

# GOMSPACE

1 JULY – 30 SEPTEMBER 2020  
AND 1 JANUARY – 30 SEPTEMBER 2020

## THIRD QUARTER OF 2020

- Order intake increased to T.SEK 136,472 (26,500)
- Net revenues increased to T.SEK 39,136 (15,765)
- Gross margin increased to 24% (11%)
- Operating profit (loss) improved to a negative T.SEK 7,234 (a negative 27,270)
- Earnings per share were a negative SEK 0.14 (a negative 0.74)

## FIRST THREE QUARTERS OF 2020

- Order intake increased to T.SEK 197,262 (103,007)
- Net revenues increased to T.SEK 122,320 (97,857)
- Gross margin increased to 20% (15%)
- Operating profit (loss) improved to a negative T.SEK 30,571 (a negative 97,228)
- Earnings per share were a negative SEK 0.75 (a negative 2.12)

## OUTLOOK FOR 2020

- In 2020, we still expect to convert between SEK 160-185 million into revenue

## EVENTS

- GomSpace Luxembourg SARL and the European Space Agency (ESA) signed a contract to continue the development and implementation of the Juventas CubeSat in support of the Hera mission. The total contract value is approximately EUR 11,000,000
- RHEA Group and GomSpace signed a Memorandum of Understanding (MOU) to further combine their expertise on Security for Space and the development and operations of large constellations of SmallSats
- In October 2020, ESA and GomSpace sign a contract for the continuation of the GOMX-5 mission at a value of EUR 1,300,000. In addition, a contract has been signed for continued constellation management development (HOOP) at a value of EUR 1,350,000

## FINANCIAL SUMMARY

T.SEK	Q3			Q1-Q3			Full-year
	2020	2019	▲%	2020	2019	▲%	2019
Orders received	136,472	26,500	415%	197,262	103,007	92%	192,354
Net revenue	39,136	15,756	148%	122,320	97,857	25%	136,263
Gross profit	9,235	1,804	412%	23,853	14,229	68%	17,994
Gross margin	24%	11%	13 pp.	20%	15%	5 pp.	13%
Operating profit (loss)	-7,234	-27,270	73%	-30,571	-97,228	69%	-113,856
- As a percentage of revenues	-18%	-173%	155 pp.	-25%	-99%	74 pp.	-84%
Profit (loss) before tax	-9,278	-27,502	66%	-43,028	-100,420	57%	-146,531
- As a percentage of revenues	-24%	-175%	151 pp.	-35%	-103%	68 pp.	-108%
Profit (loss) for the period	-7,440	-38,622	81%	-39,290	-111,066	65%	-151,663
- As a percentage of revenues	-19%	-245%	226 pp.	-32%	-114%	82 pp.	-111%
Cost of goods sold	29,901	13,952	114%	98,467	83,628	18%	118,269
- As a percentage of revenues	76%	89%	-13 pp.	80%	86%	-6 pp.	87%
Sales and distribution costs	4,395	6,528	-33%	20,242	39,396	-49%	43,789
- As a percentage of revenues	11%	41%	-30 pp.	17%	40%	-23 pp.	32%
Development costs	5,865	12,277	-52%	14,554	37,520	-61%	40,635
- As a percentage of revenues	15%	78%	-63 pp.	12%	38%	-26 pp.	30%
Administrative costs	6,198	10,221	-39%	21,157	34,835	-39%	45,030
- As a percentage of revenues	16%	65%	-49 pp.	17%	36%	-19 pp.	33%
<b>Balance sheet items</b>							
Intangible assets				119,428	124,702	-4%	120,554
Property, plant and equipment				69,868	93,213	-25%	85,603
Working capital				22,922	-3,936	-682%	-20,522
Net cash and cash equivalents				153,777	150,338	2%	127,160
Equity				256,308	339,546	-25%	295,682
Liabilities				164,058	155,642	5%	141,071





## Comments from

# Niels Buus

CEO

The revenue for this quarter increased by 148% compared to last year. It is now SEK 39 million compared to SEK 16 million last year.

Our cash flow continues to improve. This quarter we had a positive cash flow of SEK 26 million, and the cash position is now SEK 154 million.

We are approaching our target of positive cash flow on operations. EBITDA had increased substantially to SEK 1 million this quarter from SEK -19 million last year.

Our orderbook is strong and we maintain the revenue outlook at SEK 160-185 million.

We continue to expand our collaboration with ESA. This quarter, we closed a deep space contract called Juventas, a mission that is visiting an asteroid. After the end of the quarter, we closed a contract, GOMX-5, for a 12 Unit nanosatellite that will be tested with communications technology in deep space.

With this miniaturized 12 Unit nanosatellite technology, which is being tested under the toughest conditions in deep space, we have reached a very important technological milestone. We have all the necessary capabilities that will make it possible for us to compete with much larger and heavier satellites.

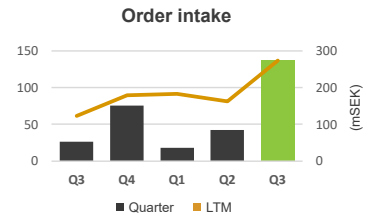
With a culture of continuously improvements and our employees' dedication and hard work, we are now prepared to compete for the large constellation programs.

A handwritten signature in blue ink, appearing to read 'NBuus', written over a light blue horizontal line.

Niels Buus, CEO

## Financial Performance

T.SEK	Business segments				Total
	Academia	Com-mercial	Defence	Science	
Order backlog 1 January 2020	1,229	63,990	1,025	86,496	152,740
Currency adjustment of orders	-1,763	579	-119	1,811	508
Order intake	13,109	13,064	20,508	14,109	60,790
Canceled orders	0	-9,047	0	0	-9,047
Converted to revenue	-7,406	-41,369	-2,796	-31,613	-83,184
<b>Order backlog 30 June 2020</b>	<b>5,169</b>	<b>27,217</b>	<b>18,618</b>	<b>70,803</b>	<b>121,807</b>
Currency adjustment of orders	-1,416	352	-22	-6,870	-7,956
Order intake	1,663	14,251	952	119,606	136,472
Canceled orders	-533	-190	0	0	-723
Converted to revenue	-1,634	-14,692	-1,080	-21,730	-39,136
<b>Order backlog 30 September 2020</b>	<b>3,249</b>	<b>26,938</b>	<b>18,468</b>	<b>161,809</b>	<b>210,464</b>



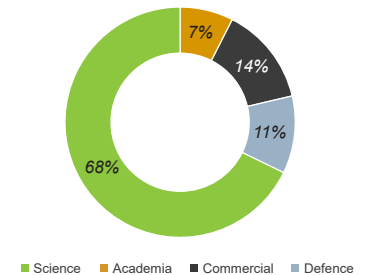
### Order intake and backlog

The orders received were mainly related to orders in the Science business areas. We have signed a contract with the European Space Agency (T.SEK 116,802). The total order intake for the third quarter is better than expected.

For the first three-quarters of 2020, order intake is negatively affected at an amount of T.SEK 9,047 because of our settlement agreement with Aerial & Maritime Ltd.

77% (56%) of the backlog orders are in the Science business area, which provides stability and assurance regarding converting backlog into revenue. Therefore, our expectation for 2020 is unchanged – we still expect to convert between SEK 160-185 million into revenue from order intake and backlog.

### Order intake 2020 split per segment



### Revenue and operating profit (loss)

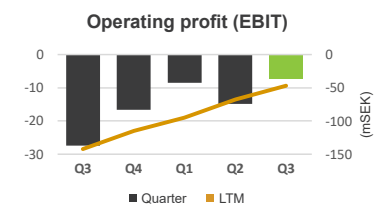
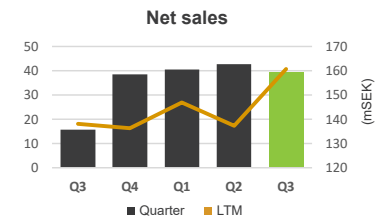
Revenue increased 148% to T.SEK 39,136 (15,756). The increase in revenue is mainly due to an increase in satellite solutions' sales and an efficient execution of orders in sales of platforms, payloads, and subsystems.

The largest customer was the European Space Agency (ESA), with a revenue share of 42% of the total revenue. For the first three quarters of 2020, the ESA share is 33%.

Revenue related to new customers represented 15% compared to 11% of revenue in Q3 2019. In the first three quarters of 2020, revenue related to new customers represented 20% compared to 8% in 2019.

Operating profit (loss) improved 73% to a negative T.SEK 7,234 (a negative 27,270). The improvement is mainly a result of our increased and continued focus on reducing costs. Sales and distribution costs are positively affected by a lower provision of loss on bad debt at an amount of T.SEK 388 (T.SEK 1,407).

The gross margin of 24% (11%) was positively affected by increased capacity utilization on customer projects that have increased during the quarter.



## THE GROUP

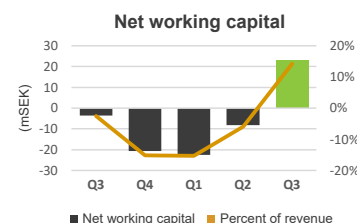
Employees	Q3 2019		Q4 2019		Q1 2020		Q2 2020		Q3 2020	
Technology	77	58%	82	61%	80	61%	78	59%	82	60%
Manufacturing	31	23%	30	22%	30	23%	31	23%	31	23%
Sales and distribution	12	9%	11	8%	11	8%	12	9%	12	9%
Administration	13	10%	11	8%	11	8%	12	9%	11	8%
Number of employees	133	100%	134	100%	132	100%	133	100%	136	100%
Number of full-time employees	181		168		133		131		128	



### Cash flow

Cash from operating activities in Q3 2020 increased T.SEK 51,407, from T.SEK -20,359 to T.SEK 31,048.

Working capital was positively affected with T.SEK 24,416 (12,739) from contract work and T.SEK 15,696 from other receivables, but working capital was negatively affected with T.SEK 7,412 from trade receivables. The improvement in contract work is due to governmental prepayment. Other receivables is improved due to received repayment for the launch of the satellites related to Aerial & Maritime Ltd. at an amount of T.SEK 15,431.



In the first three quarters of 2020, Cash from operating activities is positively affected by the aid package related to COVID-19. According to Danish tax regulations, we have received a tax receivable in advance at an amount of T.SEK 6,254 related to development activities and postponed payroll taxes at an amount of T.SEK 8,347. Trade payables consist of a settlement payment to Aerial & Maritime Ltd. at an amount of T.SEK 16,786.

Cash and cash equivalents at the end of Q3 2020 were T.SEK 153,777 (156,395).

### Risks

The Group is exposed to credit risks and other financial risks, such as market risks, including foreign exchange, interest, and liquidity risks. No new risks are identified during 2020. Risks are described in the Annual Report and the Consolidated Financial Statements for 2019.

The market capitalization as of 30 September 2020 significantly exceeds the Group's equity, and therefore no impairment has been deemed necessary regarding any assets in the first three quarters of 2020.

The Group has also considered the COVID-19 pandemic impact on its financial instruments' expected credit loss (mainly trade receivables). The Group's assessment of expected credit losses is based on available information at the end of the first three quarters of 2020. As a result of this review, the Group record a bad debt provision of T.SEK 3,924 in the first three quarters of 2020. It is difficult to assess whether this is solely related to the COVID-19 pandemic.

### Parent Company and ownership

In the third quarter of 2020, GomSpace Group AB has booked an impairment of investment in subsidiaries at T.SEK 31,064. The amount is mainly related to GomSpace Sweden AB because its value of assets is lower than the cost price.

Additions in investments in subsidiaries during 2020 comprise the shareholders' contribution to subsidiaries at an amount of T.SEK 102,320 in GomSpace A/S.

GomSpace Group AB has full ownership of the subsidiaries; GomSpace A/S, GomSpace Sweden AB, GomSpace Orbital ApS, GomSpace Asia Pte Ltd, GomSpace North America LLC, and GomSpace Luxembourg S.A.R.L.

As of 30 September, 2020, Hansen & Langeland ApS was the largest shareholder (10.04%), followed by Borean Innovation A/S (3.14%) and Longbus Holding ApS (2.34%).

## Group - Key Figures and Ratios

T.SEK	Q3		Q1-Q3	
	2020	2019	2020	2019
<b>KEY FIGURES</b>				
Net revenue	39,136	15,756	122,320	97,857
Gross profit	9,235	1,804	23,853	14,229
Operating profit (loss)	-7,234	-27,270	-30,571	-97,228
Share of profit from associates	-63	-566	-8,985	-2,147
Net financial items	-1,981	334	-3,472	-1,045
Profit (loss) before tax	-9,278	-27,502	-43,028	-100,420
Profit (loss) for the period	-7,440	-38,622	-39,290	-111,066
Investments in PPE	102	1,037	153	7,148
Total assets	420,366	495,188	420,366	495,188
Equity	256,308	339,546	256,308	339,546
Total liabilities	164,058	155,642	164,058	155,642
<b>RATIOS</b>				
Gross margin (%)	24%	11%	20%	15%
Operating margin (%)	-18%	-173%	-25%	-99%
Net margin (%)	-19%	-245%	-32%	-113%
Return on invested capital (%)	-2%	-8%	-9%	-22%
Return on equity (%)	-3%	-11%	-14%	-28%
Equity ratio (%)	61%	69%	61%	69%
Earnings per share, basic, SEK	-0.14	-0.74	-0.75	-2.12
Earnings per share, diluted, SEK	-0.14	-0.74	-0.75	-2.12
Number of outstanding shares basic, average	52,274,803	52,274,803	52,274,803	52,274,803
Number of outstanding shares as of 30 September 2020	52,274,803	52,274,803	52,274,803	52,274,803

The definition of key figures and ratios are defined in Note 1.

## Consolidated Income

T.SEK	Note	Q3		Q1-Q3		Full-year
		2020	2019	2020	2019	2019
Net revenue	3	39,136	15,756	122,320	97,857	136,263
Cost of goods sold		-29,901	-13,952	-98,467	-83,628	-118,269
<b>Gross profit</b>		<b>9,235</b>	<b>1,804</b>	<b>23,853</b>	<b>14,229</b>	<b>17,994</b>
Sales and distribution costs		-4,395	-6,528	-20,242	-39,396	-43,789
Development costs		-5,865	-12,277	-14,554	-37,520	-40,635
Administrative costs		-6,198	-10,221	-21,157	-34,835	-45,030
Other operating income		-11	-48	1,529	294	303
Other operating costs		0	0	0	0	-2,699
<b>Operating profit (loss)</b>		<b>-7,234</b>	<b>-27,270</b>	<b>-30,571</b>	<b>-97,228</b>	<b>-113,856</b>
Share of profit from associates		-63	-566	-8,985	-2,147	-25,967
Finance income		532	1,462	1,496	2,783	485
Finance expenses		-2,513	-1,128	-4,968	-3,828	-7,193
<b>Profit (loss) before tax</b>		<b>-9,278</b>	<b>-27,502</b>	<b>-43,028</b>	<b>-100,420</b>	<b>-146,531</b>
Tax		1,838	-11,120	3,738	-10,646	-5,132
<b>Profit (loss) for the period</b>		<b>-7,440</b>	<b>-38,622</b>	<b>-39,290</b>	<b>-111,066</b>	<b>-151,663</b>
<b>Profit (loss) is attributable to:</b>						
Owners of GomSpace Group AB		-7,440	-38,622	-39,290	-111,066	-151,663
		<b>-7,440</b>	<b>-38,622</b>	<b>-39,290</b>	<b>-111,066</b>	<b>-151,663</b>
<b>Consolidated Comprehensive Income</b>						
Profit (loss) for the period		-7,440	-38,622	-39,290	-111,066	-151,663
<b>Items which may be reclassified to the income statement:</b>						
Foreign exchange rate adjustments		-207	2,015	-522	7,002	3,527
<b>Other comprehensive income for the period, net of tax</b>		<b>-207</b>	<b>2,015</b>	<b>-522</b>	<b>7,002</b>	<b>3,527</b>
<b>Total comprehensive income for the period</b>		<b>-7,647</b>	<b>-36,607</b>	<b>-39,812</b>	<b>-104,064</b>	<b>-148,136</b>
<b>Total comprehensive income for the period is attributable to:</b>						
Owners of GomSpace Group AB		-7,647	-36,607	-39,812	-104,064	-148,136
		<b>-7,647</b>	<b>-36,607</b>	<b>-39,812</b>	<b>-104,064</b>	<b>-148,136</b>
Earnings per share, basic, SEK		-0.14	-0.74	-0.75	-2.12	-2.90
Earnings per share, diluted, SEK		-0.14	-0.74	-0.75	-2.12	-2.90
Number of outstanding shares basic, average		52,274,803	52,274,803	52,274,803	52,274,803	52,274,803
Number of outstanding shares diluted, average		52,274,803	52,274,803	52,274,803	52,274,803	52,274,803

## Consolidated Financial Position

T.SEK	30 September		31 Dec
	2020	2019	2019
<b>ASSETS</b>			
Goodwill	3,710	3,710	3,710
Technology	8,800	9,600	9,400
Completed development projects	27,143	17,155	25,761
In-process development projects	73,066	83,284	71,857
Other intangible assets	6,709	10,953	9,826
<b>Intangible assets</b>	<b>119,428</b>	<b>124,702</b>	<b>120,554</b>
Property, plant, and equipment	24,186	34,577	31,062
Right-of-use assets	45,682	58,636	54,541
<b>Property, plant, and equipment</b>	<b>69,868</b>	<b>93,213</b>	<b>85,603</b>
<b>Investments in associates</b>	<b>0</b>	<b>39,693</b>	<b>11,672</b>
Deferred tax	1,554	1,531	1,173
Other non-current assets	4,228	4,276	4,071
<b>Non-current assets</b>	<b>5,782</b>	<b>5,807</b>	<b>5,244</b>
<b>Total non-current assets</b>	<b>195,078</b>	<b>263,415</b>	<b>223,073</b>
Raw materials and consumables	23,866	25,508	24,133
<b>Inventories</b>	<b>23,866</b>	<b>25,508</b>	<b>24,133</b>
Contract work	15,035	17,832	13,087
Trade receivables	21,382	15,465	37,212
Tax receivable	3,874	8,260	6,588
Other prepayments	3,862	7,736	4,125
Other receivables	3,492	577	1,375
<b>Receivables</b>	<b>47,645</b>	<b>49,870</b>	<b>62,387</b>
<b>Cash and cash equivalents</b>	<b>153,777</b>	<b>156,395</b>	<b>127,160</b>
<b>Total current assets</b>	<b>225,288</b>	<b>231,773</b>	<b>213,680</b>
<b>Total assets</b>	<b>420,366</b>	<b>495,188</b>	<b>436,753</b>



T.SEK	30 September		31 Dec
	2020	2019	2019
<b>EQUITY AND LIABILITIES</b>			
Share capital	3,660	3,660	3,660
Share premium	581,599	581,599	581,599
Translation reserve	7,249	11,246	7,771
Retained earnings	-336,200	-256,959	-297,348
<b>Total equity</b>	<b>256,308</b>	<b>339,546</b>	<b>295,682</b>
Credit institutions	14,465	16,568	14,874
Lease liabilities	35,090	47,716	43,956
Other liabilities	0	0	2,933
<b>Total non-current liabilities</b>	<b>49,555</b>	<b>64,284</b>	<b>61,763</b>
Current portion of non-current liabilities	23,761	21,456	19,735
Credit institutions	0	6,057	0
Trade payables and other payables	26,173	13,181	9,621
Contract work	44,429	22,856	29,156
Prepayments	2,824	7,904	4,132
Corporation tax	183	252	163
Other liabilities	17,133	19,652	16,501
<b>Total current liabilities</b>	<b>114,503</b>	<b>91,358</b>	<b>79,308</b>
<b>Total liabilities</b>	<b>164,058</b>	<b>155,642</b>	<b>141,071</b>
<b>Total equity and liabilities</b>	<b>420,366</b>	<b>495,188</b>	<b>436,753</b>

**Notes without reference**

1. Accounting policies
2. Significant accounting estimates and judgments
4. Impairment test
5. Investment in associates

## Consolidated Changes in Equity

T.SEK	Share capital	Share premium	Translation reserve	Retained earnings	Total equity
<b>Equity 01.01.2019</b>	<b>3,660</b>	<b>581,652</b>	<b>4,244</b>	<b>-147,713</b>	<b>441,843</b>
Total comprehensive income for the period	0	0	7,002	-111,066	-104,064
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>7,002</b>	<b>-111,066</b>	<b>-104,064</b>
<b>Transactions with owners in their capacity as owners</b>					
Increase in share capital, costs	0	-53	0	0	-53
Share-based payments	0	0	0	1,820	1,820
	<b>0</b>	<b>-53</b>	<b>0</b>	<b>1,820</b>	<b>1,767</b>
<b>Equity 30.09.2019</b>	<b>3,660</b>	<b>581,599</b>	<b>11,246</b>	<b>-256,959</b>	<b>339,546</b>
<b>Equity 01.10.2019</b>	<b>3,660</b>	<b>581,599</b>	<b>11,246</b>	<b>-256,959</b>	<b>339,546</b>
Total comprehensive income for the period	0	0	-3,475	-40,597	-44,072
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-3,475</b>	<b>-40,597</b>	<b>-44,072</b>
<b>Transactions with owners in their capacity as owners</b>					
Share-based payments	0	0	0	208	208
	<b>0</b>	<b>0</b>	<b>0</b>	<b>208</b>	<b>208</b>
<b>Equity 31.12.2019</b>	<b>3,660</b>	<b>581,599</b>	<b>7,771</b>	<b>-297,348</b>	<b>295,682</b>
<b>Equity 01.01.2020</b>	<b>3,660</b>	<b>581,599</b>	<b>7,771</b>	<b>-297,348</b>	<b>295,682</b>
Total comprehensive income for the period	0	0	-522	-39,290	-39,812
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-522</b>	<b>-39,290</b>	<b>-39,812</b>
<b>Transactions with owners in their capacity as owners</b>					
Share-based payments	0	0	0	438	438
	<b>0</b>	<b>0</b>	<b>0</b>	<b>438</b>	<b>438</b>
<b>Equity 30.09.2020</b>	<b>3,660</b>	<b>581,599</b>	<b>7,249</b>	<b>-336,200</b>	<b>256,308</b>

## Consolidated Cash Flow

T.SEK	Q3		Q1-Q3		Full-year
	2020	2019	2020	2019	2019
Profit (loss) before tax	-9,278	-27,502	-43,028	-100,420	-146,531
Reversal of financial items	1,983	-334	3,473	1,045	6,708
Depreciation and amortizations	8,197	8,191	25,149	23,784	32,091
The result after tax from associates	63	566	8,985	2,147	25,967
Non-cash items	-726	-2,697	4,729	7,807	20,589
Changes in inventories	-488	438	400	5,743	-11,372
Changes in trade receivables	-8,236	1,938	15,247	39,024	3,081
Changes in other receivables	13,149	-2,009	-3,829	16,954	22,663
Changes in trade and other payables	27,324	2,082	30,975	-73,743	-48,992
<b>Cash flow from primary operating activities</b>	<b>31,988</b>	<b>-19,327</b>	<b>42,101</b>	<b>-77,659</b>	<b>-95,796</b>
Received interest financials	1	-7	1	1	11
Paid interest financials cost	-781	-906	-2,585	-3,229	-4,554
Tax received	-57	0	6,445	149	7,949
Tax paid	-103	-119	-302	-240	-237
<b>Cash flow from operating activities</b>	<b>31,048</b>	<b>-20,359</b>	<b>45,660</b>	<b>-80,978</b>	<b>-92,627</b>
Investments in intangible assets (before grants)	-6,040	-6,536	-16,884	-22,432	-31,513
Investments in leasehold improvement, plant, and equipment	-102	-1,037	-153	-7,148	-6,953
Deposit paid	-180	1	-140	-276	-191
Government grants	2,912	3,777	8,499	5,731	5,979
<b>Cash flow from investing activities</b>	<b>-3,410</b>	<b>-3,795</b>	<b>-8,678</b>	<b>-24,125</b>	<b>-32,678</b>
<i>Financing from debt:</i>					
Borrowings	1,589	0	6,554	0	2,978
Repayment of borrowings	-200	-2,429	-5,967	-6,490	-9,002
Payment of lease liabilities	-2,630	-2,700	-7,981	-7,688	-10,441
	<b>-1,241</b>	<b>-5,129</b>	<b>-7,394</b>	<b>-14,178</b>	<b>-16,465</b>
<i>Financing from shareholders:</i>					
The capital increase costs	0	0	0	-53	-53
	<b>0</b>	<b>0</b>	<b>0</b>	<b>-53</b>	<b>-53</b>
<b>Cash flow from financing activities</b>	<b>-1,241</b>	<b>-5,129</b>	<b>-7,394</b>	<b>-14,231</b>	<b>-16,518</b>
<b>Net cash flow for the period</b>	<b>26,397</b>	<b>-29,283</b>	<b>29,588</b>	<b>-119,334</b>	<b>-141,823</b>
Cash and cash equivalents, beginning of the period	109,335	38,351	106,227	248,754	248,754
Unrealized exchange rate gains and losses on cash	-1,358	346	-2,975	254	-434
Change in bank deposit for security	11	24,624	1,545	-95,636	-270
<b>Cash and cash equivalents, end of the period</b>	<b>134,385</b>	<b>34,038</b>	<b>134,385</b>	<b>34,038</b>	<b>106,227</b>
<i>Reconciliation of cash and cash equivalents</i>					
Cash and cash equivalents according to the balance sheet	153,777	156,395	153,777	156,395	127,160
Credit institutions according to the balance sheet	0	-6,057	0	-6,057	0
Bank deposit	-19,392	-116,300	-19,392	-116,300	-20,933
<b>Cash and cash equivalents according to the cash flow statement</b>	<b>134,385</b>	<b>34,038</b>	<b>134,385</b>	<b>34,038</b>	<b>106,227</b>

## Parent Company Income

T.SEK	Q3		Q1-Q3		Full-year
	2020	2019	2020	2019	2019
Net revenue	6,460	6,329	19,381	19,348	25,676
<b>Gross profit</b>	<b>6,460</b>	<b>6,329</b>	<b>19,381</b>	<b>19,348</b>	<b>25,676</b>
Administrative costs	-10,112	-9,108	-24,615	-25,119	-33,338
<b>Operating profit (loss)</b>	<b>-3,652</b>	<b>-2,779</b>	<b>-5,234</b>	<b>-5,771</b>	<b>-7,662</b>
Share of profit from associates	0	0	-11,673	0	-12,442
Impairment of investment in subsidiaries	-31,064	0	-31,064	0	0
Finance income	543	1,606	1,528	1,825	2,466
Finance expenses	-404	-5	-503	-115	-345
<b>Profit (loss) before tax</b>	<b>-34,577</b>	<b>-1,178</b>	<b>-46,946</b>	<b>-4,061</b>	<b>-17,983</b>
Tax	0	-1,374	0	-1,292	-3,520
<b>Profit (loss) for the period</b>	<b>-34,577</b>	<b>-2,552</b>	<b>-46,946</b>	<b>-5,353</b>	<b>-21,503</b>
<b>Profit (loss) is attributable to:</b>					
Owners of GomSpace Group AB	-34,577	-2,552	-46,946	-5,353	-21,503
	<b>-34,577</b>	<b>-2,552</b>	<b>-46,946</b>	<b>-5,353</b>	<b>-21,503</b>
<b>Comprehensive Income</b>					
<b>Profit (loss) for the period</b>	<b>-34,577</b>	<b>-2,552</b>	<b>-46,946</b>	<b>-5,353</b>	<b>-21,503</b>
<b>Items which may be reclassified to the income statement:</b>					
<b>Other comprehensive income for the period, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>	<b>-34,577</b>	<b>-2,552</b>	<b>-46,946</b>	<b>-5,353</b>	<b>-21,503</b>

## Parent Company Financial Position

T.SEK	30 September		31 Dec
	2020	2019	2019
<b>ASSETS</b>			
GomSpace A/S	348,166	245,846	245,846
GomSpace Sweden AB	28,057	45,056	45,056
GomSpace Orbital ApS	0	65	65
GomSpace Luxembourg S.A.R.L.	10,478	10,478	10,478
GomSpace Asia Pte. Ltd.	2,142	2,142	2,142
GomSpace North America LLC	1,105	1,105	1,105
<b>Investments in subsidiaries</b>	<b>389,948</b>	<b>304,692</b>	<b>304,692</b>
Aerial & Maritime Ltd.	0	24,115	11,673
<b>Investments in associates</b>	<b>0</b>	<b>24,115</b>	<b>11,673</b>
<b>Fixed asset investments</b>	<b>389,948</b>	<b>328,807</b>	<b>316,365</b>
Deferred tax	0	2,228	0
<b>Other non-current assets</b>	<b>0</b>	<b>2,228</b>	<b>0</b>
<b>Total non-current assets</b>	<b>389,948</b>	<b>331,035</b>	<b>316,365</b>
Receivables from subsidiaries	88,681	113,392	133,009
Trade receivables from associates	0	39	39
Tax receivable	73	28	39
Other prepayments	508	508	434
Other receivables	0	0	108
<b>Receivables</b>	<b>89,262</b>	<b>113,967</b>	<b>133,629</b>
<b>Cash and cash equivalents</b>	<b>36,271</b>	<b>132,627</b>	<b>112,508</b>
<b>Total current assets</b>	<b>125,533</b>	<b>246,594</b>	<b>246,137</b>
<b>Total assets</b>	<b>515,481</b>	<b>577,629</b>	<b>562,502</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	3,660	3,660	3,660
Share premium	578,311	578,311	578,311
Retained earnings	-67,361	-4,911	-20,853
<b>Total equity</b>	<b>514,610</b>	<b>577,060</b>	<b>561,118</b>
Trade payables and other payables	442	399	1,049
Other liabilities	429	170	335
<b>Total current liabilities</b>	<b>871</b>	<b>569</b>	<b>1,384</b>
<b>Total liabilities</b>	<b>871</b>	<b>569</b>	<b>1,384</b>
<b>Total equity and liabilities</b>	<b>515,481</b>	<b>577,629</b>	<b>562,502</b>

### Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments
4. Impairment test
5. Investment in associates

## Parent Company Changes in Equity

T.SEK	Share capital	Share premium	Retained earnings	Total equity
<b>Equity 01.01.2019</b>	<b>3,660</b>	<b>578,364</b>	<b>-1,378</b>	<b>580,646</b>
Total comprehensive income for the period	0	0	-5,353	-5,353
Increase in share capital, costs	0	-53	0	-53
Share-based payments	0	0	1,820	1,820
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>-53</b>	<b>-3,533</b>	<b>-3,586</b>
<b>Equity 30.09.2019</b>	<b>3,660</b>	<b>578,311</b>	<b>-4,911</b>	<b>577,060</b>
<b>Equity 01.10.2019</b>	<b>3,660</b>	<b>578,311</b>	<b>-4,911</b>	<b>577,060</b>
Total comprehensive income for the period	0	0	-16,150	-16,150
Share-based payments	0	0	208	208
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-15,942</b>	<b>-15,942</b>
<b>Equity 31.12.2019</b>	<b>3,660</b>	<b>578,311</b>	<b>-20,853</b>	<b>561,118</b>
<b>Equity 01.01.2020</b>	<b>3,660</b>	<b>578,311</b>	<b>-20,853</b>	<b>561,118</b>
Total comprehensive income for the period	0	0	46,946	-46,946
Share-based payments	0	0	438	438
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-46,508</b>	<b>-46,508</b>
<b>Equity 30.09.2020</b>	<b>3,660</b>	<b>578,311</b>	<b>-67,361</b>	<b>514,610</b>



## Notes

### 1. Accounting policies

#### Basis of preparation

The interim consolidated financial statements for the third quarter of 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The parent company applies the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2019. Any changes from the Annual Report 2019 are described below.

#### Key ratios definitions

Gross margin	=	$\frac{\text{gross profit}}{\text{net revenue}}$
Operating margin	=	$\frac{\text{operating profit}}{\text{net revenue}}$
Net margin	=	$\frac{\text{profit}}{\text{net revenue}}$
Return on invested capital	=	$\frac{\text{profit}}{\text{total assets}}$
Return on equity	=	$\frac{\text{profit}}{\text{average equity}}$
Equity ratio	=	$\frac{\text{equity}}{\text{total assets}}$
Earnings per share, basic	=	$\frac{\text{profit}}{\text{number of shares basic, average}}$
Earnings per share, diluted	=	$\frac{\text{profit}}{\text{number of shares diluted, average}}$
Working capital	=	Inventory + Contract work + Trade receivables + Other prepayments + Other receivables - Trade payables and other payables - Contract work - Prepayments - Other liabilities

#### New standards adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not impact the interim condensed consolidated financial statements of the Group.

### 2. Significant accounting estimates and judgments

In preparing the interim condensed 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.

Besides the accounting estimates and judgments presented below, the accounting estimates and judgments are the same in interim consolidated financial statements, as described in note 2 of the annual consolidated financial statements of 2019.

As regards the COVID-19 pandemic, the Group's customers are mainly governmental, and these are not significantly affected by the COVID-19 pandemic. The COVID-19 pandemic has harmed the aviation sector and has caused uncertainty in the market and delays in order intake. In the long term, this may affect the Group, though, for the first three quarters of 2020, the COVID-19 pandemic has had no significant impact on the financials.

The Group has also considered the COVID-19 pandemic impact on its financial instruments' expected credit loss (mainly trade receivables). The Group's assessment of expected credit losses is based on available information at the end of the first three quarters of 2020. As a result of this review, the Group record a credit loss of T.SEK 3,924 in the first three quarters of 2020. It is difficult to assess whether this is solely related to the COVID-19 pandemic.



## 3. Revenue

T.SEK	Business segments				
	Academia	Commercial	Defence	Science	Total
<b>Jan-Sep 2020</b>					
<b>Geographical</b>					
Sweden	-33	255	0	1,380	1,602
Denmark	0	1,273	0	0	1,273
Europe (excluding Sweden and Denmark)	1,158	23,514	1,570	43,744	69,986
USA	3,785	17,789	1,557	1,182	24,313
Asia	4,484	2,431	0	7,033	13,948
Rest of the world	-354	10,799	749	4	11,198
	<b>9,040</b>	<b>56,061</b>	<b>3,876</b>	<b>53,343</b>	<b>122,320</b>
<b>Jan-Sep 2019</b>					
<b>Geographical</b>					
Sweden	20	1,526	0	933	2,479
Denmark	1,309	2,275	0	0	3,584
Europe (excluding Sweden and Denmark)	1,023	47,690	-36	24,106	72,783
USA	1,410	4,783	1,171	75	7,439
Asia	1,158	3,302	637	801	5,898
Rest of the world	4,427	122	1,125	0	5,674
	<b>9,347</b>	<b>59,698</b>	<b>2,897</b>	<b>25,915</b>	<b>97,857</b>
<b>Jan-Sep 2020</b>					
<b>Major goods/service lines</b>					
Sales of satellite solutions (over time)	3,558	41,077	1,182	50,817	96,634
Sales of platforms, payloads and, subsystems (over time)	5,482	14,985	2,694	2,526	25,687
	<b>9,040</b>	<b>56,062</b>	<b>3,876</b>	<b>53,343</b>	<b>122,321</b>
<b>Jan-Sep 2019</b>					
<b>Major goods/service lines</b>					
Sales of satellite solutions (over time)	1,517	46,649	1,808	25,197	75,171
Sales of platforms, payloads, and subsystems (over time)	7,830	12,679	1,089	718	22,316
Other sales (point of time)	0	370	0	0	370
	<b>9,347</b>	<b>59,698</b>	<b>2,897</b>	<b>25,915</b>	<b>97,857</b>
<b>Jan-Sep 2020</b>					
<b>Order book</b>					
Order backlog 1 January 2020	1,229	63,990	1,025	86,496	152,740
Currency adjustment	-3,179	931	-141	-5,059	-7,448
Order intake	14,772	27,315	21,460	133,715	197,262
Canceled orders	-533	-9,237	0	0	-9,770
Converted to revenue	-9,040	-56,061	-3,876	-53,343	-122,320
<b>Order backlog 30 September 2020</b>	<b>3,249</b>	<b>26,938</b>	<b>18,468</b>	<b>161,809</b>	<b>210,464</b>
<b>Jan-Sep 2019</b>					
<b>Order book</b>					
Order backlog 1 January 2019	3,281	685,374	1,866	24,881	715,402
Currency adjustment	1,393	26,013	66	4,314	31,786
Order intake	7,289	20,285	2,639	72,794	103,007
Canceled orders	-1,188	-617,140	-238	-1,152	-619,718
Converted to revenue	-9,347	-59,698	-2,897	-25,915	-97,857
<b>Order backlog 30 September 2019</b>	<b>1,428</b>	<b>54,834</b>	<b>1,436</b>	<b>74,922</b>	<b>132,620</b>

#### 4. Impairment test

The Group performed an impairment test on 30 September 2020. The Group, as a whole, is identified as a Cash Generating Unit (CGU).

Based on the market value of GomSpace Group AB on NASDAQ First North Premier in Stockholm as of 30 September 2020 (M.SEK 501), management assesses there is headroom between the recoverable amount and the carrying amount of goodwill, intangible and tangible assets as at 30 September 2020 similar to 31 December 2019.

Furthermore, management has prepared impairment tests 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 a five-year period to reflect the long-term approach to customers' purchasing decisions. Cash flows beyond the five-year period are extrapolated using an estimated growth rate. The value-in-use assessment is based on the discounted cash flow model disclosed in the annual consolidated financial statements for the year ended 31 December 2019. There are significant changes to the key assumptions for terminal revenue, lowered to 453 M.SEK, and EBIT ratio lowered to 16%. There are no significant changes to growth rate, investment, and discounting factor (WACC).

The impairment test also shows a headroom between the recoverable amounts and the carrying amounts of goodwill and intangible and tangible assets on 30 September 2020, similar to 31 December 2019.

##### **Impairment test of investments in subsidiaries in GomSpace Group AB**

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.

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.

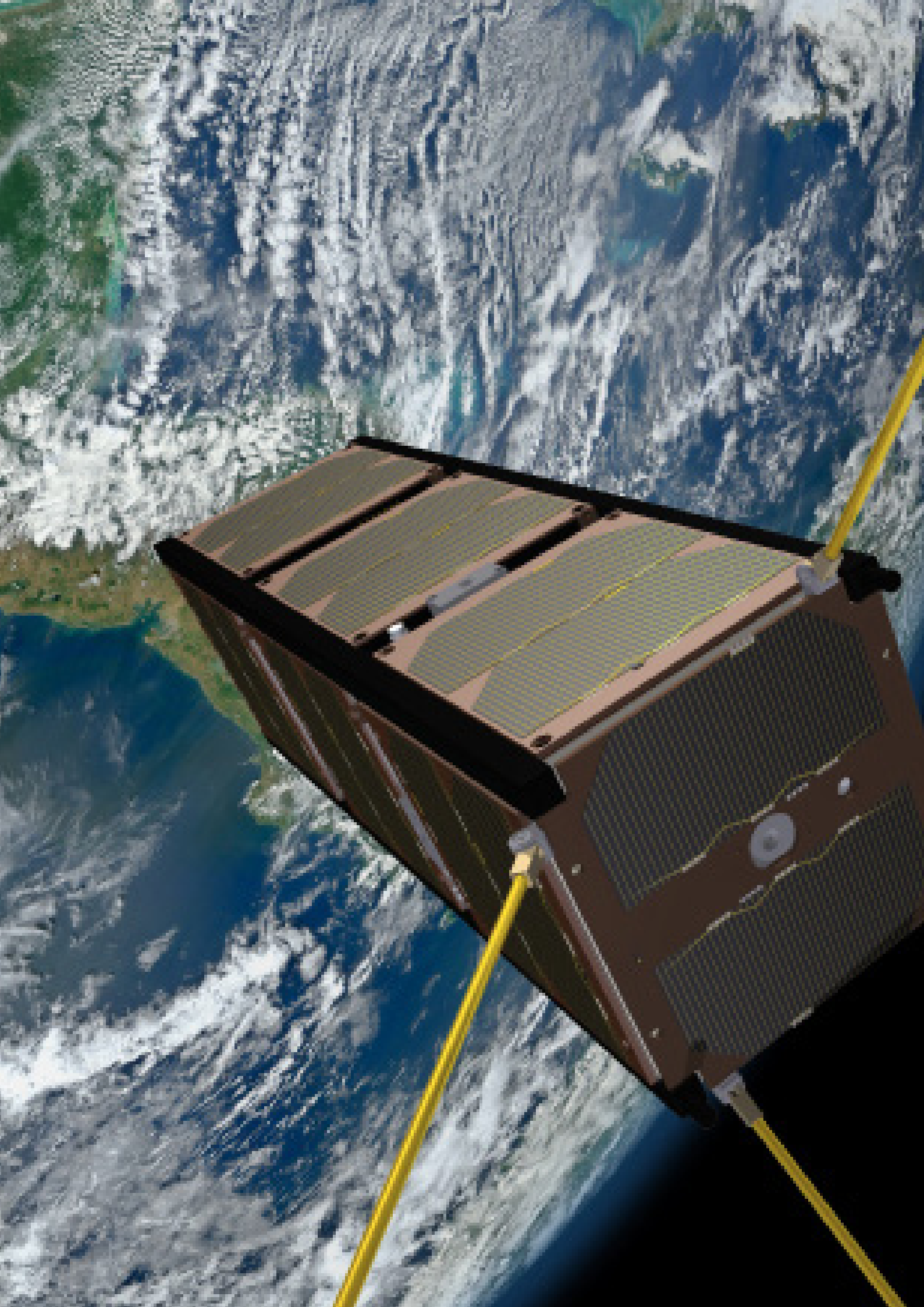
The impairment tests indicate a need for impairment in GomSpace Sweden AB and GomSpace Orbital ApS. An impairment of T.SEK 31,064 is recognized as a financial cost in the income statement.

#### 5. Investment in associates

GomSpace A/S entered into a turn-key contract, including nanosatellites' launch, with Aerial & Maritime in December 2016. The external launch provider postponed the launch several times and lately to 2021. Aerial & Maritime gave GomSpace A/S a final deadline to deliver following the turn-key contract. Based on the fact that it was challenging to deliver following the contract, GomSpace A/S accepted to close the project and keep the nanosatellites against to pay a settlement payment to Aerial & Maritime of T.SEK 16.786 (expense recognized under "Cost of sales" in the income statement in Q2). With this settlement, GomSpace A/S is released for any liabilities in the project.

GomSpace A/S terminated the launch contract with the external launch provider due to a delay in launch. GomSpace A/S expects to receive T.SEK 16.786 (income recognized under "Cost of sales" in the income statement in Q2) from the external launch provider as a compensation for the launch's prepayments. GomSpace A/S has received T.SEK 15,430 and expects to receive the remaining amount.

Subsequently, Aerial and Maritime has started the process of a solvent liquidation. GomSpace Group AB has waived its right to liquidation dividends from Aerial & Maritime. Therefore the investment in associates was written down with T.SEK 8.985 (net write down recognized under "Share of profit from associates" in the income statement in Q2), causing a carrying amount of T.SEK 0 on 30 September 2020.



## Financial Calendar

Interim report, October-December 2020  
Annual Report  
Annual general meeting

1 February 2021  
Week 13 2021  
23 April 2021

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## MANAGEMENT'S STATEMENT

The Board of Directors and the CEO certify that this Interim Report presents a true and fair view of the Group's and the parent company's assets, liabilities, and financial position at 30 September 2020, and of the results of the Group's and the parent company's operations and cash flow. The Interim Report also describes the significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, 22 October 2020

## Executive Board and Board of Directors

Niels Buus  
CEO

Jukka Pekka Pertola  
Chairman

Niels Jesper Jespersen Jensen

Steen Lorenz Johan Hansen

Henrik Schibler

Jens Maaløe

## Review Report

### GomSpace Group AB, 559026-1888

#### Introduction

We have reviewed the condensed interim report for GomSpace Group AB as at September 30, 2020 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

#### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Malmö 2020-10-22  
Ernst & Young AB

Martin Henriksson  
Authorized Public Accountant

