

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.

First quarter of 2016 (Q1 2015)

In the first quarter GS Sweden AB (publ) had a strong revenue growth of 114%. The growth primarily increased due to sales of goods. EBIT increased by 121% because of improved production performance.

Events during the first quarter of 2016

- GS Sweden AB (publ) concluded a binding contract with Sky and Space Global UK for the construction and supply of 3 SSG Nano-Satellites and a ground station to operate the satellites.
- Growth in employees of 13% showing GS Sweden AB (publ)'s ability to attract new qualified employees.

Key figures

	Q1 2016 T.SEK	Q1 2015 T.SEK	Growth
Key figures			
Net revenue	11.003	5.132	114%
Operating profit	929	-4.528	121%
Net financial items	-309	-116	-166%
Profit/loss before tax	620	-4.644	113%
Profit/loss for the the year	481	-3.603	113%
Investments in PPE	234	495	-53%
Total assets	32.065	18.818	70%
Equity	14.459	3.956	265%
Total liabilities	17.606	14.862	18%
Ratios			
Operating margin	8%	-88%	
Net Margin	4%	-70%	
Return on invested capital (%)	2%	-19%	
Return on equity (%)	3%	-62%	
Equity ratio (%)	45%	21%	
Earnings per share, basic and diluted	0,03	-0,26	

Financial performance in the first quarter of 2016

Revenue

Revenues amounted to SEK 11 million (5), corresponding to an increase of 114% compared with the same period in 2015. The positive revenue development mainly derives from sales of goods. Sales of goods increased by 384% and contract work increased by 12%. Furthermore, in the first quarter, sales to new customers represented 33% of revenue.

Expenses

Operating expenses amounted to SEK 10.1 million (9.7), corresponding to an increase of 4%. In the first quarter of 2015 GS Sweden AB (publ) had delivery difficulties. This problem has been solved and the production improved its performance during 2015 and in the first quarter of 2016.

Profitability

Operating profit increased by 121% compared with the same period in 2015. The operating margin is 8%. An operating margin of 8 % is acceptable according to GS Sweden AB (publ)'s budget for the year. GS Sweden AB (publ)'s target is a significant higher operating margin in the future.

Net financial items have a negative effect on profit. Net financial items amounted to a negative SEK 0.3 million (0.1). The primary reason is that GS Sweden AB (publ) has taken out a long-term growth loan as well as there is a higher draw on the credit facilities. GS Sweden AB (publ) had an effective tax rate of 22.4% (22.4) for the first quarter.

Investments

Investments in intangible assets amounted to SEK 1.4 million (1.4) during the first quarter. Investments in property, plant and equipment amounted to SEK 0.2 million (0.5). Investments in intangible assets refer to development of new products and product enhancement. Investments in property, plant and equipment refer to computer equipment in order to maintain capacity and performance in connection with the growth of GS Sweden AB (publ).

Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to SEK 4.2 million (negative 0.9) during the first quarter. Cash flow from investing activities was negative with an amount of SEK 1.6 million (1.9). Cash and cash equivalents amounted to a negative SEK 2.7 million (3.4) at the end of the quarter. GomSpace's working capital amounted to SEK 14.4 million (2.4).

Credit risks

The group is exposed for credit risks and other financial risks such as market risks, including foreign exchange, interest and liquidity risks.

This risks are described in the Combined Financial Statements for 2013-2015.

Market development

In recent years, the Nano/Micro-satellites market has grown substantially and is, according to data from SpaceWorks, expected to grow fast in the coming years. Furthermore, the mass of each satellite will increase significant. Nano-satellites, or cube-satellites, are having a disruptive effect on the satellite market by significantly lowering the barriers of cost for enabling space-based applications leading to proliferation of space economy and innovation in new business models that can benefit from space assets.

Other

Employees

As at 31 March 2016, GS Sweden AB (publ) employed 36 (32) persons, corresponding to 30 (27) full-time employees.

Accounting policies

The interim report has been prepared in accordance with IAS 34 and additional Swedish disclosure requirements. The interim report has been prepared in accordance with the accounting policies set out in the Combined Financial Statements for 2015 in note 1.

For the combined financial statements this interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies adopted are consistent with those presented in the combined financial statements 2013-2015 (note 1). The new or revised/amended standards and interpretations effective on or after January 1, 2016 are not material to the combined financial statements.

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 two quarters to 31 March 2016 and 2015. On such basis, the combined historical financial information sets out the Group's financial position as of 31 March 2016 and 2015 and results of operations and cash flows for the two quarters 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.

Accounting policies (continued)

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.

The interim report information on pages 1-3 constitute an integrated part of this financial report.

Income Statement

	Note	Q1 2016 T.SEK	Q1 2015 T.SEK
Net revenue	1	11.003	5.132
Cost of goods sold		-3.988	-4.510
Gross profit		7.015	622
Sales and distribution costs		-2.507	-1.571
Research and development costs		-1.120	-2.256
Administrative costs		-2.459	-1.323
Operating profit		929	-4.528
Finance income		21	78
Finance expenses		-330	-194
Profit (loss) before income tax		620	-4.644
Income tax		-139	1.041
Profit (loss) for the year		481	-3.603
<i>Profit (loss) is attributable to</i>			
Owners of GS Sweden AB (publ)		481	-3.603
		481	-3.603
Earnings per share, basic and diluted		0,03	-0,26

Statement of comprehensive income

	Notes	Q1 2016 T.SEK	Q1 2015 T.SEK
Profit (loss) for the period		481	-3.603
<i>Items which may be reclassified to the income statement:</i>			
Foreign exchange rate adjustment		162	-162
Other comprehensive income for the period, net of tax		162	-162
Total comprehensive income for the period		643	-3.765
<i>Total comprehensive income for the period is attributable to:</i>			
Owners of GS Sweden AB (publ)		643	-3.765
		643	-3.765

Balance sheet

	31 Mar 2016	31 Mar 2015	31 Dec 2015
Notes	T.SEK	T.SEK	T.SEK
Finished development projects	2.224	3.357	2.452
Development projects in progress	7.141	1.964	5.970
Other intangible assets	274	0	0
Intangible assets	9.639	5.321	8.422
Property, plant and equipment	839	898	697
Property, plant and equipment	839	898	697
Deferred tax	0	341	0
Other non-current assets	0	341	0
Total non-current assets	10.478	6.560	9.119
Raw materials and consumables	3.062	4.597	2.907
Inventories	3.062	4.597	2.907
Contract work	10.897	4.277	7.024
Trade receivables	2.453	1.271	6.587
Income tax receivable	1.274	316	1.258
Other prepayments	230	147	0
Other receivables	941	1.578	1.897
Receivables	15.795	7.589	16.766
Marketable securities	7	7	7
Cash and cash equivalents	2.723	65	1.268
Total current assets	21.587	12.258	20.948
Total assets	32.065	18.818	30.067

Balance sheet

	31 Mar 2016	31 Mar 2015	31 Dec 2015
Notes	T.SEK	T.SEK	T.SEK
Share capital	973	973	973
Share premium	15.661	6.785	15.661
Translation reserve	357	515	195
Retained earnings	-2.532	-4.317	-3.013
Total equity	14.459	3.956	13.816
Credit institutions	3.717	0	3.672
Other non-current loans	0	744	0
Deferred tax	1.037	0	889
Total non-current liabilities	4.754	744	4.561
Current part of non-current liabilities	746	0	737
Credit institutions	5.429	3.428	6.359
Trade payables and other payables	1.737	3.841	2.063
Contract work	278	3.946	285
Prepayments	1.604	0	0
Other liabilities	3.058	2.903	2.246
Total current liabilities	12.852	14.118	11.690
Total liabilities	17.606	14.862	16.251
Total equity and liabilities	32.065	18.818	30.067

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 01.01.2016	973	15.661	195	-3.013	13.816
Profit/loss for the period	0	0	0	481	481
Other comprehensive income	0	0	162	0	162
Total comprehensive income for the period	0	0	162	481	643
<i>Transactions with owners in their capacity as owners</i>					
Increase in share capital	0	0	0	0	0
Dividend	0	0	0	0	0
Equity 31.03.2016	973	15.661	357	-2.532	14.459
Equity 01.01.2015	973	6.785	677	-714	7.721
Profit/loss for the period	0	0	0	-3.603	-3.603
Other comprehensive income	0	0	-162	0	-162
Total comprehensive income for the period	0	0	-162	-3.603	-3.765
<i>Transactions with owners in their capacity as owners</i>					
Capital increase	0	0	0	0	0
Dividend	0	0	0	0	0
Equity 31.03.2015	973	6.785	515	-4.317	3.956

Cash flow statement

	Note	Q1 2016 T.SEK	Q1 2015 T.SEK
Profit before tax		620	-4.644
Reversal of financial items		309	116
Depreciation and amortizations		376	384
Change in net working capital	2	3.108	3.315
Cash flows from primary operating activities		4.413	-829
Received interest		21	78
Paid interest		-277	-194
Cash flow from operating activities		4.157	-945
Investments in non-current assets		-1.636	-1.854
Cash flow from investing activities		-1.636	-1.854
Cash flow from financing activities		0	0
Net cash flow for the year		2.521	-2.799
Cash and cash equivalents, beginning of the year		-5.091	-619
Unrealized exchange rate gains and losses on cash		-136	55
Cash and cash equivalents, end of the year		-2.706	-3.363
Reconciliation of cash and cash equivalents			
Cash and cash equivalents according to the balance sheet		2.723	65
Credit institutions, current, according to the balance sheet		-5.429	-3.428
Cash and cash equivalents according to the cash flow statement		-2.706	-3.363

Notes

	Q1 2016	Q1 2015
	T.SEK	T.SEK
1. Net revenue		
Sale of goods	6.858	1.417
Contract work	4.145	3.715
	11.003	5.132
Geographic distribution		
Denmark	2.099	1.333
Europe (excluding Denmark)	3.390	2.602
USA	4.041	20
Asia	751	1.706
Rest of the world	722	-529
	11.003	5.132

Revenue to Holland accounts for 20% of the total net revenue (37% in Q1 2015).

Revenue to Denmark accounts for 19% of the total net revenue (26% in Q1 2015).

Revenue to Malaysia accounts for 10% of the total net revenue (0% in Q1 2015).

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.

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

	Q1 2016	Q1 2015
	T.SEK	T.SEK
2. Changes in net working capital		
Changes in inventories	-121	-1.235
Changes in trade receivables	4.250	4.541
Changes in other receivables	-3.067	-2.911
Changes in trade and other payables	2.046	2.920
	3.108	3.315

Management's Statement

Today, I have considered and approved the interim report for GS Sweden AB (publ) for the period 1 January - 31 March 2016.

The interim report has been prepared in accordance with IAS 34.

Combined Interim report gives a true and fair view of GS Sweden AB (publ)'s assets, liabilities and financial position at 31 March 2016, and of the results of the GS Sweden AB (publ)'s operations and cash flow for the period 1 January - 31 March 2016.

Aalborg, 28.04.2016

Executive Board

Niels Buus

Company information

GS Sweden AB (publ)
Stureplan 4c
SE-114 35 Stockholm

Org.nr. 559026-1888

Municipality of reg. office Stockholm

Telephone +45 9635 4500

Website www.gomspace.com

E-mail info@gomspace.com

Subsidiaries GomSpace ApS, 100%
Denmark

Auditors

Öhrlings PricewaterhouseCoopers AB