

# **GS Sweden AB (publ)**

**Org.nr. 559026-1888**

## **Combined Financial Statements for**

**January 1**

**-**

**December 31, 2015, 2014, 2013**

*N.B. The English text is an unofficial translation and in case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

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## Income Statement

	Note	2015 T.SEK	2014 T.SEK	2013 T.SEK
Net revenue	3	34.087	26.645	9.720
Cost of goods sold	4,5	-16.892	-15.616	-6.073
<b>Gross profit</b>		<b>17.195</b>	<b>11.029</b>	<b>3.647</b>
Sales and distribution costs	4,5	-7.213	-6.170	-1.619
Research and development costs	4,5	-7.847	-759	-718
Administrative costs	4,5	-4.492	-2.268	-1.068
Other operating costs		0	-70	0
<b>Operating profit</b>		<b>-2.357</b>	<b>1.762</b>	<b>242</b>
Finance income	6	163	1	3
Finance expenses	7	-929	-179	-203
<b>Profit (loss) before income tax</b>		<b>-3.123</b>	<b>1.584</b>	<b>42</b>
Income tax	8	754	-360	-26
<b>Profit (loss) for the year</b>		<b>-2.369</b>	<b>1.224</b>	<b>16</b>
<i>Profit (loss) is attributable to</i>				
Owners of GS Sweden AB (publ)		-2.369	1.224	16
		<b>-2.369</b>	<b>1.224</b>	<b>16</b>
Earning per share, basic and diluted	15	-0,17	0,09	0,00

## Statement of comprehensive income

	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Notes</b>	<b>T.SEK</b>	<b>T.SEK</b>	<b>T.SEK</b>
Profit (loss) for the period	-2.369	1.224	16
<i>Items which may be reclassified to the income statement:</i>			
Foreign exchange rate adjustment	-482	459	218
<b>Other comprehensive income for the period, net of tax</b>	<b>-482</b>	<b>459</b>	<b>218</b>
<b>Total comprehensive income for the period</b>	<b>-2.851</b>	<b>1.683</b>	<b>234</b>
<i>Total comprehensive income for the period is attributable to:</i>			
Owners of GS Sweden AB (publ)	-2.851	1.683	234
	<b>-2.851</b>	<b>1.683</b>	<b>234</b>

## Balance sheet

		31 Dec 2015	31 Dec 2014	31 Dec 2013	1 Jan 2013
	Notes	T.SEK	T.SEK	T.SEK	T.SEK
Finished development projects	9	2.452	3.606	1.704	1.664
Development projects in progress	9	5.970	782	2.981	2.207
<b>Intangible assets</b>		<b>8.422</b>	<b>4.388</b>	<b>4.685</b>	<b>3.871</b>
Property, plant and equipment	10	697	511	172	48
<b>Property, plant and equipment</b>		<b>697</b>	<b>511</b>	<b>172</b>	<b>48</b>
Deferred tax	11	0	0	0	152
<b>Other non-current assets</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>152</b>
<b>Total non-current assets</b>		<b>9.119</b>	<b>4.899</b>	<b>4.857</b>	<b>4.071</b>
Raw materials and consumables	12	2.907	2.791	1.405	871
Prepayments for inventories	12	0	681	0	0
<b>Inventories</b>		<b>2.907</b>	<b>3.472</b>	<b>1.405</b>	<b>871</b>
Contract work	13	7.024	1.999	790	0
Trade receivables	14	6.587	5.915	989	1.159
Income tax receivables		1.258	0	137	481
Other prepayments		0	66	78	42
Other receivables		1.897	1.153	304	244
<b>Receivables</b>		<b>16.766</b>	<b>9.133</b>	<b>2.298</b>	<b>1.926</b>
<b>Marketable securities</b>		<b>7</b>	<b>8</b>	<b>6</b>	<b>3</b>
<b>Cash and cash equivalents</b>		<b>1.268</b>	<b>1.539</b>	<b>1.806</b>	<b>736</b>
<b>Total current assets</b>		<b>20.948</b>	<b>14.152</b>	<b>5.515</b>	<b>3.536</b>
<b>Total assets</b>		<b>30.067</b>	<b>19.051</b>	<b>10.372</b>	<b>7.607</b>

## Balance sheet

		31 Dec 2015	31 Dec 2014	31 Dec 2013	1 Jan 2013
	Notes	T.SEK	T.SEK	T.SEK	T.SEK
Share capital	15	973	973	973	973
Share premium		15.661	6.785	6.785	6.785
Translation reserve		195	677	218	0
Retained earnings		-3.013	-714	-1.938	-1.954
<b>Total equity</b>		<b>13.816</b>	<b>7.721</b>	<b>6.038</b>	<b>5.804</b>
Credit institutions		3.672	0	0	0
Other non-current loans		0	764	712	682
Deferred tax	11	889	382	5	0
<b>Total non-current liabilities</b>		<b>4.561</b>	<b>1.146</b>	<b>717</b>	<b>682</b>
Current part of non-current liabilities		737	0	0	0
Credit institutions	17	6.359	2.159	25	0
Trade payables and other payables		2.063	2.690	496	245
Contract work	13	285	3.649	2.143	349
Other liabilities		2.246	1.686	953	527
<b>Total current liabilities</b>		<b>11.690</b>	<b>10.184</b>	<b>3.617</b>	<b>1.121</b>
<b>Total liabilities</b>		<b>16.251</b>	<b>11.330</b>	<b>4.334</b>	<b>1.803</b>
<b>Total equity and liabilities</b>		<b>30.067</b>	<b>19.051</b>	<b>10.372</b>	<b>7.607</b>
Commitments and contingent liabilities	16				
Government grants	19				
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## Statement of changes in equity

	Share capital T.SEK	Share premium T.SEK	Trans- lation reserve T.SEK	Retained earnings T.SEK	Total equity T.SEK
Equity 01.01.2013	973	6.785	0	-1.954	5.804
Profit/loss for the period	0	0	0	16	16
Other comprehensive income	0	0	218	0	218
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>218</b>	<b>16</b>	<b>234</b>
<i>Transactions with owners in their capacity as owners</i>					
Capital increase	0	0	0	0	0
Dividend	0	0	0	0	0
<b>Equity 31.12.2013</b>	<b>973</b>	<b>6.785</b>	<b>218</b>	<b>-1.938</b>	<b>6.038</b>
Equity 01.01.2014	973	6.785	218	-1.938	6.038
Profit/loss for the period	0	0	0	1.224	1.224
Other comprehensive income	0	0	459	0	459
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>459</b>	<b>1.224</b>	<b>1.683</b>
<i>Transactions with owners in their capacity as owners</i>					
Capital increase	0	0	0	0	0
Dividend	0	0	0	0	0
<b>Equity 31.12.2014</b>	<b>973</b>	<b>6.785</b>	<b>677</b>	<b>-714</b>	<b>7.721</b>
Equity 01.01.2015	973	6.785	677	-714	7.721
Profit/loss for the period	0	0	0	-2.369	-2.369
Other comprehensive income	0	0	-482	0	-482
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-482</b>	<b>-2.369</b>	<b>-2.851</b>
<i>Transactions with owners in their capacity as owners</i>					
Increase in share capital	0	8.946	0	0	8.946
Decrease in share capital	0	-70	0	70	0
Dividend	0	0	0	0	0
<b>Equity 31.12.2015</b>	<b>973</b>	<b>15.661</b>	<b>195</b>	<b>-3.013</b>	<b>13.816</b>

## Cash flow statement

	Note	2015 T.SEK	2014 T.SEK	2013 T.SEK
Profit before tax		-3.123	1.584	42
Reversal of financial items		766	178	200
Depreciation and amortizations		1.528	1.474	739
Non-cash items		0	70	0
Change in net working capital	18	-9.667	-4.399	1.222
Cash flows from primary operating activities		-10.496	-1.093	2.203
Received interest		161	0	0
Paid interest		-893	-174	-191
Paid income taxes		0	139	483
<b>Cash flow from operating activities</b>		<b>-11.228</b>	<b>-1.128</b>	<b>2.495</b>
Investments in non-current assets		-6.062	-1.275	-1.502
<b>Cash flow from investing activities</b>		<b>-6.062</b>	<b>-1.275</b>	<b>-1.502</b>
Borrowings		3.768	5	5
Capital increase		8.946	0	0
<b>Cash flow from financing activities</b>		<b>12.714</b>	<b>5</b>	<b>5</b>
<b>Net cash flow for the year</b>		<b>-4.576</b>	<b>-2.398</b>	<b>998</b>
Cash and cash equivalents, beginning of the year		-620	1.781	737
Unrealized exchange rate gains and losses on cash		105	-3	46
<b>Cash and cash equivalents, end of the year</b>		<b>-5.091</b>	<b>-620</b>	<b>1.781</b>
<b>Reconciliation of cash and cash equivalents</b>				
Cash and cash equivalents according to balance sheet		1.268	1.539	1.806
Credit institutions, current, accordance to balance sheet		-6.359	-2.159	-25
cash and cash equivalents according to cash flow statement		<b>-5.091</b>	<b>-620</b>	<b>1.781</b>



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## Notes

### 1. Accounting policies

The combined financial statements of GS Sweden AB (publ) have been prepared in accordance with RFR 1 Supplementary Accounting Rules for Groups as well as International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union.

#### *First-time adoption of IFRS*

GS Sweden AB (publ) has adopted IFRS from 2015 and the comparative figures for 2013 and 2014 have been restated accordingly. The effect of the adoption on recognition, measurement and presentation is discussed in note 22. The adoption has caused additional disclosures.

The combined financial statements is prepared according to standards and interpretations effective for financial years beginning on 1 January 2015. No standards or interpretations have been adopted before their effective date.

#### *Basis of preparation*

All entities included in these combined financial statements are under common control as they are all ultimately majority owned and controlled by GS Sweden AB (publ). The GS Sweden AB (publ) Group, as presented in these financial statements, constitutes of entities GomSpace ApS and GS Sweden AB (publ), has not constituted a separate legal group for the periods presented in these financial statements. Accordingly the combined financial statements represent an aggregation of the historical financial information of the entities in the group. The combined historical financial information, which has been prepared specifically for the purpose of this Prospectus, is therefore prepared on a basis that combines the results and assets and liabilities of each of the companies constituting the Group by applying the principles underlying the consolidation procedures of IFRS 10 Consolidated Financial Statements for each of the three years to 31 December 2015, 2014 and 2013. On such basis, the combined historical financial information sets out the Group's financial position as of 31 December 2015, 2014 and 2013 and results of operations and cash flows for the three years then ended.

The combined financial information has been prepared in accordance with the requirements of the Prospectus Directive Regulation, the Listing Rules on Nasdaq Stockholm, and in accordance with this basis of preparation.

As GS Sweden AB (publ) is a newly established off the shelf Group which has not conducted any business the future consolidated financial statements of GS Sweden AB (publ) will be prepared as a continuation of the current Group, as the transaction where GS Sweden AB (publ) is established as a new parent Group is merely a reorganization of the current group where GS Sweden AB (publ) is the parent Group, accordingly the combined financial statements of GS Sweden AB (publ) have been prepared on that basis. The future consolidated financial statements of GS Sweden AB (publ) will in all essentials be consistent with these combined financial statements.

This means that the predecessor values of GS Sweden AB (publ) which has been prepared in accordance with IFRS as adopted by the EU has been used in preparing these combined financial statements with the inclusion of the assets and liabilities of GS Sweden AB (publ). No adjustments have been made to the values of assets and the liabilities in relation to the combined financial statements compared to the historically reported values.

## Notes

### 1. Accounting policies

The accounting policies set out below have been applied consistently in respect of the financial year 2015 and the comparative figures.

#### *New standards*

The IASB has issued a number of new or amended standards and interpretations effective for financial years beginning after 1 January 2015. Some of these have not yet been endorsed by the EU. Most relevant to the Group is the following:

- IFRS 9 "Financial Instruments" reducing the number of asset classes for financial assets to two: amortized cost and fair value. The standard incorporates new requirements for accounting for financial liabilities. The standard will be effective for financial years beginning on or after 1 January 2018.
- IFRS 15 "Revenue Recognition" clarifying the principles for recognizing revenue from contracts with customers. The effective date for this standard has tentatively been deferred by one year so that it will be effective for financial years beginning on or after 1 January 2018.
- IFRS 16: "Leases". The standard amends the rules for the lessees' accounting treatment of operating leases. In future, operating leases must therefore be recognised in the balance sheet as lease assets and similar lease liabilities. The standard will be effective for financial years beginning on or after 1 January 2019.

The Group is currently analysing the potential impact from the adoption of these new standards. The Group expects to adopt the standards and interpretations when they become effective.

#### *Combined financial statements*

The combined financial statements have been prepared on the basis of the cost method, except as bonds and other securities measured as fair value through profit and loss.

#### *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 is able to affect this return through its influence in the entity. Subsidiaries are included in the combined financial statements as of the date when control passes to the Group. They are deconsolidated from the date on which the control ceases.

#### *Translation of foreign currency*

##### *(i) Functional currency and reporting currency*

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The combined financial statements are presented in Swedish krona (SEK) which is the functional currency of the Parent Group. The functional currency of the operating Group GomSpace ApS is DKK.

##### *(ii) Transactions and balance-sheet items*

Transactions in foreign currencies are translated to the functional currency at the exchange rate applicable on the transaction date. Exchange gains and losses arising in the payment of such transactions and in the translation of monetary assets and liabilities in foreign currencies at the rate prevailing on the reporting date are recognised in the income statement under the item Net profit from financial transactions.

## Notes

### 1. Accounting policies

#### *Translations and transactions*

Transactions in foreign currencies are initially translated into the functional currency at the exchange rates at the transaction date.

Exchange adjustments arising due to differences between the transaction date rates and the rates at the payment date are recognized in financial income or financial expenses in the income statement. Receivables, payables and other monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Exchange adjustments arising due to differences between the rates at the balance sheet date and the transaction date rates are recognized in financial income or financial expenses in the income statement.

#### *Segments report*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Management that makes strategic decisions. The business of GS Sweden AB (publ) include solely one segment and the combined financial statements of comprehensive income, the combined statements of financial position, the combined statements of cash flows, the combined statements of changes in equity and notes represent this segment.

#### *Revenue from sale of goods*

Revenue from the sale of goods is recognized in the income statement if risk and rewards as well as control over the goods have been transferred to the customer at the balance sheet date, the income can be measured reliably, and expenses incurred or expected to be incurred in connection with the transaction can be measured reliably. Revenue is measured at the fair value of the consideration received, excluding VAT and less discounts granted in connection with the sales.

## Notes

### 1. Accounting policies

#### *Contract work*

Contracts for the construction of an individually negotiated asset and related services is recognized under the percentage of completion method.

The proportion of net revenue to be recognized in a particular period is calculated according to the stage of completion of the project. For most contracts this is measured by reference to the time spent on the contract up to the relevant balance sheet date as a percentage of the total estimated time of completing the contract. Consideration agreed in the contract is recognized over the contract period using this method.

If the expected total costs are expected to exceed the consideration agreed, a provision is recognized for the expected loss.

Contracts for which the recognized net revenue from the work performed exceeds progress billings are recognized in the balance sheet as receivables.

Contracts for which progress billings exceed the net revenue are recognized as liabilities. Prepayments from customers are recognized under liabilities.

#### *Cost of sales*

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

#### *Other operating income and expenses*

Other operating income and expenses comprise income that is not related to the principal activities. This includes income from government grants, rental income and gains and losses on the disposal of intangible assets and property, plant and equipment as well as other income of a secondary nature in relation to the main activities of the Group.

#### *Financial income and expenses*

Financial income and expenses comprise interest receivable and interest payable, surcharges and refunds under Denmark's on-account tax scheme, and value adjustments of financial assets and items denominated in a foreign currency.

#### *Income tax and deferred tax*

Current tax liabilities and receivables are recognized in the balance sheet at the amounts calculated on the taxable income for the year adjusted for tax on taxable incomes for prior years and for taxes paid on account.

## Notes

### 1. Accounting policies

Deferred tax is measured using the balance sheet liability method. In respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

In cases where the computation of the tax base may be performed according to different tax rules, deferred tax is measured on the basis of Management's intended use of the asset or settlement of the liability.

#### *Intangible assets*

Research expenses are recognized in the income statement as they are incurred. Development costs are recognized as intangible assets if the costs meet the criteria for recognition.

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

- Development projects: 5 years

The amortization begins when the development project is at a stage where its commercial potentials can be utilized in the manner 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.

#### *Property, plant and equipment*

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment charges. 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 at the same time.

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

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

Depreciation is based on a straight-line basis.

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

#### *Government grants*

Government grants comprise grants for investments, research and development projects, etc. Grants are recognized when there is reasonable certainty that they will be received. Grants for investments and capitalized development projects are set off against the cost of the assets to which the grants relate. Other grants are recognized in development costs in the Income Statement to offset the expenses for which they compensate.

#### *Inventories*

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

## Notes

### 1. Accounting policies

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 the cost of raw materials, consumables, direct wages and salaries, and indirect production overheads. Indirect production overheads comprise indirect materials, wages and salaries, maintenance and depreciation of production machinery and equipment, as well as production administration and management.

#### *Trade receivables*

Receivables are initially recognized at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortized cost less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable taking into consideration the period overdue and the expected likelihood of receiving payment.

#### *Provisions*

Provisions are recognized 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 on the basis of 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 unrestricted deposits with banks.

Marketable securities recognized as current assets are measured at fair value on the balance sheet date. Changes to fair value is recognized in the income statement.

Financial liabilities are initially measured at fair value less transaction costs incurred. Subsequently, the loans are measured at amortized cost. Amortized cost is calculated as original cost less installments plus/less the accumulated amortization of the difference between cost and nominal value. Losses and gains on loans are thus allocated over the term so that the effective interest rate is recognized in the income statement over the loan period. Financial liabilities are derecognized when settled.

#### *Cash flow statement*

The cash flow statement has been prepared under 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 made in connection with the acquisition and divestment of companies and activities, as well as investment, development, sale and improvements of intangible assets and property, plant and equipment.

## Notes

### 1. Accounting policies

Cash flows from financing activities comprise capital increases and costs incidental thereto as well as the arrangement of loans, the repayment of interest-bearing debt shares and the payment of dividend to the Group's shareholders.

Cash and cash equivalents comprise cash less short-term bank debt forming part of the Group's cash management.

### 2. Significant accounting estimates and judgments

In preparing the combined 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 which may significantly influence the amounts recognized in the combined 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 to be 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 actual results differing from these estimates, both positively and negatively.

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

For development projects in progress, Management estimates on an ongoing basis whether each project is likely to generate future economic benefits for the Group in order to qualify for recognition. The development projects are evaluated on technical as well as commercial criteria. The carrying amount of development projects in progress is disclosed in note 9.

Recognized revenue on contract work is based on percentage of completion based on time spent on the contract as a percentage of the total time estimated to complete the project. Management estimates on an ongoing basis the time 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 13.



## Notes

	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>T.SEK</b>	<b>T.SEK</b>	<b>T.SEK</b>
<b>3. Net revenue</b>			
Sale of goods	15.462	11.043	7.553
Contract work	18.625	15.602	2.167
	<b>34.087</b>	<b>26.645</b>	<b>9.720</b>
<b>Geographic distribution</b>			
Denmark	3.386	1.659	2.303
Europe (excluding Denmark)	14.384	9.984	3.879
USA	2.201	1.557	979
Asia	9.624	8.431	1.390
Rest of the world	4.492	5.014	1.169
	<b>34.087</b>	<b>26.645</b>	<b>9.720</b>

Revenue to Holland accounts for 30% of the total net revenue (22% in 2014 and 25% in 2013).

Revenue to China accounts for 12% of the total net revenue (10% in 2014 and 0% in 2013).

Revenue to Denmark accounts for 10% of the total net revenue (9% in 2014 and 16% in 2013).

GS Sweden AB (publ)'s tangible fixed assets are located in Denmark.

	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>T.SEK</b>	<b>T.SEK</b>	<b>T.SEK</b>
<b>4. Staff costs</b>			
Wages and salaries	13.852	10.298	3.405
Pension costs, defined contribution plans	1.639	831	209
Other expenses to social security	187	143	57
Other employee costs	414	394	104
<b>Total staff costs</b>	<b>16.092</b>	<b>11.666</b>	<b>3.775</b>
Average number of full time employees	30	16	8
Staff costs are included in:			
Costs of goods sold	8.329	7.621	2.299
Sales and distribution costs	3.830	2.325	647
Research and development costs	1.780	181	157
Administrative costs	2.153	1.539	672
<b>Total staff costs</b>	<b>16.092</b>	<b>11.666</b>	<b>3.775</b>

	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>T.SEK</b>	<b>T.SEK</b>	<b>T.SEK</b>
<b>4. Staff costs (continued)</b>			
<b>Remuneration of Executive Board and Board of Directors</b>			
Wages and salaries	3.547	2.621	1.287
Pension costs, defined contribution plans	690	527	121
	<b>4.237</b>	<b>3.148</b>	<b>1.408</b>

Executive Board and Board of Directors comprise the Group's key management personnel.

In 2015 wages and salaries of T.SEK 5,342 have been capitalized as development projects (T.SEK 560 in 2014 and T.SEK 1,063 in 2013).

	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>T.SEK</b>	<b>T.SEK</b>	<b>T.SEK</b>
<b>5. Depreciation and amortizations</b>			
Costs of goods sold	151	87	26
Sales and distribution costs	61	37	8
Research and development costs	107	9	14
Administrative costs	43	15	7
<b>Total depreciation</b>	<b>362</b>	<b>148</b>	<b>55</b>
Costs of goods sold	485	780	325
Sales and distribution costs	199	333	104
Research and development costs	344	76	171
Administrative costs	138	137	84
<b>Total amortizations</b>	<b>1.166</b>	<b>1.326</b>	<b>684</b>
<b>6. Financial income</b>			
Interest income	4	0	0
Exchange rate adjustments	159	1	3
Fair value gains on securities	0	0	0
Other financial income	0	0	0
	<b>163</b>	<b>1</b>	<b>3</b>
<b>7. Financial expenses</b>			
Interest expenses	470	106	35
Exchange rate adjustments	172	2	32
Other financial expenses, including bank fees	287	71	136
	<b>929</b>	<b>179</b>	<b>203</b>

**8. Tax on profit/loss for the year**

	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>T.SEK</b>	<b>T.SEK</b>	<b>T.SEK</b>
Tax on profit (loss) for the year comprise			
Current tax on profit for the year 1)	-1.290	0	-132
Changes in deferred tax	536	360	158
Adjustments to previous years	0	0	0
<b>Tax on profit for the year</b>	<b>-754</b>	<b>360</b>	<b>26</b>
Profit/loss before tax	-3.123	1.584	42
Swedish tax rate for GS Sweden AB (publ)	22,0%	22,0%	22,0%
Tax	-687	348	9
Non-taxable income	0	0	0
Non-deductible expenses	16	9	15
Changes to the Danish tax rate	-36	-42	0
Effect of foreign tax rates	-47	40	2
Adjustments to previous years	0	5	0
<b>Tax on profit for the year</b>	<b>-754</b>	<b>360</b>	<b>26</b>

1) Income tax benefit related to development costs incurred.

**9. Intangible assets**

	<b>Finished development projects T.SEK</b>	<b>Development projects in progress T.SEK</b>	<b>Total T.SEK</b>
Cost price at 1 January 2015	6.941	782	7.723
Additions during the year	0	5.489	5.489
Reclassification	139	-139	0
Exchange rate adjustment	-296	-162	-458
Cost price at 31 December 2015	<u>6.784</u>	<u>5.970</u>	<u>12.754</u>
Amortization at 1 January 2015	-3.335	0	-3.335
Amortization	-1.167	0	-1.167
Exchange rate adjustment	170	0	170
Amortization at 31 December 2015	<u>-4.332</u>	<u>0</u>	<u>-4.332</u>
<b>Carrying amount 31 December 2015</b>	<u><b>2.452</b></u>	<u><b>5.970</b></u>	<u><b>8.422</b></u>
	<b>T.SEK</b>	<b>T.SEK</b>	<b>T.SEK</b>
Cost price at 1 January 2014	3.529	2.981	6.510
Additions during the year	0	747	747
Reclassification	3.035	-3.035	0
Exchange rate adjustment	377	89	466
Cost price at 31 December 2014	<u>6.941</u>	<u>782</u>	<u>7.723</u>
Amortization at 1 January 2014	-1.825	0	-1.825
Amortization	-1.325	0	-1.325
Exchange rate adjustment	-185	0	-185
Amortization at 31 December 2014	<u>-3.335</u>	<u>0</u>	<u>-3.335</u>
<b>Carrying amount 31 December 2014</b>	<u><b>3.606</b></u>	<u><b>782</b></u>	<u><b>4.388</b></u>

**9. Other intangible assets (continued)**

	<b>Finished development projects T.SEK</b>	<b>Development projects in progress T.SEK</b>	<b>Total T.SEK</b>
Cost price at 1 January 2013	2.742	2.207	4.949
Additions during the year	0	1.329	1.329
Reclassification	661	-661	0
Exchange rate adjustment	126	106	232
Cost price at 31 December 2013	<u>3.529</u>	<u>2.981</u>	<u>6.510</u>
Amortization at 1 January 2013	-1.079	0	-1.079
Amortization	-683	0	-683
Exchange rate adjustment	-63	0	-63
Amortization at 31 December 2013	<u>-1.825</u>	<u>0</u>	<u>-1.825</u>
<b>Carrying amount 31 December 2013</b>	<u><b>1.704</b></u>	<u><b>2.981</b></u>	<u><b>4.685</b></u>

Intangible assets have been tested for impairment. The impairment test is based on the management budgets and estimates for the next 5 years and a cautious residual growth rate of 2 % similar to the expected market growth. The assumptions for budgets and estimates are based on market growth and increased use of nanosatellites in the commercial sector. The impairment test includes a discount factor of 10 %.

**10. Property, plant and equipment**

	<b>Other fixtures, fittings, tools and equipment T.SEK</b>	<b>Total T.SEK</b>
Cost price at 1 January 2015	892	892
Additions during the year	573	573
Reclassification	0	0
Exchange rate adjustment	-51	-51
Cost price at 31 December 2015	<u>1.414</u>	<u>1.414</u>
Depreciation at 1 January 2015	-381	-381
Depreciation	-361	-361
Exchange rate adjustment	25	25
Depreciation at 31 December 2015	<u>-717</u>	<u>-717</u>
<b>Carrying amount 31 December 2015</b>	<u><b>697</b></u>	<u><b>697</b></u>
	<b>T.SEK</b>	<b>T.SEK</b>
Cost price at 1 January 2014	412	412
Additions during the year	528	528
Disposals during the year	-96	-96
Reclassification	0	0
Exchange rate adjustment	48	48
Cost price at 31 December 2014	<u>892</u>	<u>892</u>
Depreciation at 1 January 2014	-240	-240
Depreciation	-146	-146
Reversal of depreciation, assets disposed of	27	0
Exchange rate adjustment	-22	-22
Depreciation at 31 December 2014	<u>-381</u>	<u>-381</u>
<b>Carrying amount 31 December 2014</b>	<u><b>511</b></u>	<u><b>511</b></u>

**10. Property, plant and equipment (continued)**

	<b>Other fixtures, fittings, tools and equipment T.SEK</b>	<b>Total T.SEK</b>
Cost price at 1 January 2013	225	225
Additions during the year	173	173
Reclassification	0	0
Exchange rate adjustment	14	14
Cost price at 31 December 2013	<u>412</u>	<u>412</u>
Depreciation at 1 January 2013	-177	-177
Depreciation	-55	-55
Exchange rate adjustment	-8	-8
Depreciation at 31 December 2013	<u>-240</u>	<u>-240</u>
<b>Carrying amount 31 December 2013</b>	<u><b>172</b></u>	<u><b>172</b></u>

	<b>2015 T.SEK</b>	<b>2014 T.SEK</b>	<b>2013 T.SEK</b>
<b>11. Deferred tax</b>			
Deferred tax at 1 January	382	5	-152
Adjustments regarding previous years	0	0	0
Deferred tax recognized in the income statement	536	360	158
Deferred tax recognized in other comprehensive income	0	0	0
Exchange rate adjustment	-29	17	-1
<b>Deferred tax at 31 December</b>	<u><b>889</b></u>	<u><b>382</b></u>	<u><b>5</b></u>
<b>Deferred tax relates to:</b>			
Intangible assets	1.852	965	1.031
Property, plant and equipment	1	-13	-4
Short term assets	-44	0	-4
Provisions	0	0	0
Tax loss carry-forwards	-920	-570	-1.019
Other liabilities	0	0	0
	<u><b>889</b></u>	<u><b>382</b></u>	<u><b>4</b></u>

Non part of the deferred tax liability is expected to be settled within 1 year.

**12. Inventories**

T.SEK 12,949 of inventories was recognized as expenses during 2015 (T.SEK 5,821 in 2014 and T.SEK 3,007 in 2013). Write-downs of inventories in 2015 amounted to T.SEK 0 (T.SEK 0 in 2014 and T.SEK 0 in 2013).

	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>T.SEK</b>	<b>T.SEK</b>	<b>T.SEK</b>
<b>13. Contract work</b>			
Revenue from contract work	18.625	15.602	2.167
Less progress billings	-11.720	-17.178	-3.477
Exchange rate adjustment	-166	-74	-43
	<b>6.739</b>	<b>-1.650</b>	<b>-1.353</b>
Recognized in the balance sheet as:			
Amounts due from customers for contract work	7.024	1.999	790
Amounts due to customers for contract work	-285	-3.649	-2.143
	<b>6.739</b>	<b>-1.650</b>	<b>-1.353</b>
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
	<b>T.SEK</b>	<b>T.SEK</b>	<b>T.SEK</b>
<b>14. Trade receivables</b>			
Trade receivables, gross	6.587	5.915	989
Write-downs	0	0	0
	<b>6.587</b>	<b>5.915</b>	<b>989</b>
<b>Ageing of receivables</b>			
Not due	4.413	4.705	565
0 - 30 days overdue	1.227	741	149
31 - 90 days overdue	168	397	273
>120 days overdue	779	72	2
	<b>6.587</b>	<b>5.915</b>	<b>989</b>
<b>Movement in allowance for doubtful trade receivables</b>			
Carrying amount at the beginning of the year	0	0	0
Allowances for losses during the year	-301	0	0
Confirmed losses	301	0	0
	<b>0</b>	<b>0</b>	<b>0</b>



## 15. Share capital

The share capital comprise 13,907,334 shares of a nominal value of SEK 0.07 each. The nominal value of each share is changed from SEK 1 to SEK 0.98 in accordance with an exchange of shares and to SEK 0.07 in accordance with the share split. No shares carry any special rights.

	<b>Number of shares SEK</b>	<b>Nominal value SEK</b>
Changes in share capital:		
Share capital at 1 January 2013	50.000	50.000
Capital increase 2015	993.381	993.381
Capital decrease 2015	-50.000	-50.000
Reduction of share capital	0	-19.868
Share split 2015	12.913.953	0
<b>Share capital at 31 December 2015</b>	<b>13.907.334</b>	<b>973.513</b>

### *Capital management*

The Group is primarily financed through equity, but will use debt financing when this can be achieved at attractive conditions. Management evaluates the need for capital on an ongoing basis. The objectives when maintaining capital are to maintain sufficient capital in order to meet short term obligations and at the same time preserve investor's confidence required to sustain future development of the business.

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

	<b>2015 T.SEK</b>	<b>2014 T.SEK</b>	<b>2013 T.SEK</b>
Earning per share, basic and diluted (profit for the year / average number of shares ratified for split)	-0,17	0,09	0,00
Average number of shares ratified for split (in 1,000)	13.907	13.907	13.907

<b>16. Commitments and contingent liabilities</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Operating leases</b>	<b>T.SEK</b>	<b>T.SEK</b>	<b>T.SEK</b>
Operating lease commitments:			
Due within 1 year	163	144	82
Due between 1 and 5 years	0	0	0
Due after 5 years	0	0	0
	<b>163</b>	<b>144</b>	<b>82</b>
Lease payments recognised as an expense amount to	654	578	330

Lease commitments primarily relate to office rental.

There are no pending court and arbitration cases.

The Group has pledged its development projects as security for loans from Forsknings- og Innovationsstyrelsen, Borean Innovation A/S, HL Invest ApS and Longbus Holding ApS.

For debt to credit institutions the Group has provided security in Group assets representing a nominal value of T.SEK 10,405. This security comprises the below assets:

- Intangible assets
- Property, plant and equipment
- Inventories
- Trade receivables

## Notes

### 17. Financial risks

#### *General risk management*

Due to its activities, the Group is exposed to various financial risks, including foreign exchange, interest, liquidity and credit risks. The Group manages the risks centrally and follows the policies approved by the Board of Directors. The Group does not actively engage in speculation of financial risks.

#### *Credit risks*

The Group's credit risks mainly relates to contract work in progress, trade receivables and other receivables. Maximum exposure corresponds to the carrying amount. For sale of products an advance payment is received from the customer.

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. The Group does not have any material risks related to individual customers.

#### *Foreign exchange risks*

The Group's sales, cost of goods sold and expenses are mainly incurred in DKK or EUR. The Group has transactions in other currencies, but exposure in those currencies is not significant.

#### *Interest rate risk*

The Group's loans are mainly carried at variable interest rates. A change in the interest level will have limited effect on the result or equity. T.SEK 737 of the loans are with fixed interest rates.

#### *Liquidity risk*

Funding and adequate liquidity are fundamental factors in driving an expanding business, and management of both is an integrated part 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.

The Group's long term financing consists of an loan issued by Vækstfonden under EU's InnovFin SMV Programme in 2015. The loan bears a floating rate, 7.3% p.a. as of 31 December 2015. The loan can be redeemed by Gompac at par value at any time and is subject to change of control and transfer of assets clauses.

## Notes

### 17. Financial risks (continued)

	0-1 year T.SEK	1-5 years T.SEK	>5 years T.SEK	Total T.SEK	Carrying amount T.SEK
<b>31 December 2015</b>					
Credit institutions	6.627	4.457	0	11.084	10.031
Trade and other payables	5.084	0	0	5.084	4.309
	<b>11.711</b>	<b>4.457</b>	<b>0</b>	<b>16.168</b>	<b>14.340</b>
<b>31 December 2014</b>					
Credit institutions	2.159	0	0	2.159	2.159
Trade and other payables	4.415	803	0	5.218	5.140
	<b>6.574</b>	<b>803</b>	<b>0</b>	<b>7.377</b>	<b>7.299</b>
<b>31 December 2013</b>					
Credit institutions	25	0	0	25	25
Trade and other payables	1.484	784	0	2.268	2.161
	<b>1.509</b>	<b>784</b>	<b>0</b>	<b>2.293</b>	<b>2.186</b>

Fair value of the loan from Vækstfonden is determined to be equal to its carrying amount due to the issuance of the loan in autumn 2015 (level 2 in the fair value hierarchy). Fair value of short term liabilities is determined to equal their carrying amount.

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

The payment obligations are expected to be settled through cash inflows from operating activities and through proceeds from capital injections from a planned IPO.

## Notes

	2015	2014	2013
	T.SEK	T.SEK	T.SEK
<b>18. Changes in net working capital</b>			
Changes in inventories	429	-1.885	-485
Changes in trade receivables	-945	-4.641	207
Changes in other receivables	-5.982	-1.879	-849
Changes in trade and other payables	-3.169	4.006	2.349
	<u>-9.667</u>	<u>-4.399</u>	<u>1.222</u>

### 19. Government grants

During 2015 the Group received t.SEK 349 in public grants for research and development purposes (2014: t.SEK 1,906 and 2013: t.SEK 2,797) which was recognized in the income statement as an offset against research and development costs. The Group has furthermore received t.SEK 849 in public grants for investments (2014: t.SEK 0 and 2013: t.SEK 0) which are set off against the cost of the assets to which the grants relate.

### 20. Related parties

The Group had expenses to office rental, accounting and legal assistance and interest of loans to shareholders of t.SEK 1,193 (t.SEK 1,025 in 2014 and t.SEK 599 in 2013) to shareholders with significant influence over the Group apart from management costs in note 4. Payables to shareholders amount to t.SEK 755 at 31 December 2015 (t.SEK 730 at 31 December 2014 and t.SEK 689 at 31 December 2013) commitments and contingent liabilities of payables to shareholders is listed in note 16.

### 21. Events after the balance sheet date

No events have occurred after the balance sheet date of importance to the Combined Financial Statements.

### 22. First time adoption of IFRS

The Group has adopted IFRS for its financial accounts with effect from 1 January 2013.

The adoption has not had any effect on any balance sheet items or to the equity at either 1 January 2013 or 31 December 2014.

Stockholm, 13.05.2016

**Executive Board**

Niels Buus

**Board of Directors**

Niels Jesper Jespersen Jensen  
Chairman

Lars Alminde

Carl-Erik Jørgensen

Jens Langeland-Knudsen

Jukka Pertola

We have issued our auditors report 13.05.2016  
Öhrlings PricewaterhouseCoopers AB

Kennet Nissen  
State Authorised Public Accountant

Martin Johansson  
State Authorised Public Accountant