168.4	198.9
Gender diversity, overall	% female	22%	16%	16%	19%	22%
Gender diversity, executive management	% female	0%	0%	0%	0%	0%
Gender pay ratio*	times	1.47	1.54	1.24	1.37	1.38
Employee turnover rate	%	11%	12%	12%	30%	9%
Sickness absence	days per FTE	7.35	5.80	5.16	4.00	3.62
Customer retention rate	%	80%	83%	65%	76%	89%
<b>Governance</b>						
Gender diversity, board	%	0%	0%	0%	0%	20%
Board meeting attendance rate	%	90%	98%	98%	96%	98%
CEO pay ratio	multiple	4.34	4.68	5.31	4.66	6.06

\* 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 2018 to 2022. 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. 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 Perfluorocyclobutane (PFC-318), Sulphur hexafluoride (SF<sub>6</sub>), 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 (SF<sub>6</sub>) 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.

### Social

GomSpace's activities have increased during the past five years, and there was also an increase in the FTE workforce. In 2020, the FTE workforce decreased because of the overcapacity in 2019, which illustrates the decreased employee turnover from 2019 to 2020. The turnover rate has remained stable in 2021 and decreased slightly in 2022. In GomSpace, the share of women has declined from 22% in 2018 to 16% in 2020 but has returned to 22% in 2022. 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. An increase in the gender pay ratio can be explained by increased remuneration among the executive management group.

### Governance

All members of the board of directors are males. CEO salary was unchanged from 2021 to 2022, while median staff salary has increased by 8%. CEO pay ratio has averaged a factor of 5 for 2018 to 2022 but is showing a downward trend. The Board of Directors met 20 times in 2022. Board meeting attendance rates in 2022 decreased because health issues prevented the Chairman of the Board of Directors from attending all meetings.

## Administration report

The Board of Directors and Chief Executive Officer 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 2022. The numerical information in brackets in these annual accounts is comparative figures with the financial year 2021 or the reporting date of 31 December 2021.

### Information concerning operations

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

### Ownership

GomSpace A/S, GomSpace Sweden AB, GomSpace Orbital 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 Nasdaq First North Premier 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), GomSpace Orbital 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 material uncertainty regarding going concern

As of 31 December 2022, the cash position is T.SEK 33,097, cash flow after investing activities is T.SEK -203,888 and the Group incurred an operating loss of M.SEK 232 for 2022. In November 2022,

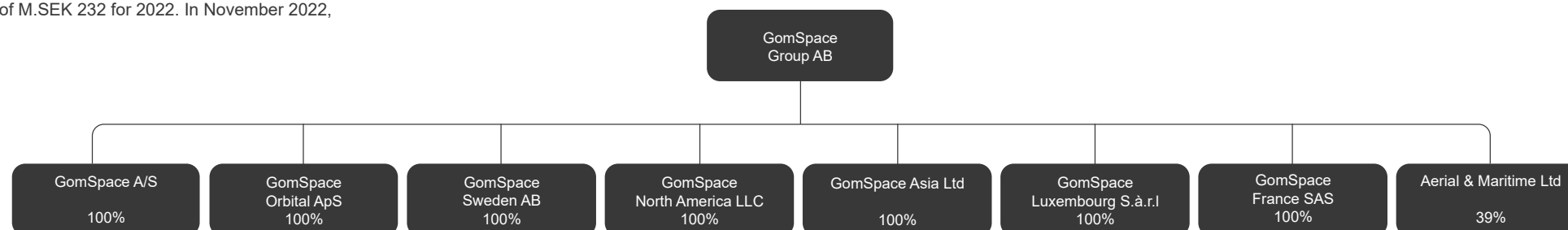
the Group entered a finance contract with the European Investment Bank ensuring a loan facility of M.SEK 200 (M.EUR 18). The Group received the first tranche of M.SEK 56 (M.EUR 5) in March 2023. The Group believes its cash position and the liquidity available from its operations, external borrowings and other current sources are insufficient 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, to raise gross proceeds of approximately M.SEK 122 and, in that connection, to convert the convertible loans into new shares. With the proceeds from the rights issue, the Group's and the Company's cash position will be sufficient to meet the Group's and Company's requirements for the year 2023. The Group also executed a staff reduction in December 2022 and January 2023 to minimize costs.

If the rights issue is carried out and succeeds according to plan, 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 2023. 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.

If the net proceeds from the rights issue does not succeed according to plan, the above indicates a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue operations as a going concern, ie. to realize its assets and discharge its liabilities within the framework of normal operations.

### 5-year overview

T.SEK	2022	2021	2020	2019	2018
<b>The Group</b>					
<b>Key figures</b>					
Net revenue	198,379	213,605	194,576	136,263	153,384
Gross profit	-51,119	49,016	47,646	17,994	38,549
Operating profit (EBIT)	-231,995	-29,524	-30,261	-113,856	-116,601
Share of profit from associates	0	0	-9,029	-25,967	-2,112
Net financial items	-944	-1,667	-8,369	-6,708	-4,098
Profit/loss before tax	-232,939	-31,191	-47,659	-146,531	-122,811
Investments in intangible assets	34,297	24,511	14,757	14,998	61,444
Investments in PPE	9,552	1,962	900	6,953	25,348
Total assets	334,172	395,800	403,048	436,753	608,542
Equity	104,798	224,890	247,421	295,682	441,843
Total liabilities	229,374	170,910	155,627	141,071	166,699
Cash flow from operating activities	-159,066	3,201	43,444	-92,627	-102,567
Cash flow from investing activities	-44,822	-25,806	-16,662	-32,678	-81,804
Cash flow from financing activities	132,848	-16,932	-10,006	-16,518	357,163
Cash and cash equivalents	33,097	83,516	133,608	106,227	248,754
Net working capital	6,124	6,727	10,929	-20,522	6,010





T.SEK	2022	2021	2020	2019	2018
<b>Ratios</b>					
Gross margin (%)	-26%	23%	24%	13%	25%
Operating (EBIT) margin (%)	-117%	-14%	-16%	-84%	-76%
Net margin (%)	-115%	-13%	-22%	-111%	-73%
Return on invested capital (%)	-68%	-7%	-11%	-35%	-18%
Return on equity (%)	-138%	-12%	-16%	-41%	-36%
Equity ratio (%)	31%	57%	61%	68%	73%
Earnings per share, basic, SEK	-3.76	-0.52	-0.83	-2.90	-3.93
Earnings per share, diluted, SEK	-3.76	-0.52	-0.83	-2.90	-3.93
Average number of employees	192	155	133	168	199
Number of outstanding shares, average	60,546,859	52,274,803	52,274,803	52,274,803	28,620,451
Number of outstanding shares as at 31 December	62,729,763	52,274,803	52,274,803	52,274,803	52,274,803

Earnings per share are computed following IAS 33 (note 26). Other key figures are computed following 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 the result for this year and the result in previous years. See note 1 for the definition.

T.SEK	2022	2021	2020	2019	2018
<b>The parent company</b>					
Net revenue	40,678	27,494	25,841	25,676	24,893
Operating profit (EBIT)	-67,851	-4,840	-6,537	-7,662	-6,570
Share of profit from associates	0	0	-11,672	-12,442	0
Net financial items	2,237	3,015	1,587	2,121	-398
Profit/loss for the year	-431,222	-24,473	-47,687	-21,503	-5,703
Total assets	211,124	491,507	515,111	562,502	606,710
Equity	154,840	489,541	513,924	561,118	580,646
Total liabilities	56,284	1,966	1,187	1,384	26,064
Operating (EBIT) margin (%)	-167%	-18%	-25%	-30%	-26%
Net margin (%)	-1060%	-89%	-185%	-84%	-23%
Return on invested capital (%)	-204%	-5%	-9%	-4%	-1%
Return on equity (%)	-134%	-5%	-9%	-5%	-1%
Equity ratio (%)	73%	100%	100%	100%	96%
Earnings per share, basic, SEK	-7.12	-0.47	-0.91	-0.41	-0.11
Earnings per share, diluted, SEK	-7.12	-0.47	-0.91	-0.41	-0.11

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



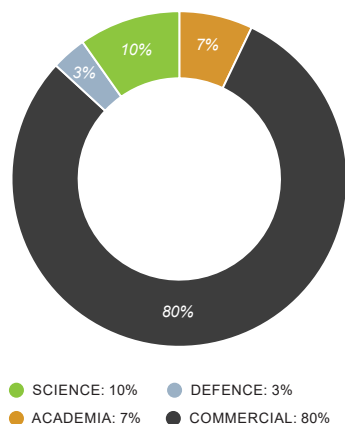
## Financial Review

Financial Review 11

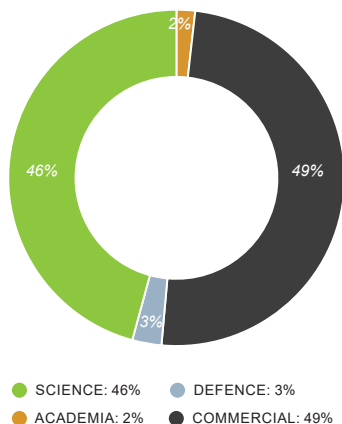
# Financial Review

T.SEK	Business areas				Total
	Academia	Commercial	Defense	Science	
Order backlog 1 January 2021	2,329	30,757	25,558	150,937	209,581
Currency adjustment and reclassification of orders	-81	2,724	3,290	-8,626	-2,693
Order intake	9,899	274,476	15,514	253,069	552,959
Cancelled orders	0	-1,818	-3,453	-1,005	-6,276
Converted to revenue	-6,934	-127,028	-20,689	-58,954	-213,605
<b>Order backlog 31 December 2021</b>	<b>5,213</b>	<b>179,111</b>	<b>20,220</b>	<b>335,421</b>	<b>539,965</b>
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
<b>Order backlog 31 December 2022</b>	<b>6,771</b>	<b>88,917</b>	<b>6,385</b>	<b>306,583</b>	<b>408,656</b>

Order intake 2022 split per business area



Order intake 2021 split per business area



## Order intake and backlog

Order intake for 2022 decreased to T.SEK 165,947 (552,959) due to low order intake from sales of satellite solutions. In the commercial business area, we received significant orders from German Aerospace Center (DLR) (T.SEK 13,214) for two 12-unit CubeSats and Unseenlabs (T.SEK 42,260) to deliver six more satellites.

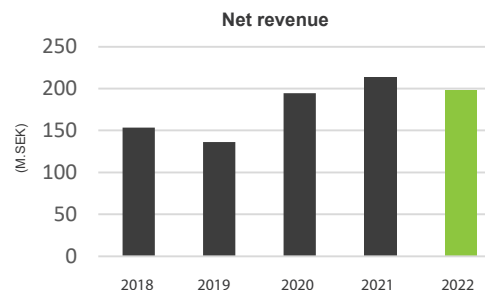
Order intake from platforms, payloads and sub-systems has improved, with a total order intake of T.SEK 77,796 (56,792) in 2022. One of the main orders from platforms, payloads and subsystems is the D-Orbit SpA order of T.SEK 9,052 for the P60 power systems and batteries in the commercial business area.

During 2022 we had cancelled orders of T.SEK 103,074. For satellite solutions, we had the cancellation of the large customer project of T.SEK 76,895 and agreed with ESA to cancel the third part of a deep space project amounting to T.SEK 20,108 that has been put on hold since 2021 due to the high content of non-recurring engineering

Order backlog refers to the total sales value of work still to be performed on contracts ordered by the customer. The order backlog decreased to T.SEK 408,656 (T.SEK 539,965), and 75% (62%) of the order backlog is within the science business area with projects with a high degree of non-recurring engineering.

## Revenue and operating profit (EBIT)

In 2022, revenue decreased 7% to T.SEK 198,379 (213,605) in 2022. In 2022, the largest proportion of revenue stemmed from non-recurring engineering, which has a lower gross margin than recurring engineering.



Revenue from satellite solutions decreased to T.SEK 137,194 (170,278) in 2022. The decrease is due to the cancelled large customer project and the spillover effect causing re-estimation of specific customer projects that had unexpected events and needed more resources than anticipated.

In 2022, we suspended a large commercial customer project due to unpaid invoices. The customer afterwards cancelled the project and withdrew the performance guarantees. The cancelled large customer project negatively affected revenues by T.SEK 17,678, a loss provision for receivable in Sales and distribution costs of T.SEK 39,228 and the withdrawal of performance guarantees of T.SEK 17,577 was recognised as a cost in the income statement. The priorities during 2022 were at the large customer project; therefore, the main resources were allocated to this project. This has caused spillover effects that negatively affected revenue with T.SEK 34,936 and recognised a provision for loss of T.SEK 21,376 as cost because of missing resources at other projects.

Revenue from platforms, payloads and subsystems increased to T.SEK 61,185 (43,327) for 2022. It has positively affected the margin due to improved capacity utilisation and increased activity level.

The negative impact of cancelling the large customer project and re-estimating other specific projects has caused a gross margin of -26% (23%).

The low order intake has affected revenue related to new customers, representing 7% compared to 27% of revenue in 2022.

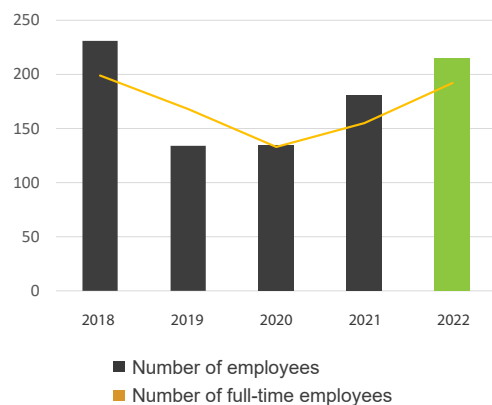
Operating profit (EBIT) decreased to a negative T.SEK 231,995 (-29,524) for 2022. The cost of goods sold and development costs are negatively affected by a write-down of development projects, and goodwill of T.SEK 34,309 and inventory of T.SEK 2,189 due to the yearly impairment test performed because we have re-evaluated our plans and focused on the new Investment Product Development plan. The impairment mainly relates to the development of the propulsion systems, and we do not intend to finalise and sell the assets as it is not anymore part of the product development plan.

**Tax and deferred tax**

In 2022, the Group recognised a deferred tax asset at a total amount of T.SEK 0 (356). A deferred tax asset of T.SEK 14,621 (14,692) related to tax loss carry-forward is deducted from deferred tax liabilities. The Group had an effective tax rate of 2% (12%) in 2022.

**Employees**

The number of employees 2022 increased to 215 (181), corresponding to 192 (155) full-time employees. To accommodate the current activity level, mainly caused by the cancelled large customer project, we initiated, in December 2022, a reduction in staff of just below 30 employees, corresponding to a full-year cost saving of approximately M.SEK 20. In January 2023, the last planned reduction of just above 40 employees was executed, corresponding to a full-year cost saving of approximately M.SEK 40. The staff reductions will have a full effect from the second half of 2023, with a saving of M.SEK 30 in 2023 and no effect in 2022.

**Employee evolution****WORKFORCE AVERAGE FULL TIME EMPLOYEES**

	2022	2021	2020	2019	2018
Technology	140 65%	117 65%	85 62%	82 61%	111 48%
Manufacturing	45 21%	37 20%	31 22%	30 22%	69 30%
Sales and distribution	12 6%	11 6%	11 8%	11 8%	22 10%
Administration	18 8%	16 9%	11 8%	11 8%	29 13%
Number of employees	215 100%	181 100%	138 100%	134 100%	231 100%
Number of full-time employees	192	155	133	168	199

**Additional Non-GAAP information describing the effect of the cancelled customer project and related one-off effects**

T.SEK	Jan-Dec 2022	Cancellation of large customer project	Spillover effects	Non-GAAP Financial Measures Jan-Dec 2022
Net revenue	198,379	-17,678	-34,936	250,993
Cost of goods sold	-249,498	-12,495	-35,591	-201,412
<b>Gross profit</b>	<b>-51,119</b>	<b>-30,173</b>	<b>-70,527</b>	<b>49,581</b>
<i>Gross margin</i>	<i>-26%</i>			<i>20%</i>
Sales and distribution costs	-63,297	-39,228		-24,069
Development costs	-73,945	-5,082	-22,284	-46,579
Administrative costs	-43,765			-43,765
Other operating income	131			131
<b>Operating profit (EBIT)</b>	<b>-231,995</b>	<b>-74,483</b>	<b>-92,811</b>	<b>-64,701</b>
<i>- As a percentage of revenues</i>	<i>-117%</i>			<i>-26%</i>

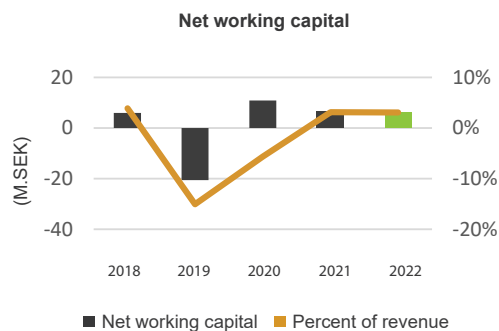
The Non-GAAP Financial information illustrates the underlying performance without the one-off effect from the large customer project's cancellation and the related spillover effects, such as re-estimating specific customer projects and impairment of investment projects, goodwill, and inventory.

Cancelling the large customer project affected revenue by T.SEK 17,678 and costs by T.SEK 56,805. The Spillover effects consists of re-estimating specific customer projects affected revenue negatively by T.SEK 34,936 and costs by T.SEK 21,376, impairment of investment projects of T.SEK 30,599, impairment of goodwill of T.SEK 3,710, and write-down of inventory of T.SEK 2,189.

In 2022, the Non-GAAP pro forma revenue increased to T.SEK 250,993 (213,605). The gross margin is lower than last year, mainly due to the re-estimation of specific customer projects with a high degree of non-recurring engineering work. The Non-GAAP pro forma operating profit (EBIT) decreased to a negative T.SEK 64,701 (-29,524). The operating profit (EBIT) is still underperforming compared to our expectations at the beginning of the year, with an EBIT margin to be better than -15%.

**Cash flow**

The working capital is positive T.SEK 6,124 (6,727) end of 2022. The net cash flow was negative during 2022, with 71,040 (-39,537).



Cash flow from primary operating activities was negative T.SEK 160,978 (1,537) in 2022. The performance guarantees related to the cancelled large customer projects have been withdrawn and negatively affected the cash position by T.SEK 17,577. In 2022 we experienced an increased tendency for customer projects to be delayed, causing customer payments delays. Furthermore, fewer new scientific orders that usually give significant prepayments at contract signature.

Negative cash flow from investing activities increased to T.SEK 44,822 (25,806) in 2022. The investment increase mainly relates to costs for the new office in Luxembourg.

Cash from financing activities amounts to T.SEK 132,848 (-16,932) for 2022. Cash from financing is positively affected with T.SEK 95,895 relates to the directed share issue in March 2022 and with an amount of T.SEK 53,593 from the convertible loan from shareholders, board of directors and management in November 2022.

Cash and cash equivalents at the end of 2022 were T.SEK 33,097 (83,516).

**Financial position and material uncertainty regarding going concern**

As of 31 December 2022, the cash position is T.SEK 33,097, cash flow after investing activities is T.SEK -203,888 and the Group incurred an operating loss of M.SEK 232 for 2022. In November 2022, the Group entered a finance contract with the European Investment Bank ensuring a loan facility of M.SEK 200 (M.EUR 18). The Group received the first tranche of M.SEK 56 (M.EUR 5) in March 2023. The Group believes its cash position and the liquidity available from its operations, external borrowings and other current sources are insufficient 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, to raise gross proceeds of approximately M.SEK 122 and, in that connection, to convert the convertible loans into new shares. With the proceeds from the rights issue, the Group's and the Company's cash position will be sufficient to meet the Group's and Company's requirements for the year 2023. The Group also executed a staff reduction in December 2022 and January 2023 to minimize costs.

If the rights issue is carried out and succeeds according to plan, 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 2023. 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.

If the net proceeds from the rights issue does not succeed according to plan, the above indicates a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue operations as a going concern, i.e. to realize its assets and discharge its liabilities within the framework of normal operations.

**Shareholder's equity**

As of 31 December 2022, total shareholder's equity amounted to T.SEK 224,890 (247,421). In 2021, a T.SEK 90 (493) amount was recognised as share-based payments concerning the warrant program established for the Group's employees.

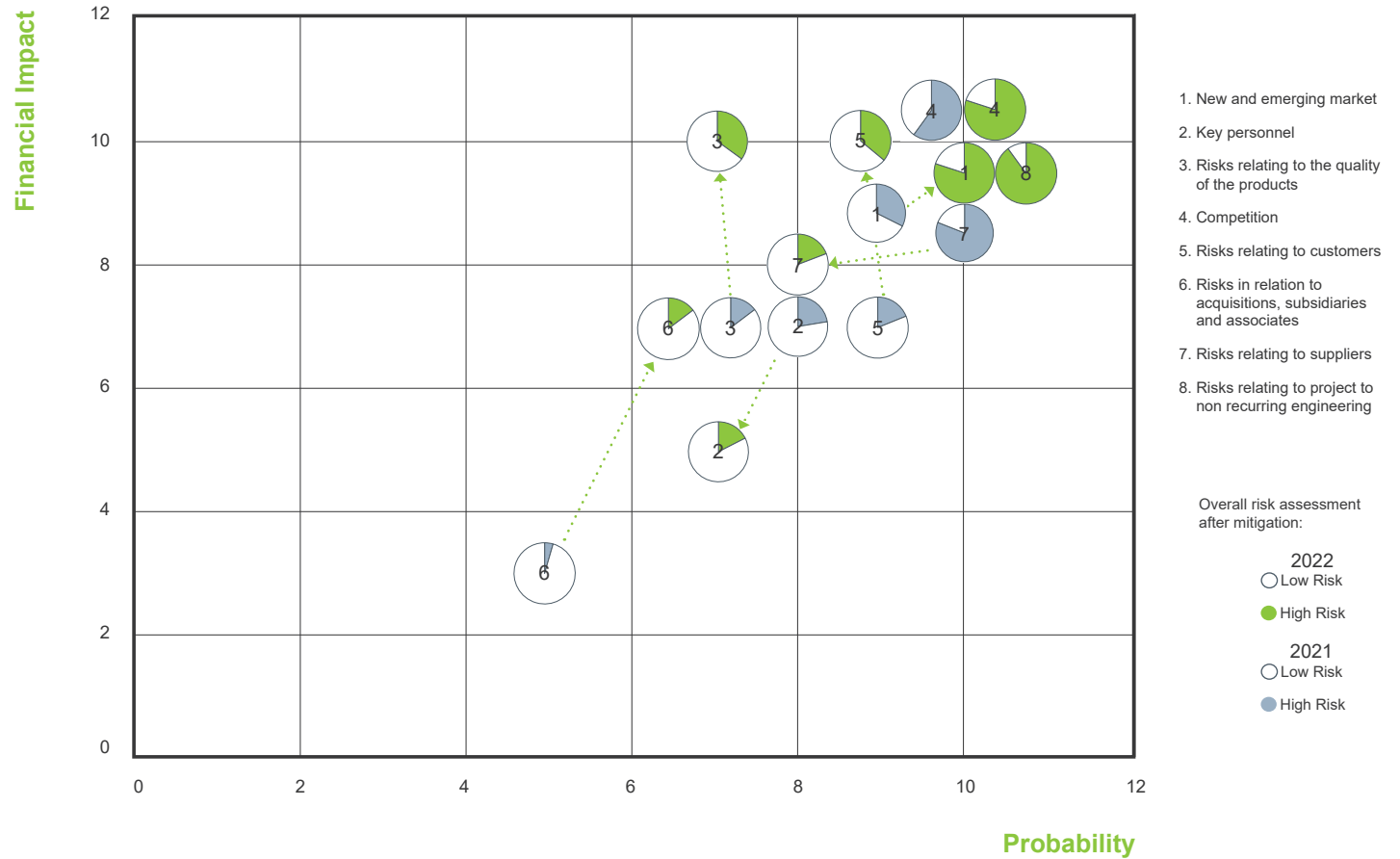
**Other non-financial information**

Information on remuneration and other employment terms for senior executives can be found in notes 5 and 6.

**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 30 Financial risks.

The risk factors set forth below are primarily associated with the subsidiaries GomSpace A/S, GomSpace Sweden AB, GomSpace Orbital ApS, GomSpace Asia PTE Ltd, GomSpace North America LLC, GomSpace Luxembourg S.à 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 other risks do not have any particular connection with the Company. There may also be risks and un certainties that the Company is currently unaware of, or assesses as immaterial, proving material. 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 all adversely affect the Company's business, financial position, and profits in the future.



Description	Impact	Mitigation	Risk assessment 2022
<p><b>1. New and emerging market</b></p> <p>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 operators with greater financial conditions and/or be better prepared for the market requirements.</p>	<p>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.</p>	<p>We monitor and reevaluate our ongoing business with quarterly forecasting and yearly updates of our 5-year plans. Furthermore, we adapt the company to the market situation, for instance, by focusing on the resources</p>	<p>In 2022, the backlog in the commercial business area was reduced mainly due to cancelled orders and lower order intake. Also, delays in new product development have caused delays in order intake</p>

Description	Impact	Mitigation	Risk assessment 2022
<p><b>1. New and emerging market (continued)</b></p>			<p>For these reasons, and because we see fewer opportunities in the market, the potential financial impact and the likelihood of the risk occurring are the same as last year.</p>
<p><b>2. Key personnel</b></p> <p>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.</p>	<p>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.</p>	<p>We ensure that GomSpace is, and continue to be, an exciting place to work. GomSpace seeks to offer employment on favourable terms and to be located in attractive areas.</p>	<p>We depend on skilled employees with the right competencies to execute our current project portfolio. In 2022 we needed to ramp up fast to reach 2022 targets and FTEs increased substantially.</p> <p>Our overall employee turnover rate for 2022 was 11% compared to 12% in 2021, which is stable.</p> <p>However, there was a restructuring in 2023 that has had an impact on the risk profile related to key personnel. Therefore the likelihood of the risk occurring has increased compared to last year.</p>
<p><b>3. Risks relating to the quality of the product</b></p> <p>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.</p>	<p>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.</p>	<p>The Quality Assurance department ensures that quality control is performed on the products and that this is registered and monitored on an ongoing basis.</p>	<p>Quality in our products is one of the most critical factors for our customers. And we're starting to see improvements in our quality improvement work</p> <p>For this reason, the potential financial impact is slightly decreased from last year.</p>
<p><b>4. Competition</b></p> <p>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.</p> <p>The competition may lead to markets where there is high competition on price and quality.</p>	<p>Failure to comply with this development may lead to loss of orders and market share.</p>	<p>We seek to be close to our customers and aim to offer them a wide product portfolio, and our customers can benefit from our experience within the business.</p>	<p>We are experiencing tough competition for commercial customers, and we have a much lower order intake in 2022 compared to 2021. Competitors are selling satellites as a service, and we do not have a setup for this service.</p> <p>A slower execution of the product development program causes delays in new product releases. This factor challenges the possibility of getting new customers and delays order intake.</p> <p>The potential financial impact and the likelihood of the risk occurring are the same as last year.</p>

Description	Impact	Mitigation	Risk assessment 2022
<p><b>5. Risks relating to customers</b></p> <p>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 favourable terms</p>	<p>We risk losing payment if the customer is unable to pay and in case we do not meet the milestone requirements.</p>	<p>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.</p>	<p>The main part of the order backlog is related to a few customers. We aim to increase sales in new customers to spread the risk.</p> <p>We are comfortable with our current customer portfolio, mainly public customers with low risk.</p> <p>In 2022 we lost a significant order after the termination of a large customer project, but see this as a special event and predict the potential financial impact to be unchanged compared to last year.</p>
<p><b>6. Risks relating to suppliers</b></p> <p>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</p>	<p>The impact could be delayed revenue, increased cost of goods sold, and inventory.</p>	<p>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.</p>	<p>The global and unprecedented shortage in semiconductor microchips has and continues to squeeze our supplier's capacity leading to a longer delivery time for critical components.</p> <p>In 2022 we saw that our mitigation is working; for this reason, the potential financial impact and the likelihood of the risk occurring decreased from last year.</p>
<p><b>7. Risks in relation to acquisitions, subsidiaries, and associates</b></p> <p>The outcome of acquisitions, subsidiaries, and associates is related to some risk as this may not fulfill the desired business strategy and become unsuccessful.</p>	<p>There will be expenses to closing down subsidiaries and costs concerning any obligations we have entered into; rental costs etc. We have written down our value of associated companies and started liquidating the company.</p>	<p>We monitor and reevaluate our ongoing business in subsidiaries with quarterly forecasting and yearly updates of our 5-year plans.</p>	<p>Aerial &amp; Maritime Ltd. is under solvent liquidation.</p> <p>Our strategy is the core business; therefore, no new spin-outs will be established.</p> <p>For this reason, the potential financial impact and the likelihood of the risk occurring are unchanged from last year.</p>
<p><b>8. Risk related to non-recurring engineering in project execution</b></p> <p>The company's ability to execute customer- and product development projects according to planned scope, cost, and on time.</p>	<p>The impact could be delayed revenue, increased cost of goods sold, delayed customer payments, and increased investment cost.</p>	<p>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.</p>	<p>In 2022, we saw an increased tendency for projects to be delayed and become more expensive to complete. This has resulted in poorer earnings and delays in customer payments.</p> <p>This year we terminated a contract with a large customer, which negatively impacted us. In addition, a few science projects with a large content of NRE have become more expensive to complete.</p> <p>The potential financial impact and the likelihood of the risk to occur are assessed to be high.</p>



### 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 3.

### Unusual events

Other than the cancellation of the large customer project and its spill-over effects, the financial position on 31 December 2022 of the Group and the results of the activities and cash flows of the Group for the financial year 2022 have not been affected by any unusual events.

### Subsequent events

In January 2023, the Chairman of the Board of Directors, Jens Maaløe, resigned due to health issues, and CEO Niels Buus stepped down. Vicechair of the Board of Directors, Jukka Pertola, took over as Chairman of the Board and CFO Troels Dalsgaard took over as interim CEO until the appointment of Carsten Drachmann as CEO in March 2023.

In January 2023, the last planned reduction of just above 40 employees was executed. Together with the staff reduction of just below 30 employees initiated in December 2022, this corresponds to a full-year cost saving of approx. M.SEK 60. The staff reductions will have a full effect from the second half of 2023, with a saving of M.SEK 30 in 2023 and no effect in 2022.

In January 2023, following a prolonged suspension of a customer project with a contract value of M.SEK 43, it was mutually agreed with the customer not to proceed to the third phase of the contract. This has resulted in a reduction of M.SEK 22 in the order backlog.

In March 2023, we have withdrawn Tranche A of M.EUR 5 from the credit facility with the European Investment Bank (EIB). Disbursement of Tranche A was subject to certain conditions including the delivery of warrants to the EIB entitling to subscription of 1,650,783 new shares in the Company. To enable delivery of these warrants, and for the purpose of facilitating the potential delivery of additional warrants should the Group choose to request disbursement of additional tranches under the credit facility, the Board of Directors of the Group resolved to issue a total of 3,301,566 warrants with support from the authorisation granted by the annual general meeting held in 2022 (i.e. the maximum number of warrants that may be transferred to the EIB should the Group choose to make use of the entire M.EUR 18 credit facility). The remaining warrants will be kept by the Group until and if it chooses to make use of the remaining tranches of the credit facility. See note 32 for further description of the loan and the conditions attached thereto.

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, to raise gross proceeds of approximately M.SEK 122 and, in that connection, to convert the convertible loans of M.SEK 53.6 with the largest shareholder and management into new shares. The conversion of these loans represent a subscription undertaking of approximately 44 per cent of the rights issue.

Other than the events mentioned above, no other material events have occurred subsequent to the balance sheet date.

### Parent Company

The parent company had total revenues of T.SEK 40,678 (27,494) for 2022. The parent company incurred total costs of T.SEK 108,529 (32,551) for 2022. The operating result for 2022 is T.SEK -67,851 (-4,840). The net loss for 2022 is T.SEK 431,222 (24,473).

The asset's value in GomSpace Sweden AB, GomSpace Luxembourg S.à r.l. and GomSpace A/S is lower than the cost price giving an impairment of T.SEK 365,608 and a provision for loss of receivables of T.SEK 60,421 in GomSpace Group AB.

Additions in investments in subsidiaries mainly comprise debt converting to equity in GomSpace A/S, GomSpace Luxembourg S.à r.l., and GomSpace Sweden AB of T.SEK 150,197.

### Tax and deferred tax

The Parent Company, GomSpace Group AB, had a non-recognized deferred tax loss carry-forward total of T.SEK 79,320 (74,352).

### 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):

	2022
Share premium	673,218,034
Retained earnings	-91,547,114
Profit (loss for the year)	-431,221,743
	<b>150,449,177</b>
To be distributed as follows:	
Paid out as dividend	0
Carried forward	150,449,177
	<b>150,449,177</b>

The Board of Directors is proposing to the Annual General Meeting that no dividend is paid for the financial year 2022.



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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 nanosatellites 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.

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.

## 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 apply to the market where the company’s shares are listed for trading (Nasdaq First North Growth Market – Rulebook) 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 [12,054,960] shares, corresponding to [19.22%] of the shares and votes in the company.

## General meeting of shareholders

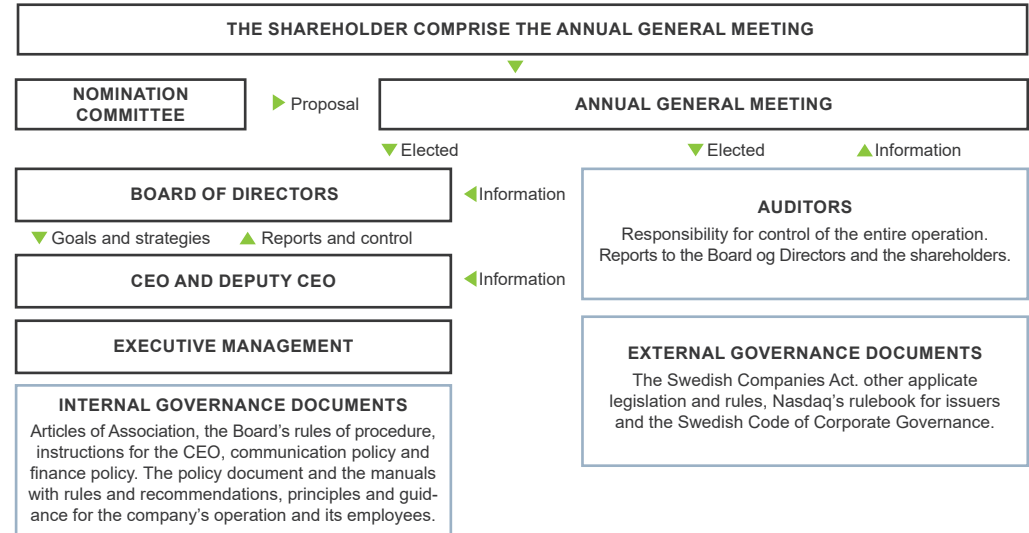
The annual general meeting of shareholders (“AGM”) is held in Stockholm within six months of the end of the financial year. The AGM adopts the financial statements (annual report) and decides how to allocate the result. Further, the AGM decides on discharge from liability for the board of directors and 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 Permier Segment) and the Code.

The AGM to be held in 2022 has taken place on 22 April 2022 at 10.00 at Setterwalls Advokatbyrå’s office at Sturegatan 10 in Stockholm, Sweden.

At the AGM held on 22 April 2022, 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 2023 will take place on 31 May 2023 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 22 April 2022, 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 mem-

bers 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 2023, the following shareholders have exercised their right to appoint a member to the nomination committee: Peter Hargreaves and Longbus Holding. Each of the aforementioned shareholders has appointed the following members:

- Stefan Gardefjord, appointed by Longbus Holding
- Henrik Kølle, appointed by The Hargreaves Family No. 14 Settlement

The chairman of the board of directors (Jukka Pertola) 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 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.

At the AGM held on 22 April 2022, five board members were elected.

At the extraordinary general meeting held on 10 June 2022, it was resolved to discharge Jesper Jespersen, upon his own request, from the company's board of directors. Furthermore, it was resolved to elect Kenn Herskind as new board member for the period until the end of the next annual general meeting (i.e. in addition to the remaining current board members).

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.

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 2022 the attendance rate was 90%. Due to health issues, Jens Maaløe was absent at nine out of twenty board meetings resulting in an attendance rate of 55%, and the other board members had an attendance rate of 100%.

Since the last AGM, 23 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 management team members 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.

The board of directors ensures that the statutory auditor reviews the company's half-year or third-quarter report. The most recent review was performed on 24 November 2022.

#### 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, and Troels Dalsgaard was confirmed as deputy CEO and CFO.

#### 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 chair has evaluated the board work through individual discussions with the board members. Several different observations are highlighted, of which the main focus is the breadth of knowledge within the international space economy and market. The most recent evaluation was performed in March 2023.

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 most recent evaluation was performed in December 2021. The company deviated from rule 8.2 in the Code by not having the CEO evaluated by the board of directors in 2022. The reason for this deviation was the change of CEO, which was announced on 18 January 2023.

#### 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 Programmes. 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, see appendix 2 to the minutes from the AGM held in 2021, available on the company's webpage.

At the company's AGM held in 2022, 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 1,350,000, 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 2022 is estimated to cost the company not more than approximately SEK 3,600,000.

#### 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 11) 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 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.

At each board meeting, management reports its assessment of existing risks and any other issues concerning internal control. The board can then call for further measures if considered necessary.

Description of risk management and assessment are included on pages 18-20 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



**Jukka Pertola**  
(board member and chairman)

**Born:** 1960

**Position:** Member of the board since 2016 and chairman since 2023.

**Other current assignments:**

Mr. Pertola is chairman of the board of directors of Siemens Gamesa Renewable Energy A/S, Tryg A/S, Tryg Forsikring A/S, COWI Holding A/S and Asetek A/S. Furthermore, he is vice chairman of the board of directors of GN Store Nord A/S, GN Audio A/S and GN Hearing A/S.

**Independent of GomSpace and the senior management:** Yes.

**Independent of major shareholders as of today:** Yes.

**Holdings in GomSpace:** Direct holding of 80,000 shares.



**Steen Hansen**  
(board member)

**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 BREGNERØDVEJ 139, Melsted Restaurant ApS, MSG Capital APS, Go Hotel Herlev ApS and Grandalsgård ApS. 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.

**Independent of GomSpace and the senior management:** Yes.

**Independent of major shareholders as of today:** Yes.

**Holdings in GomSpace:** Indirect holding of 5,248,646 shares through H&L Invest ApS.



**Nikolaj Wendelboe**  
(board member)

**Born:** 1975

**Position:** Board member since 2022.

**Other current assignments:**

Mr. Wendelboe is chairman of the board of directors of Sparkle ApS. Further, 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.

**Independent of GomSpace and the senior management:** Yes.

**Independent of major shareholders as of today:** Yes.

**Holdings in GomSpace:** No 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.

**Independent of GomSpace and the senior management:** Yes.

**Independent of major shareholders as of today:** No.

**Holdings in GomSpace:** Direct holding of 40,000 shares.

## Executive Management



**Carsten Drachmann**  
(CEO)

**Born:** 1966

**Position:** Mr Drachmann is Chief Executive Officer (CEO) of the Company and has been with the company since March 2023.

**Holdings in GomSpace:**  
No shares.



**Troels Dalsgaard**  
(Deputy CEO and CFO)

**Born:** 1986

**Position:** Mr Dalsgaard is deputy CEO for the company since March 2023. Additionally, Mr. Dalsgaard is CFO of the Company and for GomSpace A/S since 2014.

**Other current assignments:**

Mr Dalsgaard is a member of the board of directors of Roblight A/S and the owner and partner of Skallerup Invest ApS.

**Holdings in GomSpace:**

Direct holding of 1,000 shares and indirect holding of 293,300 shares in the Company through Skallerup Invest ApS. Related persons (children) also hold a total of 3,000 shares.



**Thomas Pfister**  
(CCO)

**Born:** 1976

**Position:** Mr Pfister is Chief Commercial Officer (CCO) of the Company and has been with the company since March 2022.

**Holdings in GomSpace:**  
No shares.



**Eduardo Cruz**  
(CDO)

**Born:** 1983

**Position:** Mr Cruz is Chief Delivery Officer (CDO) of the Company and has been with the company since June 2018.

**Holdings in GomSpace:**  
No shares.



**Søren Lind Therkildsen**  
(CMO)

**Born:** 1982

**Position:** Mr Therkildsen is the Chief Manufacturing Officer of GomSpace and has been with the company since August 2017.

**Holdings in GomSpace:**

Direct holding of 8,410 shares in the Company.



**Lars K. Alminde**  
(CPO)

**Born:** 1979

**Position:** Mr Alminde is the Chief Product Officer (CPO) of GomSpace and has been with the company since September 2007.

**Other current assignments:**

Mr Alminde is the owner and CEO of Black Pepper Invest ApS.

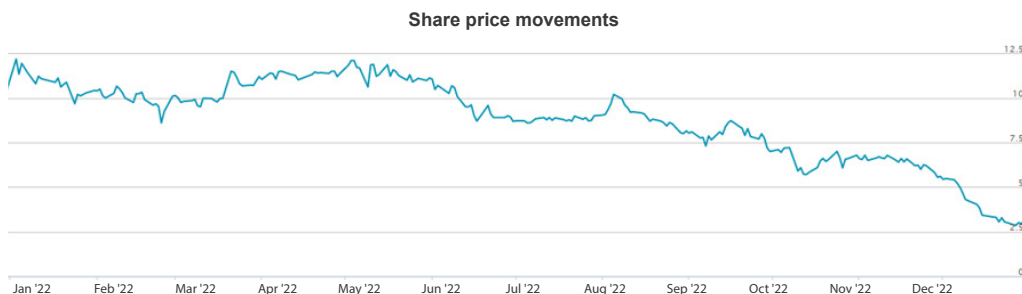
**Holdings in GomSpace:**

Indirect holding of 526,439 shares in the Company through Black Pepper Invest ApS.

## Investor Information

### Share price movements

At the end of 2022, GomSpace Group AB's share was SEK 3.06 per share compared to a share price of SEK 10.12 at the beginning of the year. This corresponds to a decrease of 70%. The group's market value on 31 December 2022 was T.SEK 191,953 compared to T.SEK 529,021 as of 1 January 2022.



### Composition of shareholders

GomSpace Group AB had 11,153 registered shareholders at the end of 2022. The following are the top-3 shareholders who are made public. Therefore, other shareholders may be included in the top-3; however, they are unknown by name.

	Number of shares
The Hargreaves Family No. 14	12,054,960
H&L Invest ApS	5,248,646
Longbus Holding ApS	1,221,756

These shareholders hold 29.5% of the group's total shares.

The Board of Directors and the management, including related parties, hold 5,367,646 and 832,149 shares, respectively, corresponding to 9.9% of the total shares.

### IR Policy

Our policy is to convey information to our shareholders and the market professionally and continuously.

The group's annual reports and interim reports are available on our webpage. Following the publication, an update will be made to our Investor Presentation, which can also be found on our webpage.

Following our interim reports, sponsored share analysis is prepared by ABGS, Aktieinfo and HC Andersen Capital (this latter analysis is only available in Danish).

Questions regarding IR can be sent via the contact form on our webpage (<https://gomspace.com/contact.aspx>) or by e-mail: [info@gomspace.com](mailto:info@gomspace.com).



## Financial Statements

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## Consolidated Income

T.SEK	Note	2022	2021
Net revenue	4	198,379	213,605
Cost of goods sold	5,6,7,21	-249,498	-164,589
<b>Gross profit (loss)</b>		<b>-51,119</b>	<b>49,016</b>
Sales and distribution costs	5,6,7,21	-63,297	-24,912
Development costs	5,6,7	-73,945	-22,106
Administrative costs	5,6,7	-43,765	-31,711
Other operating income	5,6,7	131	189
<b>Operating profit (EBIT)</b>		<b>-231,995</b>	<b>-29,524</b>
Share of profit from associates		0	0
Finance income	16	1,900	1,661
Finance expenses	9	-2,844	-3,328
<b>Profit (loss) before tax</b>	10	<b>-232,939</b>	<b>-31,191</b>
Tax		5,115	3,864
<b>Profit (loss) for the year</b>	11	<b>-227,824</b>	<b>-27,327</b>
<b>Profit (loss) is attributable to</b>			
Owners of GomSpace Group AB (publ)		-227,824	-27,327
		<b>-227,824</b>	<b>-27,327</b>

T.SEK	Note	2022	2021
<b>Consolidated Comprehensive Income</b>			
Profit (loss) for the year		-227,824	-27,327
<b>Items which may be reclassified to the income statement:</b>			
Foreign exchange rate adjustments, subsidiaries		11,211	4,706
<b>Other comprehensive income for the year, net of tax</b>		<b>11,211</b>	<b>4,706</b>
<b>Total comprehensive income for the year</b>		<b>-216,613</b>	<b>-22,621</b>
<b>Total comprehensive income for the year is attributable to:</b>			
Owners of GomSpace Group AB (publ)		-216,613	-22,621
		<b>-216,613</b>	<b>-22,621</b>
Earnings per share, basic, SEK	26	-3.76	-0.52
Earnings per share, diluted, SEK	26	-3.76	-0.52

## Consolidated Financial Position

T.SEK	Note	Dec 31	
		2022	2021
<b>ASSETS</b>			
Goodwill	12	0	3,710
Other intangible assets	12	122,332	127,673
Property, plant and equipment	13	18,767	16,245
Right of use assets (leasing)	14	43,581	33,201
Investments in associates	16	0	0
Deferred tax	17	0	356
Other non-current assets	18	4,794	4,156
<b>Total non-current assets</b>		<b>189,474</b>	<b>185,341</b>
Inventories	19	46,162	35,961
Contract work	20,21	29,264	34,860
Trade receivables	21	19,954	27,952
Tax receivable	22	6,898	5,788
Prepayments	23	4,033	4,173
Other receivables	24	5,290	2,454
Cash and cash equivalents	25	33,097	99,271
<b>Total current assets</b>		<b>144,698</b>	<b>210,459</b>
<b>Total assets</b>		<b>334,172</b>	<b>395,800</b>

T.SEK	Note	Dec 31	
		2022	2021
<b>EQUITY AND LIABILITIES</b>			
Share capital	26	4,391	3,660
Other contributed capital		676,505	581,599
Translation reserve		18,500	7,289
Retained earnings		-594,598	-367,658
<b>Total equity</b>		<b>104,798</b>	<b>224,890</b>
Credit institutions	30,31	6,885	10,301
Leasing liabilities	14,30,31	32,382	23,022
Other liabilities	28,30,31	8,521	10,638
<b>Total non-current liabilities</b>		<b>47,788</b>	<b>43,961</b>
Credit institutions	30,31	4,228	3,529
Leasing liabilities	14,30,31	12,481	9,823
Trade payables and other payables	30,31	27,757	30,830
Contract work	20	51,458	59,664
Prepayments	27	2,261	2,241
Corporation tax		1,120	1,470
Loans from shareholders, Board of Directors and management	33	52,930	0
Other liabilities	28,31	15,947	18,837
Provision for contract work loss		13,404	555
<b>Total current liabilities</b>		<b>181,586</b>	<b>126,949</b>
<b>Total liabilities</b>		<b>229,374</b>	<b>170,910</b>
<b>Total equity and liabilities</b>		<b>334,172</b>	<b>395,800</b>

## Consolidated Changes in Equity

T.SEK	Share capital	Share premium	Translation reserve	Retained earnings	Total equity
<b>Equity 01.01.2021</b>	<b>3,660</b>	<b>581,599</b>	<b>2,583</b>	<b>-340,421</b>	<b>247,421</b>
Profit (loss) for the year	0	0	0	-27,327	-27,327
Other comprehensive income	0	0	4,706	0	4,706
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>4,706</b>	<b>-27,327</b>	<b>-22,621</b>
<b>Transactions with owners in their capacity as owners</b>					
Share-based payments	0	0	0	90	90
<b>Total transactions with owners in their capacity as owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>90</b>	<b>90</b>
<b>Equity 31.12.2021</b>	<b>3,660</b>	<b>581,599</b>	<b>7,289</b>	<b>-367,658</b>	<b>224,890</b>
<b>Equity 01.01.2022</b>	<b>3,660</b>	<b>581,599</b>	<b>7,289</b>	<b>-367,658</b>	<b>224,890</b>
Profit (loss) for the year	0	0	0	-227,824	-227,824
Other comprehensive income	0	0	11,211	0	11,211
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>11,211</b>	<b>-227,824</b>	<b>-216,613</b>
<b>Transactions with owners in their capacity as owners</b>					
Increase in share capital	731	101,831	0	0	102,562
Increase in share capital, costs	0	-6,925	0	0	-6,925
Fair value adjustment, convertible loan	0	0	0	884	884
<b>Total transactions with owners in their capacity as owners</b>	<b>731</b>	<b>94,906</b>	<b>0</b>	<b>884</b>	<b>96,521</b>
<b>Equity 31.12.2022</b>	<b>4,391</b>	<b>676,505</b>	<b>18,500</b>	<b>-594,598</b>	<b>104,798</b>

## Consolidated Cash Flow

T.SEK	Note	2022	2021
Profit (loss) before tax		-232,939	-31,191
Reversal of financial items		944	1,667
Depreciation and amortisations		74,507	32,269
Result after tax from associates	36	0	0
Non-cash items	34	21,307	2,110
Changes in net working capital	35	-24,797	-3,318
<b>Cash flow from primary operating activities</b>		<b>-160,978</b>	<b>1,537</b>
Received interest		22	134
Paid interest		-2,587	-3,118
Tax received		6,037	5,121
Tax paid		-1,560	-473
<b>Cash flow from operating activities</b>		<b>-159,066</b>	<b>3,201</b>
Investments in intangible assets (before grants)		-40,706	-25,521
Investments in leasehold improvement, plant and equipment		-9,552	-1,962
Deposit paid	38	-260	-9
Government grants		5,696	1,686
<b>Cash flow from investing activities</b>		<b>-44,822</b>	<b>-25,806</b>
<b>Free cash flow</b>		<b>-203,888</b>	<b>-22,605</b>

T.SEK	Note	2022	2021
<i>Financing from debt:</i>			
Borrowings	37	53,593	0
Repayment of borrowings	37	-4,012	-5,662
Payment of lease liabilities	37	-12,370	-11,270
		<b>37,211</b>	<b>-16,932</b>
<i>Financing from shareholders:</i>			
Capital increase		102,562	0
Capital increase, costs		-6,925	0
		<b>95,637</b>	<b>0</b>
<b>Cash flow from financing activities</b>		<b>132,848</b>	<b>-16,932</b>
<b>Net cash flow for the year</b>		<b>-71,040</b>	<b>-39,537</b>
Cash and cash equivalents, beginning of the year		83,516	133,608
Unrealised exchange rate gains and losses on cash	25	4,319	3,306
Change in bank deposit for security		16,302	-13,861
<b>Cash and cash equivalents, end of the year</b>		<b>33,097</b>	<b>83,516</b>
<b>Reconciliation of cash and cash equivalents</b>			
Cash and cash equivalents according to the balance sheet		33,097	99,271
Bank deposit		0	-15,755
<b>Cash and cash equivalents according to the cash flow statement</b>		<b>33,097</b>	<b>83,516</b>

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

## Parent Company Income

T.SEK	Note	2022	2021
Net revenue	4	40,678	27,494
<b>Gross profit</b>		<b>40,678</b>	<b>27,494</b>
Administrative costs		-108,529	-32,551
Other operating income		0	217
<b>Operating profit (EBIT)</b>		<b>-67,851</b>	<b>-4,840</b>
Finance income	9	3,591	3,066
Share of profit from associates	16	0	0
Write-down of investments in subsidiaries	15	-365,608	-22,648
Finance expenses	10	-1,354	-52
<b>Profit (loss) before tax</b>		<b>-431,222</b>	<b>-24,473</b>
Tax	11	0	0
<b>Profit (loss) for the year</b>		<b>-431,222</b>	<b>-24,473</b>
<b>Statement of Comprehensive Income</b>			
Profit (loss) for the year		-431,222	-24,473
<b>Items which may be reclassified to the income statement:</b>			
<b>Other comprehensive income for the year, net of tax</b>		<b>0</b>	<b>0</b>
<b>Total comprehensive income for the year</b>		<b>-431,222</b>	<b>-24,473</b>

## Parent Company Financial Position

T.SEK	Note	2022	2021
<b>ASSETS</b>			
Investments in subsidiaries	15	183,813	398,400
Investments in associates	16	0	0
<b>Total financial fixed assets</b>		<b>183,813</b>	<b>398,400</b>
<b>Total non-current assets</b>		<b>183,813</b>	<b>398,400</b>
Receivables from subsidiaries		10,193	91,975
Deferred tax asset		55	0
Other prepayments	23	932	952
Other receivables	24	31	71
<b>Receivables</b>		<b>11,211</b>	<b>92,998</b>
<b>Cash and cash equivalents</b>	25	<b>16,100</b>	<b>109</b>
<b>Total current assets</b>		<b>27,311</b>	<b>93,107</b>
<b>Total assets</b>		<b>211,124</b>	<b>491,507</b>

T.SEK	Note	2022	2021
<b>EQUITY AND LIABILITIES</b>			
<i>Restricted equity:</i>			
Share capital	26	4,391	3,660
<b>Total restricted equity</b>		<b>4,391</b>	<b>3,660</b>
<i>Free equity:</i>			
Share premium		673,217	578,311
Retained earnings		-522,768	-92,430
<b>Total free equity</b>		<b>150,449</b>	<b>485,881</b>
<b>Total equity</b>		<b>154,840</b>	<b>489,541</b>
Loans from shareholders, Board of Directors and management	33	52,930	0
Trade payables and other payables		2,844	1,552
Other liabilities	28	510	414
<b>Total current liabilities</b>		<b>56,284</b>	<b>1,966</b>
<b>Total liabilities</b>		<b>56,284</b>	<b>1,966</b>
<b>Total equity and liabilities</b>		<b>211,124</b>	<b>491,507</b>

## Parent Company Changes in Equity

T.SEK	Share capital	Share premium	Retained earnings	Total equity
<b>Equity 01.01.2021</b>	<b>3,660</b>	<b>578,311</b>	<b>-68,047</b>	<b>513,924</b>
Profit (loss) for the year	0	0	-24,473	-24,473
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>-24,473</b>	<b>-24,473</b>
<i>Transactions with owners in their capacity as owners</i>				
Share-based payments	0	0	90	90
	<b>0</b>	<b>0</b>	<b>90</b>	<b>90</b>
<b>Equity 31.12.2021</b>	<b>3,660</b>	<b>578,311</b>	<b>-92,430</b>	<b>489,541</b>
<b>Equity 01.01.2022</b>	<b>3,660</b>	<b>578,311</b>	<b>-92,430</b>	<b>489,541</b>
Profit (loss) for the year	0	0	-431,222	-431,222
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>-431,222</b>	<b>-431,222</b>
<i>Transactions with owners in their capacity as owners</i>				
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
	<b>731</b>	<b>94,906</b>	<b>884</b>	<b>96,521</b>
<b>Equity 31.12.2022</b>	<b>4,391</b>	<b>673,217</b>	<b>-522,768</b>	<b>154,840</b>

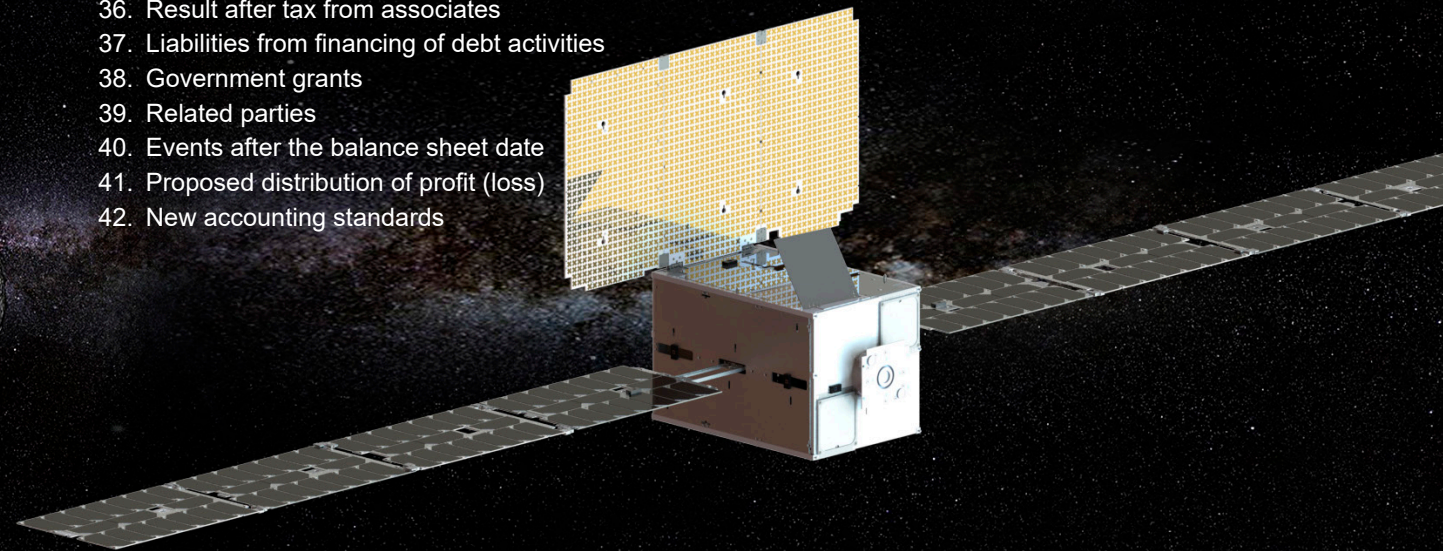
## Parent Company Cash Flow

T.SEK	Note	2022	2021
Profit (loss) before tax		-431,222	-24,473
Reversal of financial items		-2,237	-3,015
Result after tax from associates	36	0	0
Non-cash items	34	364,507	22,721
Change in net working capital	35	83,175	15,251
<b>Cash flow from primary operating activities</b>		<b>14,223</b>	<b>10,484</b>
Received interest		3,591	3,066
Paid interest		-31	-33
Tax received		60	88
Tax paid		-60	-59
<b>Cash flow from operating activities</b>		<b>17,783</b>	<b>13,546</b>
Acquisition of and capital increase in subsidiaries	15	-151,022	-31,100
<b>Cash flow from investing activities</b>		<b>-151,022</b>	<b>-31,100</b>
Borrowings	37	53,593	0
Capital increase		102,562	0
Capital increase, costs		-6,925	0
<b>Cash flow from financing activities</b>		<b>149,230</b>	<b>0</b>
<b>Net cash flow for the year</b>		<b>15,991</b>	<b>-17,554</b>
Cash and cash equivalents, beginning of the year		109	17,663
<b>Cash and cash equivalents, end of the year</b>		<b>16,100</b>	<b>109</b>
<b>Reconciliation of cash and cash equivalents</b>			
Cash and cash equivalents according to the balance sheet	25	16,100	109
<b>Cash and cash equivalents according to the cash flow statement</b>		<b>16,100</b>	<b>109</b>



# Notes

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# Notes

## 1. Accounting policies

This note provides a list of the significant accounting policies adopted to prepare these consolidated financial statements. 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) have been prepared following International Financial Reporting Standards (IFRS) as adopted by the EU and the Annual Accounts Act. IFRS 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, Supplementary Accounting Rules for Groups, has also been applied.

### Change in accounting policies

The Group applies amendments and interpretations adopted by the EU in 2022 but does not impact the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations, or amendments that have been issued but have yet to be effective. None of these is expected to have a material impact on the consolidated financial statements of the Group.

### 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 consolidated 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 investees is presented as part of the Group's OCI. When there has been a change recognised directly in the associate'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 GomSpace Orbital ApS is DKK, GomSpace Sweden AB is SEK, GomSpace Asia PTE Ltd. is SGD, GomSpace North America Ltd. is USD, and GomSpace Luxembourg S.à r.l. 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 applicable on the transaction date. The income statement under the item Net financials recognises exchange gains and losses arising in the payment of such transactions 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 presentation 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 transactions), 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 decisions. The business of GomSpace Group AB (publ) only includes one segment; the consolidated financial statements of comprehensive income, the consolidated statements of financial position, the consolidated statements of cash flows, and the combined statements 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 principal, 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 on 14 to 60 days terms.

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.

## 1. Accounting policies (continued)

### 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

Employees (including senior executives) of the Group receive remuneration in share-based payments, whereby employees render services as consideration for warrants (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 6.

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 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 or credit 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.

### Other operating income

Other operating income comprises income that is not related to the principal activities. This includes government grants, rent, gains and losses on the disposal of intangible assets and property, plant and equipment, and other income of a secondary nature concerning the main activities of the Group.

### Other operating expenses

Other operating expenses comprise expenses that are not related to the principal activities. This includes losses on the disposal of intangible assets and property, plant and equipment, and other expenses of a secondary nature concerning the main activities of the Group.

### 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.

Deferred tax liabilities and assets are not recognised for temporary differences between foreign operations investments' carrying amount and tax bases. The company can control the timing of the reversal of the temporary differences, and, probably, the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. The deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

#### Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on an

entity's disposal include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units expected to benefit from the business combination in which the goodwill arose. The Group is identified at the lowest level at which goodwill is monitored for internal management purposes.

### Technology

Separately acquired licenses are shown at historical cost. Technologies acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are carried at cost, less accumulated amortisation and impairment losses.

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

- Technology: 15 years

### Development projects

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
- adequate technical, financial and other resources to complete the development and to use or sell the development project are available, and
- 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.

### 1. Accounting policies (continued)

Capitalised development costs are recorded as intangible assets and amortised from when the asset is ready for use. Development costs previously recognised as an expense are not recognised as assets in a subsequent period.

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

- Development projects: 5 years

#### 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.

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.

#### Property, plant and equipment

Property, plant, and equipment are measured at cost less accumulated depreciation and less accumulated impairment charges. Property, plant, and equipment also include leasehold improvements. Property, plant, and equipment in progress are measured at cost. Cost comprises expenses for materials, other expenses directly related to making the asset ready for use, and reestablishment expenses, provided that a corresponding provision is made simultaneously.

The useful lives of the individual groups of assets are estimated as follows:

- Other fixtures and fittings, tools and equipment: 2 - 5 years
- Leasehold improvements: 3 - 5 years

Depreciation is based on a straight-line basis.

Gains and losses on property, plant and equipment disposal are recognised in the income statement under other operating income and other operating expenses.

#### Leases

A leased asset and a lease liability are recognised in the balance sheet when the Group, following a lease for a specifically identifiable asset, has a leased asset made available during the lease period and when the Group obtains the right to substantially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset. 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 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. On initial recognition, the leased asset is 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 fewer discounts received other types of incentive payments

from the lessor. The asset is subsequently measured at cost less accumulated depreciation, amortisation and impairment losses. The leased 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 leased 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.

Leased 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 presents the leased asset and the lease liability as separate line items in the balance sheet. The Group has chosen not to recognise low-value and short-term leased assets in the balance sheet. Instead, lease payments under these leases are recognised on a straight-line basis 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 bad debts. Impairment on expected losses on trade receivables and contract work 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.

## 1. Accounting policies (continued)

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 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.

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. Gains and losses on loans are recognised in the income statement when the liabilities are derecognised and through the EIR amortisation process. 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.

### Prepayments under liabilities

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

### 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.

### 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.

## Key ratios definitions

$$\text{Gross margin} = \frac{\text{gross profit}}{\text{net revenue}}$$

$$\text{Operating margin} = \frac{\text{operating profit}}{\text{net revenue}}$$

$$\text{Net margin} = \frac{\text{profit}}{\text{net revenue}}$$

$$\text{Return on invested capital} = \frac{\text{profit}}{\text{total assets}}$$

$$\text{Return on equity} = \frac{\text{profit}}{\text{average equity}^*}$$

$$\text{Equity ratio} = \frac{\text{equity}}{\text{total assets}}$$

$$\text{Earnings per share, basic} = \frac{\text{profit}}{\text{number of shares basic, average}}$$

$$\text{Earnings per share, diluted} = \frac{\text{profit}}{\text{number of shares diluted, average}}$$

$$\text{Net working capital} = \text{Inventory} + \text{Contract work} + \text{Trade receivables} + \text{Other prepayments} + \text{Other receivables} - \text{Trade payables and other payables} - \text{Contract work} - \text{Prepayments} - \text{Other liabilities}$$

The gross margin shows the amount of total sales revenue that the group retains after incurring the direct costs associated with producing.

The ratio shows the group's operational profitability after depreciation and write-downs.

The net margin shows the ratio of profit (loss) the group earns to the group's total amount of revenue.

The ratio shows how well the group is using its capital to generate profits.

Return on equity shows how good the group is in generating returns on the investment it received from its shareholders.

The ratio is used to measure the group's financial stability.

The ratio shows the profitability of the group based on outstanding shares.

The ratio shows the profitability of the group based on outstanding shares and expected dilutive securities.

Net working capital shows the group's ability to pay its current liabilities with its current assets.

## 1. Accounting policies (continued)

## Reconciliation of consolidated alternative key figures

T.SEK	2022	2021
Gross profit	-51,119	49,016
Net revenue	198,379	213,605
<b>Gross margin</b>	<b>-26%</b>	<b>23%</b>
Operating profit (EBIT)	-231,995	-29,524
Net revenue	198,379	213,605
<b>Operating (EBIT) margin</b>	<b>-117%</b>	<b>-14%</b>
Profit (loss) for the year	-227,824	-27,327
Net revenue	198,379	213,605
<b>Net margin</b>	<b>-115%</b>	<b>-13%</b>
Profit (loss) for the year	-227,824	-27,327
Total Assets	334,172	395,800
<b>Return on invested capital</b>	<b>-68%</b>	<b>-7%</b>
Profit (loss) for the year	-227,824	-27,327
Closing equity	104,798	224,890
<b>Return on equity</b>	<b>-138%</b>	<b>-12%</b>

GomSpace presents financial highlights in the Annual Report, which are not defined according to IFRS. These financial highlights are believed to give the investors and group management valuable information to assess the result. 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.

Earnings per share are computed following IAS 33 (note 26). 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.

**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.

T.SEK	2022	2021
Equity	104,798	224,890
Total Assets	334,172	395,800
<b>Equity ratio</b>	<b>31%</b>	<b>57%</b>
Profit (loss) for the year	-227,824	-27,327
Number of outstanding shares diluted, average	60,547	52,275
<b>Earnings per share, diluted, SEK</b>	<b>-3.76</b>	<b>-0.52</b>
Inventories	46,162	35,961
Contract work	29,264	34,860
Trade receivables	19,954	27,952
Other prepayments	4,033	4,173
Other receivables	5,290	2,454
Trade payables and other payables	-27,757	-30,830
Contract work	-51,458	-59,664
Prepayments	-2,261	-2,241
Other liabilities*	-29,351	-19,392
<b>Working capital</b>	<b>-6,124</b>	<b>-6,727</b>

\*Other liabilities is adjusted for the current part of non current debt (convertible loan)

**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.

**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. Financial position and material uncertainty regarding going concern

As of 31 December 2022, the cash position is T.SEK 33,097, cash flow after investing activities is T.SEK -203,888 and the Group incurred an operating loss of M.SEK 232 for 2022. In November 2022, the Group entered a finance contract with the European Investment Bank ensuring a loan facility of M.SEK 200 (M.EUR 18). The Group received the first tranche of M.SEK 56 (M.EUR 5) in March 2023. The Group believes its cash position and the liquidity available from its operations, external borrowings and other current sources are insufficient 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, to raise gross proceeds of approximately M.SEK 122 and, in that connection, to convert the convertible loans into new shares. With the proceeds from the rights issue, the Group's and the Company's cash position will be sufficient to meet the Group's and Company's requirements for the year 2023. The Group also executed a staff reduction in December 2022 and January 2023 to minimize costs.

If the rights issue is carried out and succeeds according to plan, 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 2023. 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.

If the net proceeds from the rights issue does not succeed according to plan, the above indicates a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue operations as a going concern, ie. to realize its assets and discharge its liabilities within the framework of normal operations.

## 3. 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.

### Climate change

Climate change could increase the cost of doing business through increased compliance costs, disruptions to supply chains due to extreme weather or resource scarcity, and other unforeseen events, but the Group does not have reliable historical data to be able to quantify a fair risk assessment.

### COVID-19 pandemic

GomSpace was not affected by Covid-19 in 2022. GomSpace has only used unavoidable financial, governmental relief packages, resulting in a negligible impact. At the end of 2022, GomSpace has postponed tax payments of T.SEK 3,038 (2021: T.SEK 12,167).

### Information on the conflict in Ukraine

GomSpace has no activities in Ukraine or Russia and is not directly impacted by the war in Ukraine.

### 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 12.

### 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 19.

### 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 20.

### Risks related to non-recurring engineering

Our ability to execute customer- and product development projects according to planned scope, cost, and time. During 2022, we experienced an increased tendency for customer projects to be delayed and increased costs to complete the projects, leading to decreased earnings and delays in customer payments. Earnings fluctuations are likely from quarter to quarter, mainly due to sizeable non-recurrent engineering projects with a lower gross margin and increased R&D activities, and may also occur in the future. The impact could be increased costs of goods sold and investment costs, weakening margins and delayed customer payments and revenue.

### 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.

During 2022, we have had missing payments from one large commercial customer resulting in a negative cash flow from primary operating activities. We now conclude that the financial exposure amounts to M.SEK 57, of which M.SEK 39 is unpaid invoices, and M.SEK 18 is work-in-progress not yet invoiced. Therefore we have suspended all project work. The reason for the suspension is a significant scope increase. The customer has not been willing to pay for the extra work requested by the customer and performed by GomSpace. In the fourth quarter, the customer terminated the contract and called the performance guarantees of M.SEK 18. We consider it not likely to receive the outstanding amount, so we wrote down the balances in 2022.

## 4. Net revenue

## GomSpace Group AB

T.SEK	2022	2021
<b>Parent Company</b>		
Management fee (point of time)	40,678	27,494
	<b>40,678</b>	<b>27,494</b>
Net revenue is distributed to the following geographical markets, based on where the customer resides.		
<b>Geographic distribution</b>		
Denmark	31,314	19,951
Sweden	3,192	1,870
Europe (excluding Denmark and Sweden)	5,451	4,774
USA	696	874
Asia	25	25
	<b>40,678</b>	<b>27,494</b>

## Business areas (customers)

T.SEK	Academia	Com- mercial	Defense	Science	Total
<b>Group 2022</b>					
<b>Geographical</b>					
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
	<b>6,571</b>	<b>127,869</b>	<b>22,358</b>	<b>41,581</b>	<b>198,379</b>

## Group 2021

<b>Geographical</b>					
Sweden	36	989	0	999	2,024
Denmark	0	195	68	0	263
Europe (excluding Sweden and Denmark)	932	106,270	10,962	54,474	172,638
USA	654	15,258	706	488	17,106
Asia	4,726	2,315	0	2,993	10,034
Rest of the world	586	2,001	8,953	0	11,540
	<b>6,934</b>	<b>127,028</b>	<b>20,689</b>	<b>58,954</b>	<b>213,605</b>

## 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
	<b>6,571</b>	<b>127,869</b>	<b>22,358</b>	<b>41,581</b>	<b>198,379</b>

## Group 2021

## Major goods/service lines

Sales of satellite solutions, platforms, payloads and subsystems (over time)	1,727	93,172	17,538	57,841	170,278
Product sales (over time)	5,207	33,856	3,151	1,113	43,327
	<b>6,934</b>	<b>127,028</b>	<b>20,689</b>	<b>58,954</b>	<b>213,605</b>



## 4. Net revenue (continued)

T.SEK	Business areas (customers)				Total
	Academia	Com- mercial	Defense	Science	
<b>Group 2022</b>					
<i>Orderbook</i>					
<b>Order backlog 1 January 2022</b>	<b>5,213</b>	<b>179,111</b>	<b>20,220</b>	<b>335,421</b>	<b>539,965</b>
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
<b>Order backlog 31 December 2022</b>	<b>6,771</b>	<b>88,917</b>	<b>6,385</b>	<b>306,583</b>	<b>408,656</b>
<b>Group 2021</b>					
<i>Orderbook</i>					
<b>Order backlog 1 January 2021</b>	<b>2,329</b>	<b>30,757</b>	<b>25,558</b>	<b>150,937</b>	<b>209,581</b>
Currency adjustment and reclassification of orders	-81	2,724	3,290	-8,626	-2,693
Order intake	9,899	274,476	15,514	253,069	552,959
Cancelled orders*	0	-1,818	-3,453	-1,005	-6,276
Converted to revenue	-6,934	-127,028	-20,689	-58,954	-213,605
<b>Order backlog 31 December 2021</b>	<b>5,213</b>	<b>179,111</b>	<b>20,220</b>	<b>335,421</b>	<b>539,965</b>

**Group revenue***Geographical*

Revenue from France accounts for 19% of the total net revenue (15% in 2021).

Revenue from Spain accounts for 15% of the total net revenue (24% in 2021).

Revenue from the Netherlands accounts for 11% of the total net revenue (26% in 2021).

Revenue from Colombia accounts for 10% of the total net revenue (3% in 2021).

*Customers*

Revenue from The European Space Research and Technology Centre accounts for 19% (26%) of the total revenue.

Revenue from Startical S.L. (Indra Sistemas S.A. In 2021) accounts for 13% (23%) of the total revenue.

Revenue from UnseenLabs SAS accounts for 10% (15%) of the total revenue.

Revenue from Colombia Air Force accounts for 10% (3%) of the total revenue.

**Parent company**

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

## 5. Staff costs

T.SEK	Basic salary, board fee	Bonus	Share-based payments	Pension costs	Other remuneration	Total
<b>2022</b>						
<b>Chairman of the board</b>						
Jens Maaløe	450	0	0	0	0	450
<b>Board members</b>						
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 (start 22/04/2022)	155	0	0	0	0	155
Kenn Herskind*	126	0	0	0	0	126
<b>Nomination Committee</b>						
Stefan Gardefjord	20	0	0	0	0	20
	<b>1,301</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,301</b>

\*On 10 June 2021, Niels Jesper Jespersen Jensen resigned his position as a board member, and Kenn Herskind was appointed in his place.

**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
	<b>13,026</b>	<b>0</b>	<b>0</b>	<b>158</b>	<b>523</b>	<b>13,707</b>
<b>Total</b>	<b>14,327</b>	<b>0</b>	<b>0</b>	<b>158</b>	<b>523</b>	<b>15,008</b>

*The subsidiaries' share of this amount is*

	13,026	0	0	158	523	13,707
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T.SEK	Basic salary, board fee	Bonus	Share-based payments	Pension costs	Other remuneration	Total
<b>2021</b>						
<b>Chairman of the board</b>						
Jens Maaløe	450	0	0	0	0	450
<b>Board members</b>						
Jukka Pekka Pertola	225	0	0	0	0	225
Niels Jesper Jespersen Jensen	225	0	0	0	0	225
Steen Lorenz Johan Hansen	225	0	0	0	0	225
Henrik Schibler*	215	0	0	0	0	215
<b>Nomination Committee</b>						
Stefan Gardefjord	20	0	0	0	0	20
	<b>1,360</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,360</b>

\*In December 2021, Henrik Schibler resigned his position as a board member.

**Key management personnel**

CEO, Niels Buus	3,278	205	0	0	238	3,721
Other key management personnel (6 persons)	9,133	541	1	293	196	10,164
	<b>12,411</b>	<b>746</b>	<b>1</b>	<b>293</b>	<b>434</b>	<b>13,885</b>
<b>Total</b>	<b>13,771</b>	<b>746</b>	<b>1</b>	<b>293</b>	<b>434</b>	<b>15,245</b>

*The subsidiaries' share of this amount is*

	12,411	746	1	293	434	13,885
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## 5. Staff costs (continued)

T.SEK	2022	2021
<b>GomSpace Group AB</b>		
<i>Board of directors*</i>		
Wages and salaries	1,301	1,360
	<b>1,301</b>	<b>1,360</b>
*Executive management in GomSpace Group AB is employed in GomSpace A/S, GomSpace Luxembourg S.à r.l. and GomSpace France SAS. GomSpace A/S, GomSpace Luxembourg S.à r.l. and GomSpace France SAS invoices management fees to GomSpace Group AB and GomSpace Group AB invoices management fees to the subsidiaries.		
<b>Other employees</b>		
Wages and salaries	776	975
Social security contributions	273	278
Pension costs	101	186
	<b>1,150</b>	<b>1,439</b>
<b>Subsidiaries</b>		
<b>Other employees</b>		
Wages and salaries	162,379	125,611
Share-based payments	0	90
Social security contributions	6,066	4,300
Pension costs	15,444	13,292
	<b>183,889</b>	<b>143,293</b>
Of which:		
Wages and salaries capitalised as development projects	37,767	19,634
	<b>146,122</b>	<b>123,659</b>
<b>Group total</b>		
Wages and salaries	163,155	127,946
Share-based payments	0	90
Social security contributions	6,339	4,578
Pension costs	15,544	13,478
	<b>185,039</b>	<b>146,092</b>
Of which:		
Wages and salaries capitalised as development projects	37,767	19,634
	<b>147,272</b>	<b>126,458</b>

T.SEK	2022	2021
Other employee costs	8,747	4,963
<b>Total staff costs</b>	<b>156,018</b>	<b>131,421</b>
Staff costs are included in:		
Costs of goods sold	113,596	90,351
Sales and distribution costs	12,190	12,704
Development costs*	44,834	31,238
Administrative costs	23,165	16,762
<b>Total staff costs</b>	<b>193,785</b>	<b>151,055</b>
*of which:		
Wages and salaries capitalised as development projects	37,767	19,634
<b>Total staff costs</b>	<b>156,018</b>	<b>131,421</b>
<b>Average number of full time employees per country</b>		
<b>Parent company</b>		
Sweden (of which women, %)	1 (100%)	2 (100%)
	<b>1 (100%)</b>	<b>2 (100%)</b>
<b>Subsidiaries</b>		
Sweden (of which women, %)	13 (20%)	12 (13%)
Denmark (of which women, %)	150 (23%)	120 (17%)
Luxembourg (of which women, %)	26 (11%)	20 (7%)
USA (of which women, %)	1 (0%)	1 (0%)
France (of which women, %)	1 (0%)	0 (0%)
Asia (of which women, %)	0 (0%)	0 (0%)
	<b>191 (20%)</b>	<b>153 (15%)</b>
<b>Group total</b>	<b>192 (22%)</b>	<b>155 (16%)</b>

## 5. Staff costs (continued)

T.SEK	2022	2021
<b>Number of employees per country as at 31 december</b>		
<b>Parent company</b>		
Sweden (of which women, %)	1 (100%)	2 (100%)
	<b>1 (100%)</b>	<b>2 (100%)</b>
<b>Subsidiaries</b>		
Sweden (of which women, %)	16 (19%)	15 (13%)
Denmark (of which women, %)	163 (25%)	144 (19%)
Luxembourg (of which women, %)	32 (16%)	19 (11%)
USA (of which women, %)	1 (0%)	1 (0%)
France (of which women, %)	2 (0%)	0 (0%)
Asia (of which women, %)	0 (0%)	0 (0%)
	<b>214 (23%)</b>	<b>179 (17%)</b>
<b>Group total</b>	<b>215 (23%)</b>	<b>181 (18%)</b>
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.

## 6. Share-based payment

The Board of Directors of GomSpace Group AB (parent company of GomSpace A/S) obtained approval to implement a share-based incentive program (equity-settled share-based payment transactions) in the form of a warrant scheme offered to all Danish and Swedish employees of the group. The warrants give participants the right to purchase newly issued shares in GomSpace Group AB. In 2022, no warrants were approved and granted to employees of GomSpace A/S.

In 2018 a total of 328,541 warrants were approved and granted to employees of GomSpace A/S in April 2018. GomSpace Group AB granted the warrants. The share-based payment transaction is accounted for as an equity-settled share-based payment scheme in GomSpace A/S. The warrants vest in four equal annual instalments commencing on the grant date, with the final instalment vesting on 28 April 2021. The warrants can be exercised within certain exercise windows between 26 April 2021 and 26 April 2022. Vesting of the warrants will be conditional upon the continued employment of the participants.

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for warrants (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; please see below.

In the consolidated financial statements of the Group, that cost is recognised in employee benefits expense, 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 or credit in the income statement for a period 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 0 (2021: T. SEK 90).

## 6. 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	2017		2018
	27 April	24 August	26 April
Expected future dividend (SEK per share)	0	0	0
Volatility	70%	70%	58%
Risk free interest rate	0%	0%	1%
Life of warrant	48 months	48 months	48 months
Share price at grant date (SEK per share)	54.0	58.3	60.4
Exercise price (SEK per share)	45.1	45.1	54.1
Fair value at grant date (SEK per warrant)	27.6	30.9	25.4
Outstanding warrants 31 December 2021	0	0	236,757
Outstanding warrants 31 December 2022	0	0	0

The volatility has been determined using the volatility in GomSpace Group AB's share price, together with benchmarking against peer group companies.

The exercise price is calculated as follows:

- Warrant program 2017/20 first award is based on the volume-weighted average last closing price for 20.04.2017 to 26.04.2017. On 7 December 2018, the exercise price was changed to 45.1 due to the dilution effect related to the rights issue in December 2018.
- Warrant program 2017/20 second award is based on the volume-weighted average last closing price for 20.04.2017 to 26.04.2017. On 7 December 2018, the exercise price was changed to 45.1 due to the dilution effect related to the rights issue in December 2018.
- Warrant program 2018/21 is based on the volume-weighted average last closing price for 19.04.2018 to 25.04.2018. On 7 December 2018, the exercise price was changed to 54.1 due to the dilution effect related to the rights issue in December 2018.

Set out below are the summary movements in warrants during the year. All warrants granted in the year related to the warrant program 2018 have an exercise price of SEK 54.1. All warrants granted related to the warrant programs in 2017 have an exercise price of SEK 45.1.

No. warrants	2022	2021
Outstanding at 1 January	236,757	563,358
Granted	-	-
Forfeited	0	-48
Exercised	0	0
Expired	-236,757	-326,553
Outstanding at 31 December	0	236,757
Exercisable at 31 December	0	236,757

The remaining contractual life of all warrants granted for the award in 2018 has expired (2021: 4 months)  
The contractual life of all warrants granted in 2017 has expired (2021: 0 months). No warrants are exercised.

## 7. Depreciation and amortisations

T.SEK	Group		GomSpace Group AB	
	2022	2021	2022	2021
Costs of goods sold	11,450	12,068	0	0
Sales and distribution costs	1,588	1,442	0	0
Development costs	5,788	3,891	0	0
Administrative costs	2,337	1,961	0	0
<b>Total depreciation</b>	<b>21,163</b>	<b>19,362</b>	<b>0</b>	<b>0</b>
Costs of goods sold	27,617	8,069	0	0
Sales and distribution costs	14	221	0	0
Development costs	25,699	4,454	0	0
Administrative costs	14	164	0	0
<b>Total amortisations</b>	<b>53,344</b>	<b>12,908</b>	<b>0</b>	<b>0</b>
<b>8. Remuneration to auditors</b>				
<b>Appointed auditor</b>				
Ernst & Young				
Audit service	2,047	654	885	69
Other services	420	333	285	264
Tax advise services	157	317	20	62
<b>Total</b>	<b>2,624</b>	<b>1,304</b>	<b>1,189</b>	<b>395</b>
<b>Others</b>				
Other services	254	189	0	0
Tax advise services	105	77	0	0
<b>Total</b>	<b>359</b>	<b>266</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>2,983</b>	<b>1,570</b>	<b>1,189</b>	<b>395</b>

## 9. Finance income

T.SEK	Group		GomSpace Group AB	
	2022	2021	2022	2021
Interest income from subsidiaries	0	0	3,538	2,930
Interest income	77	137	53	136
Exchange rate adjustments	1,823	1,524	0	0
	<b>1,900</b>	<b>1,661</b>	<b>3,591</b>	<b>3,066</b>
<b>10. Finance expenses</b>				
Interest leasing liabilities	966	996	0	0
Interest expenses	963	1,490	5	0
Exchange rate adjustments	35	169	1,102	19
Other financial expenses, including bank fees	880	673	247	33
	<b>2,844</b>	<b>3,328</b>	<b>1,354</b>	<b>52</b>

## 11. Tax on profit (loss) for the year

T.SEK	Group		GomSpace Group AB	
	2022	2021	2022	2021
Tax on profit (loss) for the year comprises				
Current tax on profit (loss) for the year <sup>1)</sup>	-5,551	-5,104	0	0
Changes in deferred tax	356	1,185	0	0
Adjustments to previous years	80	55	0	0
<b>Tax expense/(income) for the year</b>	<b>-5,115</b>	<b>-3,864</b>	<b>0</b>	<b>0</b>
<i>Reconciliation of effective tax rate:</i>				
Profit (loss) before tax	-232,939	-31,191	-431,222	-24,473
Swedish tax rate for GomSpace Group AB (publ)	20.6%	20.6%	20.6%	20.6%
Tax expense/(income)	-47,985	-6,425	-88,832	-5,042
<i>Tax effect of:</i>				
Non-deductible expenses	73	78	87,808	4,685
Effect of foreign tax rates	-3,172	-372	0	0
Tax value of unrecognised tax asset	45,896	2,798	1,024	357
Adjustments to previous years	73	58	0	0
<b>Tax on profit (loss) for the year</b>	<b>-5,115</b>	<b>-3,864</b>	<b>0</b>	<b>0</b>
Effective tax rate	2%	12%	0%	0%
Income tax expense/(income) reported in the income statement				
	-5,115	-3,864	0	0
	<b>-5,115</b>	<b>-3,864</b>	<b>0</b>	<b>0</b>
<sup>1)</sup> A part of the tax loss for the year is caused by development costs. According to the Danish tax legislation the tax value (22%) of development costs can be paid out subsequent to the filing of the taxable income for the year. Accordingly, the tax loss carried forward is reduced.				
Tax loss carry-forward	572,745	361,668	79,320	74,352
Unrecognised as deferred tax asset	-506,288	-294,886	-79,320	-74,352
<b>Tax loss carry-forward recognised as deferred tax asset</b>	<b>66,457</b>	<b>66,781</b>	<b>0</b>	<b>0</b>
Total deferred tax asset amount	124,678	77,973	16,340	15,317
Unrecognised deferred tax asset amount	-110,058	-63,281	-16,340	-15,317
<b>Deferred tax asset amount recognised*</b>	<b>14,621</b>	<b>14,692</b>	<b>0</b>	<b>0</b>

\*The deferred tax asset amount recognised has been offset against an equal deferred tax liability, and thus the net deferred tax asset as at 31 December is zero (T.SEK 356 as at 31 December 2021); also see note 17.

## 12. Intangible assets

T.SEK	Goodwill	Technology	In-process development projects	Completed development projects	Other intangible assets	Total
<i>Group</i>						
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
Amortisation, impairments	-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
<b>Carrying amount at 31 December 2022</b>	<b>0</b>	<b>0</b>	<b>110,014</b>	<b>11,584</b>	<b>734</b>	<b>122,332</b>
Cost price at 1 January 2021	3,710	12,000	73,641	43,602	20,661	153,614
Additions during the year	0	0	24,459	0	52	24,511
Reclassification	0	0	-3,706	3,706	0	0
Exchange rate adjustment	0	0	1,555	995	347	2,897
Cost price at 31 December 2021	3,710	12,000	95,949	48,325	21,060	181,044
Amortisation at 1 January 2021	0	-3,400	0	-17,573	-15,038	-36,011
Amortisation	0	-800	0	-8,764	-3,344	-12,908
Exchange rate adjustment	0	0	0	-470	-272	-742
Amortisation at 31 December 2021	0	-4,200	0	-26,807	-18,654	-49,661
<b>Carrying amount at 31 December 2021</b>	<b>3,710</b>	<b>7,800</b>	<b>95,949</b>	<b>21,518</b>	<b>2,406</b>	<b>131,383</b>

## 12. 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 2022, the group received T.SEK 6,721 (2021: T. SEK 1,686) in government grants set off against additions during the year. Intangible assets have a carrying amount of T.SEK 166 (T.SEK 14,201 in 2021) in Sweden, a carrying amount of T.SEK 117,918 (T.SEK 113,499 in 2021) in Denmark, a carrying amount of T.SEK 3,993 (T.SEK 3,683 in 2021) in Luxembourg, and a carrying amount of T.SEK 255 (T.SEK 0 in 2021) in France.

### Goodwill

#### Impairment test at Group level

The group is identified as a Cash Generating Unit (CGU). The group has realised a loss of T.SEK 227,824 in 2022 (2021: loss of T.SEK. 27,327). 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 on a smaller scale in Sweden, Singapore, the USA, Luxembourg, and France. 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 (2022: M.SEK 192 and 2021: M.SEK 529), management assesses there is still headroom between the recoverable amount and the carrying amount of goodwill and intangible assets as of 31 December 2022, although it has decreased relative to 31 December 2021.

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 above, including sensitivity analysis. The impairment test shows decreased headroom between the recoverable amounts and the carrying amounts of goodwill and non-current assets as of 31 December 2022 than as of 31 December 2021. The sensitivity analysis table above shows that increasing WACC by 1% will trigger a further need for impairment.

	2022			2021		
	Terminal period*	Actual	Sensitivity**	Terminal period*	Actual	Sensitivity**
Revenue	503 M.SEK	198 M.SEK	499 M.SEK	766 M.SEK	214 M.SEK	556 M.SEK
Growth rate	2%	-7%	1%	2%	10%	-26%
EBIT ratio	10%	-117%	9%	22%	-14%	7%
Investments	36.0 M.SEK	50.3 M.SEK	44.1 M.SEK	46.0 M.SEK	27.5 M.SEK	356.9 M.SEK
Discounting factor (WACC)	9.9%	-	10.2%	11.3%	-	21.3%

\* The terminal period is key assumptions beyond the forecasted five-year period

\*\* Sensitivity indicates the level at which an impairment may be triggered

#### Impairment test at parent company level

Goodwill is related to the acquisition of GomSpace Sweden AB, and we have seen low number of new orders and loss giving projects. Therefore, a staff reduction in Sweden has been performed, and therefore we do not expect future cash-inflows from GomSpace Sweden AB. This indicate need for impairment for goodwill, and therefore it has been fully written down.

Goodwill of SEK 3.7 million has been written down in the consolidated financial statement, as the activity to which it is linked will be closed down.

#### In-process development projects

In-process development projects are subject to an annual impairment test. In-process development projects consist of nanosatellite platforms and expand our processing and radio capabilities with more powerful processing components. During 2022, we have written down development projects of T.SEK 30,599 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 in-process development projects at 31 December 2022 amounts to T.SEK 110,014 (T.SEK 95,949 as 31 December 2021).

The in-process development projects are primarily carried out in GomSpace A/S. A minor part of the in-process development projects last year are completed during 2022. Parts of the in-process development projects are at a final state and expected to be completed during 2023, and the remaining part is expected to be completed after 2023. Management expects the development projects to increase revenue for the

group in 2023 and the following years. Please refer to the expectations described above.

The in-process development projects are tested annually for impairment and as a minimum as of 31 December. The recoverable amount of the in-process 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 in-process development projects as of 31 December 2022.

#### Other intangible assets, including technology and completed development costs

The propulsion technology is related to the operation in GomSpace Sweden AB. We have end of 2022 significantly lowered the activities in GomSpace Sweden AB, and therefore we do not expect the propulsion technology to generate future cash-inflows. Based on that, we fully wrote down the Technology of T.SEK 7,000 in 2022.

Besides the Technology, management has not identified any factors indicating the need to conduct impairment tests for other intangible assets, including completed development costs in 2022 and 2021.

#### Development costs recognised in the income statement

Development costs recognised in the income statement in 2022 amount to T.SEK 73,945 (T.SEK 22,106 in 2021).



### 13. Property, plant and equipment

T.SEK	Leasehold improvements	Other fixtures, fittings, tools and equipment	Total property, plant and equipment
<b>Group</b>			
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
<b>Carrying amount at 31 December 2022</b>	<b>12,700</b>	<b>6,067</b>	<b>18,767</b>
Cost price at 1 January 2021	31,496	22,234	53,730
Additions during the year	925	1,037	1,962
Exchange rate adjustment	625	209	834
Cost price at 31 December 2021	33,046	23,480	56,526
Depreciation at 1 January 2021	-13,138	-18,204	-31,342
Depreciation	-6,220	-2,217	-8,437
Exchange rate adjustment	-315	-187	-502
Depreciation at 31 December 2021	-19,673	-20,608	-40,281
<b>Carrying amount at 31 December 2021</b>	<b>13,373</b>	<b>2,872</b>	<b>16,245</b>

Property, plant and equipment have a carrying amount of T.SEK 5,255 (T.SEK 7,997 in 2021) in Sweden, a carrying amount of T.SEK 23,412 (T.SEK 815 in 2021) in Luxembourg and a carrying amount of T.SEK 33,680 (T.SEK 40,634 in 2021) in Denmark. GomSpace Group AB's property, plant and equipment are located in Sweden, Luxembourg and Denmark.

## 14. Right of use assets (leasing)

Leasing assets T.SEK	Property	Other fixtures, fittings, tools and equipment	Total
<b>Group</b>			
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
<b>Balance at 31 December 2022</b>	<b>40,043</b>	<b>3,538</b>	<b>43,581</b>
<b>2021</b>			
Balance at 1 January 2021	39,904	2,752	42,656
Exchange rate adjustment	519	52	571
Additions	0	899	899
Depreciation	-9,790	-1,135	-10,925
<b>Balance at 31 December 2021</b>	<b>30,633</b>	<b>2,568</b>	<b>33,201</b>

The weighted rate amounts to 2-4%.

Leasing liabilities T.SEK	Group		GomSpace Group AB	
	2022	2021	2022	2021
Within 0-1 years	13,346	10,174	0	0
Within 1-5 years	28,572	23,797	0	0
After 5 years	5,180	0	0	0
<b>Total non-discounted leasing payments</b>	<b>47,098</b>	<b>33,971</b>	<b>0</b>	<b>0</b>
<b>Recognised in balance at 31 December</b>				
Current leasing liability (0-1 years)	12,481	9,823	0	0
Non-current leasing liability (after 1 year)	32,382	23,022	0	0
	<b>44,863</b>	<b>32,845</b>	<b>0</b>	<b>0</b>
<b>Income statement leasing costs</b>				
Interest costs related to leasing contracts	996	996	0	0
Payments related to low-value leasing contracts	1,989	1,337	0	0

## 15. Investments in subsidiaries

T.SEK	2022	2021
<b>GomSpace Group AB</b>		
Cost price at 1 January	398,400	389,948
Additions during the year*	151,021	31,100
Capital contribution (share-based payments)**	0	90
Return of capital contribution**	0	-90
Write-down of investments***	-365,608	-22,648
<b>Cost price at 31 December</b>	<b>183,813</b>	<b>398,400</b>

\* Additions during 2022 comprise the shareholders' contribution in subsidiaries at an amount of T.SEK 151,021 (2021: T.SEK 31,100).

\*\* See a description of the accounting policies related to the treatment of share-based payment transactions in note 1 and note 6.

\*\*\* Write-down of investments consists of a write-down in GomSpace A/S of T.SEK 296,509 (2021: T.SEK 0), GomSpace Sweden AB of T.SEK 53,508 (2021: T.SEK 22,648) and GomSpace Luxembourg S.à r.l. of T.SEK 15,591 (2021: T.SEK 0).

**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 183,813 as of 31 December 2022 (T.SEK 398,400 as of 31 December 2021).

The group has realised a loss of T.SEK 227,824 in 2022 (T.SEK -27,327 in 2021). Expectations for the next years aim to generate sales growth supported by the underlying market.

The group's activities are primarily carried out in GomSpace A/S with a booked value of T.SEK 160,141 as of 31 December 2022 (T.SEK 348,166 as of 31 December 2021). There are activities on a smaller scale in GomSpace Luxembourg S.A.R.L. with a booked value of T.SEK 20,320 (T.SEK 10,479 as of 31 December 2021), GomSpace Sweden AB with a booked value of T.SEK 0 (T.SEK 36,509 as of 31 December 2021), and GomSpace France SAS

with a booked value of T.SEK 105 as of 31 December 2022 (T.SEK 0 as of 31 December 2021). Activities through subsidiary in the USA have been moderate in 2022, similar to 2021. 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 12.

The impairment tests indicate a need for impairment in GomSpace A/S, GomSpace Sweden AB and GomSpace Luxembourg S.A.R.L. The income statement recognises the impairment of respectively T.SEK 296,509, T.SEK 53,508 and T.SEK 15,591 as a financial cost.

T.SEK	GomSpace A/S 30899849 Aalborg, Denmark	GomSpace Sweden AB 556643-0475 Uppsala, Sweden	GomSpace Orbital 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	-134,282	-35,552	153	1,792	31	-28,882	-1,024
Equity	64,684	1,582	-3,437	3,347	4,939	2,960	-960
Proportion of shares	100%	100%	100%	100%	100%	100%	100%
Booked value	160,141	0	0	1,105	2,142	20,320	105
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	-3,262	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
Carrying amount of equity 2018	114,259	19,039	-2,883	2,604	1,480	(915)	0

## 16. Investment in associates

The Group has a 39% interest in Aerial & Maritime Ltd., domiciled in Mauritius. The company's purpose was to develop and operate its own constellation of nanosatellites. Aerial & Maritime Ltd. was a private entity not listed on any public exchange.

Aerial and Maritime Ltd. has started a solvent liquidation process and expect to finalise it in 2023. According to the settlement agreement from 2020, GomSpace Group AB has waived its right to liquidation dividends from Aerial & Maritime Ltd. Therefore, the liquidation will not have a financial impact on the Group.

In December 2021, Aerial Maritime Ltd. shareholders agreed that Aerial & Maritime Ltd. should buy back shares from the shareholders as part of the ongoing solvent liquidation. The Group does not receive any funds from this transaction because of the settlement agreement. The transaction caused a realised loss of T.SEK 24,044, even with a write-down reversal given an effect of T.SEK 0 in the income statement. After this transaction, the Group has the same ownership of 39%.

T.SEK	Group		GomSpace Group AB	
	2022	2021	2022	2021
Cost at 1 January	70	24,114	70	24,114
Disposals	0	(24,044)	0	(24,044)
Cost at 31 December	70	70	70	70
Value adjustments at 1 January	-70	-24,114	-70	(24,114)
Share of profit (loss)	0	-33	0	0
Impairment of associates	0	24,077	0	24,044
Eliminations*	0	0	0	0
Foreign exchange adjustments	0	0	0	0
Value adjustments at 31 December	-70	-70	-70	-70
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*Elimination of gain on contract work for the associated company.

T.SEK	2022	2021
<b>Aggregated financial information for associates:</b>		
Current assets	26,995	26,995
Non-current assets	0	0
Current liabilities	26,145	26,145
<b>Equity</b>	<b>850</b>	<b>850</b>
Group's share in equity, 39% (2021: 39%)	332	332
Goodwill	8,631	8,631
Elimination of unrealised profits	-12,754	-12,754
<b>Group's carrying amount of the investment (before impairment)</b>	<b>-3,791</b>	<b>-3,791</b>
Impairment of associates	3,791	3,791
<b>Group's carrying amount of the investment (after impairment)</b>	<b>0</b>	<b>0</b>
Administration costs	0	-86
Interest	0	0
Loss before tax	0	-86
Income tax expense	0	0
<b>Loss for the year</b>	<b>0</b>	<b>-86</b>
<b>Group's share of loss for the year</b>	<b>0</b>	<b>-33</b>
Loss for the year	0	-86
Other comprehensive income	0	0
<b>Total comprehensive income</b>	<b>0</b>	<b>-86</b>
<b>Group's share of comprehensive income</b>	<b>0</b>	<b>-33</b>
Aerial & Maritime Ltd. Domiciled in Mauritius Corporate ID:142963		
Proportion of shares	39%	39%
Fair value	0	0

The fair value is set at a realisable value of T.SEK 0 and therefore GomSpace has written down the investment in A&M. GomSpace Group AB has waived its right to liquidation dividends from Aerial & Maritime Ltd.

## 17. Deferred tax

T.SEK	Group		GomSpace Group AB	
	2022	2021	2022	2021
Deferred tax at 1 January	356	1,541	0	0
Deferred tax recognised in the income statement	-356	-1,185	0	0
Exchange rate adjustment	0	0	0	0
<b>Deferred tax at 31 December</b>	<b>0</b>	<b>356</b>	<b>0</b>	<b>0</b>
Deferred tax relates to:				
Intangible assets	-22,174	-19,977	0	0
Property, plant and equipment	2,691	340	0	0
Short-term assets	0	-597	0	0
Short-term liabilities	4,862	5,898	0	0
Tax loss carry-forwards	14,621	14,692	0	0
	<b>0</b>	<b>356</b>	<b>0</b>	<b>0</b>
Deferred tax assets	0	356	0	0
Deferred tax liabilities	0	0	0	0
<b>Deferred tax, net</b>	<b>0</b>	<b>356</b>	<b>0</b>	<b>0</b>

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 14,621 as of 31 December 2022 (T.SEK 14,692 as of 31 December 2021). Unrecognised tax assets regarding tax losses carry forward amount to T.SEK 110,058 as of 31 December 2022 (T.SEK 63,281 as of 31 December 2021) for the Group.

The parent company had a non-recognised deferred tax loss carry-forward at a total amount of T.SEK 79,320 (T.SEK 74,352). 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.

## 18. Other non-current assets

Other non-current assets as of 31 December 2022 and 2021 consist of lease deposits.

## 19. Inventories

T.SEK	Group	
	2022	2021
Raw materials and consumables	35,060	31,282
Work in progress	11,102	4,679
	<b>46,162</b>	<b>35,961</b>

T.SEK 50,386 of inventories was recognised in the cost of sales during 2022 (T.SEK 38,563 in 2021). Re-evaluated inventories in 2022 were negative T.SEK 1,798 (positive T.SEK 1,464 in 2021).

## 20. Contract work

T.SEK	Group	
	2022	2021
Revenue from contract work	348,487	308,499
Less progress billings	-369,319	-332,970
Exchange rate adjustment	-1,362	-333
	<b>-22,194</b>	<b>-24,804</b>
Recognised in the balance sheet as:		
Amounts due from customers for contract work	29,264	34,860
Amounts due to customers for contract work	-51,458	-59,664
	<b>-22,194</b>	<b>-24,804</b>

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

Contract assets and liabilities increased in 2022 due to high progress on projects with a longer execution time. This is because revenue corresponds to the selling price of work performed during the year, measured using the percentage-of-completion method, while the payments by customers for contract work are usually based on reaching certain contractual milestones. The outstanding balances of these accounts decreased in 2022 due to the cancellation of the large customer order.

In 2022, T.SEK 13,404 (2021: T. SEK 555) was recognised as a provision for expected losses on contract assets.

## 21. Trade receivables

(from contract work)	Group	
	2022	2021
<b>T.SEK</b>		
Contract work	29,264	34,860
Trade receivables	84,263	30,998
Write-downs	-64,309	-3,046
	<b>49,218</b>	<b>62,812</b>
<b>Ageing of receivables</b>		
Not due and contract work	43,812	44,163
0 - 30 days overdue	2,147	11,288
31 - 90 days overdue	2,742	1,642
>90 days overdue	517	5,719
	<b>49,218</b>	<b>62,812</b>
<b>Movement in allowance for doubtful trade receivables and contract work</b>		
Carrying amount at the beginning of the year	3,046	3,667
Allowances for losses during the year	61,166	-652
Confirmed losses	0	0
Exchange rate adjustment	97	31
	<b>64,309</b>	<b>3,046</b>

In 2022, we suspended a large commercial customer project due to unpaid invoices of T.SEK 39,228. The customer afterwards cancelled the project and withdrew the performance guarantees of T.SEK 17,577. We claimed the amount of T.SEK 17,577 for performance guarantees back, and thus included it in trade receivables. However we have included both these amounts in the allowance for doubtful trade receivables and contract work, and the cost is recognised in the income statement. T.SEK 39,228 is recognised as Sales and distribution costs and T.SEK 17,577 is recognised as Cost of goods sold. As discussions with the customer are ongoing, it is not yet considered a confirmed loss.

As of 31 December 2022, trade receivables of T.SEK 5,406 (T.SEK 18,649 in 2021) were past due but not impaired. As of 31 December 2022, due receivables relate to several independent customers with no recent history of non-payment. Payments totalling T.SEK 12,370 (T.SEK 16,377 in 2022) were received in the period 1 January 2023 to 20 March 2023.

The remaining trade and other receivables do not contain impaired assets as these are not significantly 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.

## 22. 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. Accordingly, the tax loss carried forward is reduced.

## 23. Prepayments

T.SEK	Group		GomSpace Group AB	
	2022	2021	2022	2021
Prepayments for inventories	222	1,782	0	0
Rental costs	395	364	0	0
Prepaid insurance	662	755	297	744
Other prepayments	2,754	1,272	635	208
	<b>4,033</b>	<b>4,173</b>	<b>932</b>	<b>952</b>

## 24. Other receivables

T.SEK	Group		GomSpace Group AB	
	2022	2021	2022	2021
VAT	5,054	2,390	0	0
Other receivables	236	64	31	71
	<b>5,290</b>	<b>2,454</b>	<b>31</b>	<b>71</b>

## 25. Cash and cash equivalents

Of the total cash and cash equivalents amount, an amount of T.SEK 0 (T.SEK 15,755 in 2021) is deposited as security for projects in the subsidiaries GomSpace A/S and GomSpace Sweden AB. The amount is deposited in GomSpace A/S and GomSpace Sweden AB.

## 26. Share capital

The share capital comprises 62,729,763 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
<b>Share capital at 31 December 2022, fully paid</b>	<b>62,729,763</b>

### Capital management

The Group is primarily financed through equity with an equity ratio of 31% as of 31 December 2022 (57% as of 31 December 2021). Still, we will use debt financing when this can be achieved at attractive conditions.

In 2022, we agreed with the European Investment Bank of a credit facility of M.EUR 18 and a convertible loan of T.SEK 53,593 with the largest shareholder and management. We expect the convertible loan to be converted into new shares in 2023.

In March 2023, the Board of Directors resolved on a rights issue of up to 94,094,644 new shares. Refer note 2 for more details.

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.

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

T.SEK	2022	2021
Earnings per share, basic, SEK	-3.76	-0.52
Earnings per share, diluted, SEK	-3.76	-0.52
Number of outstanding shares basic, average	60,547	52,275
Number of outstanding shares diluted, average	60,547	52,275

## 27. Prepayments

T.SEK	Group	
	2022	2021
Accrued income from grants received for development projects	154	682
Prepayments from customers	872	0
Accrued rental reduction	1,235	1,559
	<b>2,261</b>	<b>2,241</b>

## 28. Other liabilities

T.SEK	Group		GomSpace Group AB	
	2022	2021	2022	2021
<b>Non-current</b>				
Governmental postponed payroll taxes	0	2,792	0	0
Accrued holiday pay	8,521	7,846	0	0
	<b>8,521</b>	<b>10,638</b>	<b>0</b>	<b>0</b>
<b>Current</b>				
Accrued holiday pay	10,363	7,905	84	174
Payroll liabilities	5,224	10,892	66	200
VAT	360	40	360	40
	<b>15,947</b>	<b>18,837</b>	<b>510</b>	<b>414</b>
<b>Total other liabilities</b>	<b>24,468</b>	<b>29,475</b>	<b>510</b>	<b>414</b>

## 29. Contractual commitments and contingent liabilities

T.SEK	Group		GomSpace Group AB	
	2022	2021	2022	2021
<b>Commitments</b>				
<i>Security for debt to credit institutions</i>				
Security in company assets (floating charge)	46,444	44,333	0	0
<b>Total</b>	<b>46,444</b>	<b>44,333</b>	<b>0</b>	<b>0</b>
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.				
<b>Low-value assets</b>				
Operating lease commitments*:				
Due within 1 year	1,271	1,478	0	0
Due between 1 and 5 years	1,390	1,359	0	0
Due after 5 years	0	0	0	0
	<b>2,661</b>	<b>2,836</b>	<b>0</b>	<b>0</b>
Lease payments recognised as an expense amount to	1,989	1,382	0	0
*Lease commitments primarily relate to IT equipment				
<b>Contingent liabilities</b>				
Letter of support to subsidiary (equity in GomSpace Orbital ApS)*	0	0	3,437	3,306
Parent company guarantee	0	0	11,113	13,830
<b>Total</b>	<b>0</b>	<b>0</b>	<b>14,550</b>	<b>17,136</b>

\* The parent company has given a letter of support to the subsidiary GomSpace Orbital ApS stating that it will support the company financially until the general meeting in 2024, if necessary. The parent company has also given letters of support to the subsidiaries GomSpace Sweden AB and GomSpace A/S stating that it will support these companies financially until the general meeting in 2024, if necessary, but these letters of support do not give rise to contingent liabilities.

## 30. 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 per IFRS 9 which allows for assessing impairment needs regarding impairment of financial assets measured at amortised cost, including trade receivables and contract work, the expected 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 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. 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. 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 3, 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 31.

### Foreign exchange risks

The Group's sales, cost of goods sold, and expenses are mainly incurred in DKK, USD, 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% in the subsidiaries in DKK will have an effect on other comprehensive income and equity before tax of T.SEK 6 (2021: T.SEK 708), based on the last 12 months' net cash flow
- 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 434 (2021: T.SEK 542) 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 10,180 (2021: T.SEK 1,233) 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 180 (2021: T.SEK 525) based on the net position at balance day



## 30. 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 rate of +/- 1% will affect 2022 result and equity before tax by T.SEK 114 (2021: T.SEK 142) based on interest-bearing loans on the balance day.

**Liquidity risk**

Funding and adequate liquidity are fundamental factors in the operation of any business, and management of both is an integral 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 2022, was T.SEK 41,328 (T.SEK 106,835 in 2021).

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 6.2% p.a. over the CIBOR 3 month rate as of 31 December 2022 (2021: 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. The
- \* A finance contract with the European Investment Bank ensuring a loan facility of M.SEK 200 (M.EUR 18). The Group received the first tranche of M.SEK 56 (M.EUR 5) in March 2023.

As of 31 December 2022, the cash position is T.SEK 33,097, cash flow after investing activities is T.SEK -203,888 and the Group incurred an operating loss of M.SEK 232 for 2022. The Group believes its cash position and the liquidity available from its operations, external borrowings and other current sources are insufficient 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, to raise gross proceeds of approximately M.SEK 122 and, in that connection, to convert the convertible loans into new shares. With the proceeds from the rights issue, the Group's and the Company's cash position will be sufficient to meet the Group's and Company's requirements for the year 2023. The Group also executed a staff reduction in December 2022 and January 2023 to minimize costs.

If the rights issue is carried out and succeeds according to plan, 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 2023. 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.

If the net proceeds from the rights issue does not succeed according to plan, the above indicates a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue operations as a going concern, ie. to realize its assets and discharge its liabilities within the framework of normal operations.

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 conditions.

Fair value of the loan from credit institutions and leasing liabilities is determined to be equal to its carrying amount these items are based on market rate (level 2 in the fair value hierarchy). Fair value of short-term liabilities is determined to equal their carrying amount.

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

T.SEK	0-1 year	1-5 years	>5 years	Total contractual cash flows	Carrying amount
<b>Group</b>					
<b>31 December 2022</b>					
Borrowings from credit institutions	4,840	7,631	0	12,471	11,113
Leasing liabilities	13,346	28,572	5,180	47,098	44,863
Loans from shareholders, Board of Directors and management	53,593	0	0	53,593	52,930
Trade and other payables	43,705	429	8,091	52,225	52,225
	<b>115,484</b>	<b>36,632</b>	<b>13,271</b>	<b>165,387</b>	<b>161,131</b>
<b>31 December 2021</b>					
Borrowings from credit institutions	4,448	11,115	0	15,563	13,830
Leasing liabilities	10,174	23,797	0	33,971	32,845
Trade and other payables	50,223	386	10,251	60,860	60,860
	<b>64,845</b>	<b>35,298</b>	<b>10,251</b>	<b>110,394</b>	<b>107,535</b>

### 31. Classification of financial assets and liabilities

T.SEK	Financial assets measured to amortised cost price	Financial liabilities measured to amortised cost prices	Total Carrying amount
<b>31 December 2022</b>			
<b>Assets</b>			
Trade and other receivables, incl. contract work	54,508	0	54,508
Cash and cash equivalents	33,097	0	33,097
<b>Total assets</b>	<b>87,605</b>	<b>0</b>	<b>87,605</b>
<b>Liabilities</b>			
Credit institutions	0	6,885	6,885
Other non-current loans	0	8,521	8,521
Lease liabilities	0	32,382	32,382
Current portion of non-current liabilities	0	16,709	16,709
Trade payables	0	27,757	27,757
Loans from shareholders, Board of Directors and management	0	52,930	52,930
Other payables	0	15,947	15,947
<b>Total liabilities</b>	<b>0</b>	<b>161,131</b>	<b>161,131</b>
<b>31 December 2021</b>			
<b>Assets</b>			
Trade and other receivables	65,266	0	65,266
Cash and cash equivalents	99,271	0	99,271
<b>Total assets</b>	<b>164,537</b>	<b>0</b>	<b>164,537</b>
<b>Liabilities</b>			
Credit institutions	0	10,301	10,301
Other non-current loans	0	10,638	10,638
Lease liabilities	0	23,022	23,022
Current portion of non-current liabilities	0	13,352	13,352
Trade payables	0	30,830	30,830
Other payables	0	19,392	19,392
Prepayments, incl. contract work	0	61,905	61,905
<b>Total liabilities</b>	<b>0</b>	<b>169,440</b>	<b>169,440</b>

No financial instruments are measured to fair value as of 31 December 2022 and 2021.

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 for the 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.

### 32. European Investment Bank loan

#### Loan facility, warrant and put option agreement with the European Investment Bank

In November 2022, We entered into a finance contract with the European Investment Bank ensuring a loan facility of M.EUR 18. Under the finance contract, the loan will be disbursed in up to three tranches (M.EUR 5, M.EUR 6 and M.EUR 7), and the repayment date is by the fifth anniversary of the relevant disbursement date. The loan agreement is subject to several financial and non-financial terms, which are explained below. In March 2023, we have withdrawn the first of the three tranches under the finance contract. The first tranche totalled M.EUR 5. The loan fell due for payment in March 2028. As consideration for the loan, we granted 3,301,566 warrants to the European Investment Bank that vest relative to the draw-down on the loan in three tranches. Each warrant entitles the European Investment Bank to subscribe for one share of nominal SEK 0.07 against payment of the exercise price of SEK 0.07. Vested warrants can be exercised in part or in full at any time at the discretion of the European Investment Bank. Warrants not exercised after December 2039 shall lapse. Upon the draw-down of the first tranche in March 2023, 1,650,783 warrants were vested. Warrants related to the second tranche amount to 1,155,548 and 495,235 for the third tranche.

The second tranche can only be disbursed if the consolidated income of the Group is at least 280 M.SEK in the 12 months preceding the disbursement request. The third tranche can only be disbursed if, in the 12 months preceding the disbursement request, the consolidated income of the Group is at least 315 M.SEK, the consolidated gross profit adjusted for depreciation and amortisation included in the cost of goods sold is at least M.SEK 85, and if the Group has received at least M.EUR 8 of equity contributions from its shareholders since the date of the finance contract.

The loan agreement further includes an embedded derivative in the form of a put option, under which the European Investment Bank may require GomSpace to purchase all or part of the vested warrants held by the European Investment Bank. The option price for this transaction is equivalent to the fair value of the warrants at the time of exercise.

The loan will be unsecured except for guarantees provided by certain companies, including GomSpace Group AB. Furthermore, we entered a negative pledge preventing it from subsisting any security over its assets.

The interest rate p.a. is 10% for the first tranche, 8% for second tranche, and 7% for third tranche. From the date falling twelve months from the signing of the finance contract until the final availability date, a commitment fee at a rate of 1% p.a. is payable by GomSpace in respect of the daily undrawn and uncanceled balance of the credit.

### 33. Convertible loans

In November 2022, we entered into a convertible loan agreement for T.SEK 53,593 with the largest shareholder, board members, and members of the executive management. The loan will finance our short-term working capital needs of the Company. The convertible loan is denominated in SEK and carries an annual interest rate of five per cent as of 1 April 2023 and matures on 31 December 2023. The loan can be converted in a future share issue (through set-off) to the same terms as offered to other investors, alternatively repaid to the lenders in cash no later than the maturity date of 31 December 2023. The Group and Company's and the lenders' mutual intention is to have the loan amount converted into new shares. Therefore, the Board of Directors resolved upon a rights issue in spring 2023.

The convertible loan is 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 is calculated at T.SEK 52,709 and the difference of T.SEK 884 is 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 is T.SEK 52,930.

### 34. Non-cash items

T.SEK	Group		GomSpace Group AB	
	2022	2021	2022	2021
Grants deducted in fixed assets	0	-680	0	0
Exchange rate adjustments	6,700	1,922	-1,101	-17
Amortised borrowing costs	66	166	0	0
Warrant costs	0	90	0	90
Elimination of transactions with associates	0	0	0	0
Profit (loss) on fixed assets	-107	-18	0	0
Adjustment to prior year	-16	630	0	0
Cancellation of the large customer project	14,664	0	0	0
Write down in subsidiaries	0	0	365,608	22,648
	<b>21,307</b>	<b>2,110</b>	<b>364,507</b>	<b>22,721</b>
<b>35. Changes in net working capital</b>				
Changes in inventories	-6,849	-8,985	0	0
Changes in trade receivables	14,849	-4,972	81,782	15,117
Changes in other receivables	-8,768	-14,905	5	-645
Changes in trade and other payables	-24,029	25,544	1,388	779
	<b>-24,797</b>	<b>-3,318</b>	<b>83,175</b>	<b>15,251</b>
<b>36. Result after tax from associates</b>				
Share of profit (loss)	0	-33	0	0
Loss on partial disposal of the shares	0	-24,044	0	-24,044
Write down of associates*	0	24,077	0	24,044
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*The write-down reversal was performed as a result of the disposals of shares concerning the solvent liquidation of the company.

### 37. Liabilities from financing of debt activities

T.SEK	At the beginning of the year	Cash flow	Acquisition	Non-cash alterations		At the end of the year
				Borrowing costs	Exchange adjustment	
<b>31 December 2022</b>						
GomSpace Group AB						
Short-term debt	0	53,593	0	-663	0	52,930
<b>Total liabilities from financing of debt activities</b>	<b>0</b>	<b>53,593</b>	<b>0</b>	<b>-663</b>	<b>0</b>	<b>52,930</b>
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
<b>Total liabilities from financing of debt activities</b>	<b>58,900</b>	<b>37,211</b>	<b>21,002</b>	<b>778</b>	<b>-464</b>	<b>117,427</b>
<b>31 December 2021</b>						
GomSpace Group AB						
<b>Total liabilities from financing of debt activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Group						
Long-term debt	53,761	-14,473	904	165	812	41,169
Short-term debt	15,760	-2,459	0	0	228	13,529
<b>Total liabilities from financing of debt activities</b>	<b>69,521</b>	<b>-16,932</b>	<b>904</b>	<b>165</b>	<b>1,040</b>	<b>54,698</b>

### 38. Government grants

#### Group

In 2022, the Group received T.SEK 6,721 in public grants for development purposes (2021: T.SEK 1,686). Hereof, T.SEK 6,721 (2021: T.SEK 1,010) were set off against the cost of the assets to which the grants relate. Of the amount received, T.SEK 0 (2021: T.SEK 676) are presented as prepayments.

### 39. Related party transactions

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 76 (T.SEK 670 in 2021), apart from management costs in note 5.

The Group had entered a convertible loan agreement with management and the largest shareholder of T.SEK 53,593 in November 2022. The convertible loan carries an annual interest rate of five per cent as of 1 April 2023 and matures on 31 December 2023. The loan can be converted in a future share issue (through set-off) to the same terms as offered to other investors, alternatively repaid to the lenders in cash no later than the maturity date of 31 December 2023. The interest-free period of the loan up to 1 April 2023 is not at market-related terms, and thus the fair value of the convertible loan 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 is T.SEK 52,930.

#### GomSpace Group AB

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

T.SEK	2022	2021
<b>Transactions with subsidiaries</b>		
Sale of goods and services	40,678	30,641
Purchase of goods and services	36,918	27,017
Receivables on the balance sheet date	10,193	91,975

#### 40. Events after the balance sheet date

In January 2023, the Chairman of the Board of Directors, Jens Maaløe, resigned due to health issues, and CEO Niels Buus stepped down. Vicechair of the Board of Directors, Jukka Pertola, took over as Chairman of the Board and CFO Troels Dalsgaard took over as interim CEO until the appointment of Carsten Drachmann as CEO in March 2023.

In January 2023, the last planned reduction of just above 40 employees was executed. Together with the staff reduction of just below 30 employees initiated in December 2022, this corresponds to a full-year cost saving of approx. M.SEK 60. The staff reductions will have a full effect from the second half of 2023, with a saving of M.SEK 30 in 2023 and no effect in 2022.

In January 2023, following a prolonged suspension of a customer project with a contract value of M.SEK 43, it was mutually agreed with the customer not to proceed to the third phase of the contract. This has resulted in a reduction of M.SEK 22 in the order backlog.

In March 2023, we have withdrawn Tranche A of M.EUR 5 from the credit facility with the European Investment Bank (EIB). Disbursement of Tranche A was subject to certain conditions including the delivery of warrants to the EIB entitling to subscription of 1,650,783 new shares in the Company. To enable delivery of these warrants, and for the purpose of facilitating the potential delivery of additional warrants should the Group choose to request disbursement of additional tranches under the credit facility, the Board of Directors of the Group resolved to issue a total of 3,301,566 warrants with support from the authorisation granted by the annual general meeting held in 2022 (i.e. the maximum number of warrants that may be transferred to the EIB should the Group choose to make use of the entire M.EUR 18 credit facility). The remaining warrants will be kept by the Group until and if it chooses to make use of the remaining tranches of the credit facility. See note 32 for further description of the loan and the conditions attached thereto.

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, to raise gross proceeds of approximately M.SEK 122 and, in that connection, to convert the convertible loans of M.SEK 53.6 with the largest shareholder and management into new shares. The conversion of these loans represent a subscription undertaking of approximately 44 per cent of the rights issue.

Other than the events mentioned above, no other material events have occurred subsequent to the balance sheet date.

#### 41. Proposed distribution of profit (loss)

##### GomSpace Group AB

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

	2022	2021
Share premium	673,218,034	578,311,459
Retained earnings	-91,547,114	-67,958,145
Profit/loss for the year	-431,221,743	-24,472,969
	<b>150,449,177</b>	<b>485,880,345</b>
To be distributed as follows:		
Paid out as dividend	0	0
Carried forward	150,449,177	485,880,345
	<b>150,449,177</b>	<b>485,880,345</b>

#### 42. New accounting standards

The Group applied all new or amended standards and interpretations adopted by the EU that became effective in 2022, but there has been no impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations, or amendments that have been issued but have yet to be effective.



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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 31 May 2023 for adoption.

Stockholm, 31 March 2023

## Executive Board and Board of Directors

Carsten Drachmann  
CEO

Jukka Pekka Pertola  
Chairman

Steen Lorenz Johan Hansen

Nikolaj Wendelboe

Kenn Herskind

Our audit report was submitted on 31 March 2023

Ernst & Young AB

Martin Henriksson  
Authorised Public Accountant,  
Auditor-in-charge

## Auditor's report

To the general 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 19-21 for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 8-63 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 2022 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 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 19-21. 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

#### Material uncertainty related to going concern

We would like to draw the attention to the information provided in the annual report on page 8 under section Financial position a material uncertainty related to going concern, where it is stated that the Group recognized an operating loss of 232 939 T.SEK for the year ended December 31 2022, cash flow after investing activities amounted to a negative 203 888 T.SEK and that the Groups cash position amounted to 33 097 T.SEK at December 31 2022. These conditions indicates along with other circumstances mentioned in the section Financial position and material uncertainty related to going concern in the administration report on page 8 a significant uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Our statement is not modified in this regard.

#### 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 1-7 and 66-67. 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 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 skepticism 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 2022 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 19-21 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 31 March 2023

Ernst & Young AB

Martin Henriksson  
Authorized Public Accountant

## Definition of ESG figures

### CO<sub>2</sub> scope 1

#### Formula

Greenhouse gasses are computed based on each individual fuel type, e.g.: CH<sub>4</sub> =  $\sum$  (used fuel type in tons \* CH<sub>4</sub> conversion factor per fuel type)

Unit: ton CO<sub>2</sub>e

### CO<sub>2</sub> 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.: CH<sub>4</sub> =  $\sum$  (bought MWh or GJ \* CH<sub>4</sub> conversion factor per land)

Unit: ton CO<sub>2</sub>e

### Renewable energy share

#### Formula

(renewable energy/energy consumption) \* 100

Unit: %

### Water consumption

#### Formula

the sum of all used water – gross

Unit: m<sup>3</sup>

### 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

(( $\sum$  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 2023 26 May 2023  
Annual general meeting 31 May 2023

### COMPANY INFORMATION

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### AUDITORS

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