

GOMSPACE

1 APRIL – 30 JUNE 2022
AND 1 JANUARY – 30 JUNE 2022

SECOND QUARTER OF 2022

- Order intake decreased by 78% to T.SEK 43,931 (199,459) The decrease is due to GomSpace in 2021 signed a large contract with Indra of EUR 14,5 million (147 million SEK)
- Net revenues increased by 8% to T.SEK 51,253 (47,535)
- Gross margin decreased to 6% (14%)
- Operating profit (EBIT) decreased to negative T.SEK 31,281 (negative 12,331)
- Earnings per share were negative SEK 0.45 (negative 0.22)

FIRST HALF-YEAR 2022

- Order intake decreased by 62% to T.SEK 85,428 (223,257)
- Net revenues increased by 57% to T.SEK 129,618 (82,780)
- Gross margin increased to 22% (9%)
- Operating profit (EBIT) decreased to negative T.SEK 27,115 (negative 26,242)
- Earnings per share were negative SEK 0.43 (negative 0.45)

OUTLOOK FOR 2022

- In 2022, we maintain revenue to be M.SEK 264-292 i.e., a growth of 23-36%
- In 2022, we maintain the EBIT margin to be better than -15%

EVENTS DURING THE QUARTER AND SUBSEQUENT EVENTS

- In June, GomSpace signed a contract to deliver two 12-unit CubeSats to the German Space Agency, DLR. The CubeSats will be used as research objects by DLR's Responsive Space Cluster Competence Center, RSC3, in Trauen, Germany. The contract value is 13 MSEK, and delivery will be in January 2023
- In June, an extraordinary general meeting was held in GomSpace Group AB (publ) to discharge Jesper Jespersen, upon his request, from the board of directors and to elect Kenn Herskind as a new board member
- In July, GomSpace received an authorisation to proceed (ATP) from Unseen Labs to initiate the production of key products for an upcoming satellite project. The ATP value is 12 MSEK, and the products are expected to be delivered end of 2022

FINANCIAL SUMMARY

T.SEK	Q2			H1			Full year
	2022	2021	▲%	2022	2021	▲%	2021
Orders received	43,931	199,459	-78%	85,428	223,257	-62%	552,959
Net revenue	51,253	47,535	8%	129,618	82,780	57%	213,605
Gross profit	3,308	6,783	-51%	28,628	7,808	267%	49,016
Gross margin	6%	14%	-8 pp.	22%	9%	13 pp.	23%
Operating profit (EBIT)	-31,281	-12,331	-154%	-27,115	-26,242	-3%	-29,524
- As a percentage of revenues	-61%	-26%	-35 pp.	-21%	-32%	11 pp.	-14%
Profit (loss) before tax	-31,553	-13,098	-141%	-27,764	-26,646	-4%	-31,191
- As a percentage of revenues	-62%	-28%	-34 pp.	-21%	-32%	11 pp.	-15%
Profit (loss) for the period	-28,522	-11,251	-154%	-25,102	-23,748	-6%	-27,327
- As a percentage of revenues	-56%	-24%	-32 pp.	-19%	-29%	10 pp.	-13%
Cost of goods sold	47,945	40,752	18%	100,990	74,972	35%	164,589
- As a percentage of revenues	94%	86%	8 pp.	78%	91%	-13 pp.	77%
Sales and distribution costs	5,231	5,626	-7%	10,669	11,981	-11%	24,912
- As a percentage of revenues	10%	12%	-2 pp.	8%	14%	-6 pp.	12%
Development costs	17,945	5,789	210%	23,505	7,510	213%	22,106
- As a percentage of revenues	35%	12%	23 pp.	18%	9%	9 pp.	10%
Administrative costs	11,444	7,723	48%	21,603	14,593	48%	31,711
- As a percentage of revenues	22%	16%	6 pp.	17%	18%	-1 pp.	15%
Balance sheet items							
Intangible assets				143,262	124,685	15%	131,383
Property, plant and equipment				65,065	57,343	13%	49,446
Working capital				-66,068	10,389	-736%	6,550
Net cash and cash equivalents				83,419	102,368	-19%	99,271
Equity				302,377	225,732	34%	224,890
Liabilities				152,333	148,645	2%	170,910



Comments from

Niels Buus

CEO

In the second quarter, the order intake was M.SEK 44. The majority of orders were with high product content where we have a high margin. Revenue was M.SEK 52, an improvement from last year's M.SEK 48.

Cash flow from primary operating activities was negative M.SEK 44 due to changes and delayed payments in one single large commercial project.

We continue to see a strong financial performance in delivering platforms, payloads and subsystems. However, this is not enough to offset the increased cost of completing one large commercial project and a few other scientific satellite solutions with a high degree of non-recurring engineering. Furthermore, we continue to tie up working capital due to the same large commercial customer and fewer than expected prepayments from scientific orders.

Overall financial performance in the first half of 2022 improved from last year, and we maintain our full-year 2022 guidance since we expect the second half of 2022 financials to improve.

We continue to execute our strategy of becoming a European nano- and microsatellite champion. Therefore, we start to see a transformation of our order backlog mix from highly innovative project orders that require many non-recurring engineer hours to higher standard product content orders. The objective is to free up resources to facilitate our important development program that will double the standard product content in our deliveries.

Even though our financial performance fluctuates from quarter to quarter, we are confident that our strategy will bring us in a unique position and increase our earnings as we advance. I also continue being impressed by our fantastic employees, who, day by day, keep bringing highly innovative solutions to our customers.

A handwritten signature in blue ink, appearing to read 'Niels Buus'.

Niels Buus, CEO

Financial Performance

T.SEK	Business areas				Total
	Academia	Com-mercial	Defence	Science	
Order backlog 1 January 2022	5,213	179,111	20,220	335,421	539,965
Currency adjustment	560	-3,406	324	4,048	1,526
Order intake	2,897	32,979	3,779	1,842	41,497
Cancelled orders	0	-2,350	0	0	-2,350
Converted to revenue	-1,251	-49,798	-7,573	-19,743	-78,365
Order backlog 31 March 2022	7,419	156,536	16,750	321,568	502,273
Currency adjustment	-1,290	4,581	586	8,736	12,613
Order intake	2,679	30,250	324	10,678	43,931
Cancelled orders	0	0	0	0	0
Converted to revenue	-1,732	-27,689	-10,835	-10,997	-51,253
Order backlog 30 June 2022	7,076	163,678	6,825	329,985	507,564

Order intake and backlog

Order intake for platforms, payloads, and subsystems continues to be high and is the main part of orders received. For satellite solutions, we receive a significant order from the German Aerospace Center (DLR) (T.SEK 13,214) for two 12-unit CubeSats in the commercial business area. In October 2021, we signed Preliminary Authority to Proceed (PATP) with OHB to implement ESA HERA Inter Satellite Link (ISL). The main contract for this mission will not be signed due to the current components' lead time and the effort necessary to complete the technology development.

Revenue and operating profit (EBIT)

Revenue increased 8% to T.SEK 51,253 (47,535).

The revenue from satellite solutions decreased 19% to T.SEK 31,099 (38,193), negatively affecting the margin by re-estimating specific customer projects. The projects had unexpected events and needed more resources than anticipated caused by rework and changes in the scope of work.

The revenue from platforms, payloads and subsystems increased 116% to T.SEK 20,154 (9,342), positively affecting the margin due to improved capacity utilization and increased activity level.

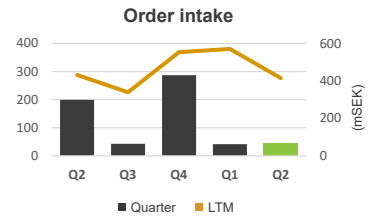
The positive performance from platforms, payloads and subsystems does not outmatch the low margin from satellite solutions which has caused a decrease in gross margin to 6% (14%). The largest customer was the European Space Agency (ESA), with a revenue share of 20% (33%). For the first half of 2022, the largest customer was Startical S.L. (former Indra) with a revenue share of 23% (0%).

Revenue related to new customers represented 0% compared to 2% of revenue in Q2 2021. For the first half of 2022, revenue related to new customers represented 2% (2%).

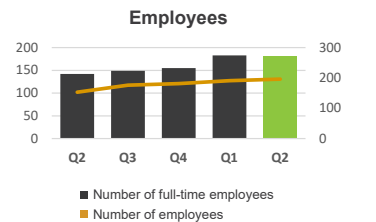
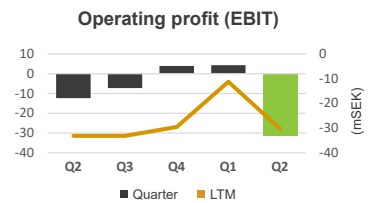
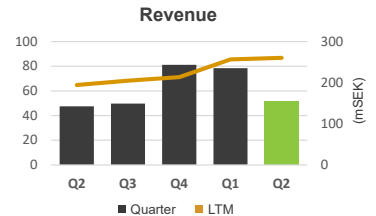
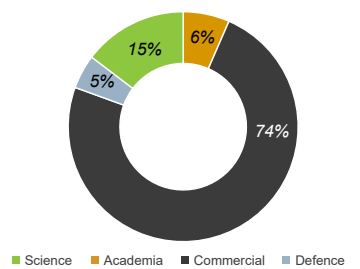
Operating profit (EBIT) decreased 154% to a negative T.SEK 31,281 (-12,331), mainly due to low margin from satellite solution projects. The development costs have increased compared to last year because we have initiated several development activities to be able to act on our strategy.

Employees	Q2 2021		Q3 2021		Q4 2021		Q1 2022		Q2 2022	
	Count	%	Count	%	Count	%	Count	%	Count	%
Technology	102	67%	120	68%	117	65%	123	64%	123	63%
Manufacturing	30	20%	33	19%	37	20%	42	22%	47	24%
Sales and distribution	11	7%	10	6%	11	6%	10	5%	9	5%
Administration	10	7%	13	7%	16	9%	16	8%	17	9%
Number of employees	153	100%	176	100%	181	100%	191	100%	196	100%
Number of full-time employees	142		149		155		183		182	

The number of employees in Q2 2022 increased to 196 (153), corresponding to 182 (142) full-time employees.



order intake Jan-Mar 2022 split per business areas



Cash flow

We continue to see the tying up of working capital in customer-dependent activities. The net cash flow was negative during the second quarter at T.SEK 69,585 (negative T.SEK 7,362).

Cash flow from primary operating activities was negative T.SEK 54,672 (positive 4,237) due to a specific commercial project combined with fewer scientific orders that usually give significant prepayments at contract signature.

Cash flow from investing activities has increased 58% to T.SEK 10,274 (6,515). The increase in investments in leasehold improvements, and equipment is due to office equipment for the new office space in Luxembourg.

Cash flow from financing activities amounts to negative T.SEK 3,396 (4,146). We still consider financing opportunities to facilitate our strategic goals.

Cash and cash equivalents at the end of Q2 2022 were T.SEK 83,419 (102,368).

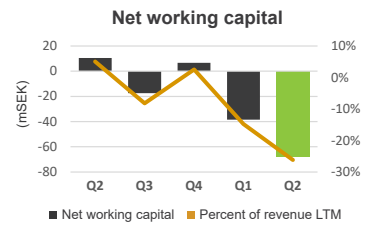
Risks

The full description of the main known risks is on pages 18-20 in the Annual Report 2021.

Parent Company and ownership

Additions in investments in subsidiaries comprise debt converting to equity in GomSpace Luxembourg of T.SEK 25,433.

As of 30 June 2022, The Hargreaves Family No. 14 was the largest shareholder (19.22%), followed by Hansen & Langeland ApS (8.37%) and Longbus Holding ApS (1.95%). The number of shareholders as of 30 June is 11,596.

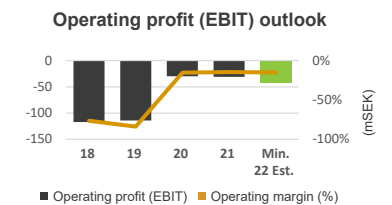
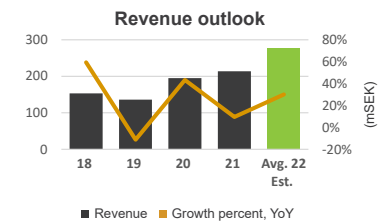


Outlook

2022 expectations and assumptions

The first half of 2022 demonstrates revenue growth and a slightly improved margin. We expect to improve the financial performance through the second half of 2022.

We maintain our full-year guidance with a revenue outlook of M.SEK 264-292, i.e., a 23-36% growth. We maintain the operating (EBIT) margin to be better than -15%.



Group - Key Figures and Ratios

T.SEK	Q2		H1		Full year
	2022	2021	2022	2021	2021
KEY FIGURES					
Net revenue	51,253	47,535	129,618	82,780	213,605
Gross profit	3,308	6,783	28,628	7,808	49,016
Operating profit (EBIT)	-31,281	-12,331	-27,115	-26,242	-29,524
Net financial items	-272	-767	-649	-404	-1,667
Profit (loss) before tax	-31,553	-13,098	-27,764	-26,646	-31,191
Profit (loss) for the period	-28,522	-11,251	-25,102	-23,748	-27,327
Investments in PPE	3,830	674	4,381	1,278	1,962
Total assets	454,710	374,377	454,710	374,377	395,800
Equity	302,377	225,732	302,377	225,732	224,890
Total liabilities	152,333	148,645	152,333	148,645	170,910
RATIOS					
Gross margin (%)	6%	14%	22%	9%	23%
Operating margin (%)	-61%	-26%	-21%	-32%	-14%
Net margin (%)	-56%	-24%	-19%	-29%	-13%
Return on invested capital (%)	-6%	-9%	-6%	-9%	-7%
Return on equity (%)	-11%	-14%	-11%	-14%	-12%
Equity ratio (%)	66%	60%	66%	60%	57%
Earnings per share, basic, SEK	-0.45	-0.22	-0.43	-0.45	-0.52
Earnings per share, diluted, SEK	-0.45	-0.22	-0.43	-0.45	-0.52
Number of outstanding shares basic, average	62,729,763	52,274,803	58,315,447	52,274,803	52,274,803
Number of outstanding shares as of 30 June 2022	62,729,763	52,274,803	62,729,763	52,274,803	52,274,803

Definition of key figures and ratios are defined in Note 1.

Consolidated Income

T.SEK	Note	Q2		H1		Full year
		2022	2021	2022	2021	2021
Net revenue	3	51,253	47,535	129,618	82,780	213,605
Cost of goods sold		-47,945	-40,752	-100,990	-74,972	-164,589
Gross profit		3,308	6,783	28,628	7,808	49,016
Sales and distribution costs		-5,231	-5,626	-10,669	-11,981	-24,912
Development costs		-17,945	-5,789	-23,505	-7,510	-22,106
Administrative costs		-11,444	-7,723	-21,603	-14,593	-31,711
Other operating income		31	24	34	34	189
Operating profit (loss)		-31,281	-12,331	-27,115	-26,242	-29,524
Finance income		816	-507	1,150	596	1,661
Finance expenses		-1,088	-260	-1,799	-1,000	-3,328
Profit (loss) before tax		-31,553	-13,098	-27,764	-26,646	-31,191
Tax		3,031	1,847	2,662	2,898	3,864
Profit (loss) for the period		-28,522	-11,251	-25,102	-23,748	-27,327
Profit (loss) is attributable to:						
Owners of GomSpace Group AB		-28,522	-11,251	-25,102	-23,748	-27,327
		-28,522	-11,251	-25,102	-23,748	-27,327
Consolidated Comprehensive Income						
Profit (loss) for the period		-28,522	-11,251	-25,102	-23,748	-27,327
Items which may be reclassified to the income statement:						
Foreign exchange rate adjustments		4,702	-2,081	6,951	1,969	4,706
Other comprehensive income for the period, net of tax		4,702	-2,081	6,951	1,969	4,706
Total comprehensive income for the period		-23,820	-13,332	-18,151	-21,779	-22,621
Total comprehensive income for the period is attributable to:						
Owners of GomSpace Group AB		-23,820	-13,332	-18,151	-21,779	-22,621
		-23,820	-13,332	-18,151	-21,779	-22,621
Earnings per share, basic, SEK		-0.45	-0.22	-0.43	-0.45	-0.52
Earnings per share, diluted, SEK		-0.45	-0.22	-0.43	-0.45	-0.52
Number of outstanding shares basic, average		62,729,763	52,274,803	58,315,447	52,274,803	52,274,803
Number of outstanding shares diluted, average		62,729,763	52,274,803	58,315,447	52,274,803	52,274,803

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments

Consolidated Financial Position

T.SEK	Note	30 Jun		31 Dec
		2022	2021	2021
ASSETS				
Goodwill		3,710	3,710	3,710
Technology		7,400	8,200	7,800
Completed development projects		17,866	23,782	21,518
In-process development projects		113,186	85,043	95,950
Other intangible assets		1,100	3,950	2,405
Intangible assets		143,262	124,685	131,383
Property, plant, and equipment		17,437	19,517	16,245
Right-of-use assets	4	47,628	37,826	33,201
Property, plant, and equipment		65,065	57,343	49,446
Deferred tax		0	1,145	356
Other non-current assets		4,887	4,101	4,156
Non-current assets		4,887	5,246	4,512
Total non-current assets		213,214	187,274	185,341
Raw materials and consumables		38,072	30,200	35,961
Inventories		38,072	30,200	35,961
Contract work		65,915	24,054	34,860
Trade receivables		32,349	14,117	27,952
Tax receivable		9,340	7,903	5,788
Other prepayments		5,458	5,145	4,173
Other receivables		6,943	3,316	2,454
Receivables		120,005	54,535	75,227
Cash and cash equivalents		83,419	102,368	99,271
Total current assets		241,496	187,103	210,459
Total assets		454,710	374,377	395,800

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments

T.SEK	30 Jun		31 Dec
	2022	2021	2021
EQUITY AND LIABILITIES			
Share capital	4,391	3,660	3,660
Share premium	676,506	581,599	581,599
Translation reserve	14,240	4,552	7,289
Retained earnings	-392,760	-364,079	-367,658
Total equity	302,377	225,732	224,890
Credit institutions	8,583	11,762	10,301
Lease liabilities	36,310	26,765	23,022
Other liabilities	8,177	7,814	10,638
Total non-current liabilities	53,070	46,341	43,961
Current portion of non-current liabilities	16,184	14,567	13,529
Trade payables and other payables	18,552	13,585	30,830
Contract work	41,855	46,049	59,664
Prepayments	1,740	1,720	2,241
Corporation tax	410	516	1,470
Other liabilities	20,522	25,867	19,215
Total current liabilities	99,263	102,304	126,949
Total liabilities	152,333	148,645	170,910
Total equity and liabilities	454,710	374,377	395,800

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments

Consolidated Changes in Equity

T.SEK	Share capital	Share premium	Translation reserve	Retained earnings	Total equity
Equity 01.01.2021	3,660	581,599	2,583	-340,421	247,421
Total comprehensive income for the period	0	0	1,969	-23,748	-21,779
Total comprehensive income for the period	0	0	1,969	-23,748	-21,779
Transactions with owners in their capacity as owners					
Share-based payments	0	0	0	90	90
	0	0	0	90	90
Equity 30.06.2021	3,660	581,599	4,552	-364,079	225,732
Equity 01.07.2021	3,660	581,599	4,552	-364,079	225,732
Total comprehensive income for the period	0	0	2,737	-3,579	-842
Total comprehensive income for the period	0	0	2,737	-3,579	-842
Equity 31.12.2021	3,660	581,599	7,289	-367,658	224,890
Equity 01.01.2022	3,660	581,599	7,289	-367,658	224,890
Total comprehensive income for the period	0	0	6,951	-25,102	-18,151
Total comprehensive income for the period	0	0	6,951	-25,102	-18,151
Transactions with owners in their capacity as owners					
Increase in share capital	731	101,831	0	0	102,562
Increase in share capital, costs	0	-6,924	0	0	-6,924
	731	94,907	0	0	95,638
Equity 30.06.2022	4,391	676,506	14,240	-392,760	302,377

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments

Consolidated Cash Flow

T.SEK	Q2		H1		Full year
	2022	2021	2022	2021	2021
Profit (loss) before tax	-31,553	-13,098	-27,764	-26,646	-31,191
Reversal of financial items	273	767	649	404	1,666
Depreciation and amortizations	7,949	8,098	15,927	16,144	32,269
Non-cash items	1,197	-948	3,120	1,243	2,111
Changes in inventories	5,260	-1,294	-644	-3,568	-8,985
Changes in trade receivables	-10,686	-6,027	-3,011	8,121	-4,972
Changes in other receivables	5,110	-6,851	-34,781	-6,294	-14,905
Changes in trade and other payables	-32,222	23,590	-40,984	692	25,544
Cash flow from primary operating activities	-54,672	4,237	-87,488	-9,904	1,537
Received interest financials	0	-577	0	-438	134
Paid interest financials cost	-702	-243	-1,333	-933	-3,118
Tax received	0	0	0	43	5,121
Tax paid	-113	-118	-1,264	-231	-473
Cash flow from operating activities	-55,487	3,299	-90,085	-11,463	3,201
Investments in intangible assets (before grants)	-10,789	-5,841	-18,102	-12,656	-25,521
Investments in leasehold improvement, plant and equipment	-3,830	-674	-4,381	-1,278	-1,962
Deposit paid	-12	0	-538	0	-9
Government grants	4,357	0	4,384	0	1,686
Cash flow from investing activities	-10,274	-6,515	-18,637	-13,934	-25,806
<i>Financing from debt:</i>					
Repayment of borrowings	-941	-1,338	-1,860	-3,844	-5,662
Payment of lease liabilities	-2,626	-2,808	-5,206	-5,579	-11,270
	-3,567	-4,146	-7,066	-9,423	-16,932
<i>Financing from shareholders::</i>					
Capital increase	0	0	102,562	0	0
Capital increase, costs	-257	0	-6,924	0	0
	-257	0	95,638	0	0
Cash flow from financing activities	-3,824	-4,146	88,572	-9,423	-16,932
Net cash flow for the period	-69,585	-7,362	-20,150	-34,820	-39,537
Cash and cash equivalents, beginning of the period	134,664	108,763	83,516	133,608	133,608
Unrealized exchange rate gains and losses on cash	2,228	-962	3,965	1,687	3,306
Change in bank deposit for security	-67	22	-91	-14	-13,861
Cash and cash equivalents, end of the period	67,240	100,461	67,240	100,461	83,516
<i>Reconciliation of cash and cash equivalents</i>					
Cash and cash equivalents according to the balance sheet	83,419	102,368	83,419	102,368	99,271
Bank deposit	-16,179	-1,907	-16,179	-1,907	-15,755
Cash and cash equivalents according to the cash flow statement	67,240	100,461	67,240	100,461	83,516

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments



Parent Company Income

T.SEK	Q2		H1		Full year
	2022	2021	2022	2021	2021
Net revenue	10,139	6,873	20,598	13,747	27,494
Gross profit	10,139	6,873	20,598	13,747	27,494
Administrative costs	-12,242	-7,975	-23,607	-15,806	-32,551
Other operating income	0	0	0	0	217
Operating profit (loss)	-2,103	-1,102	-3,009	-2,059	-4,840
Write down of investment in subsidiaries	0	0	0	-8,100	-22,648
Finance income	737	736	1,348	1,636	3,066
Finance expenses	-28	-8	-48	-23	-52
Profit (loss) before tax	-1,394	-374	-1,709	-8,546	-24,473
Tax	0	0	0	0	0
Profit (loss) for the period	-1,394	-374	-1,709	-8,546	-24,473
Profit (loss) is attributable to:					
Owners of GomSpace Group AB	-1,394	-374	-1,709	-8,546	-24,473
	-1,394	-374	-1,709	-8,546	-24,473

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments

Parent Company Financial Position

T.SEK	30 Jun		31 Dec
	2022	2021	2021
ASSETS			
GomSpace A/S	348,166	348,166	348,166
GomSpace Sweden AB	36,509	28,057	36,509
GomSpace Orbital ApS	0	0	0
GomSpace Luxembourg S.A.R.L.	35,911	10,478	10,478
GomSpace Asia Pte. Ltd.	2,142	2,142	2,142
GomSpace North America LLC	1,105	1,105	1,105
GomSpace France SAS	105	0	0
Investments in subsidiaries	423,938	389,948	398,400
Aerial & Maritime Ltd.	0	0	0
Investments in associates	0	0	0
Fixed asset investments	423,938	389,948	398,400
Total non-current assets	423,938	389,948	398,400
Receivables from subsidiaries	121,681	106,355	91,975
Tax receivable	81	71	55
Other prepayments	1,211	619	952
Other receivables	940	0	16
Receivables	123,913	107,045	92,998
Cash and cash equivalents	36,621	9,190	109
Total current assets	160,534	116,235	93,107
Total assets	584,472	506,183	491,507
EQUITY AND LIABILITIES			
Share capital	4,391	3,660	3,660
Share premium	673,218	578,311	578,311
Retained earnings	-94,139	-76,503	-92,430
Total equity	583,470	505,468	489,541
Trade payables and other payables	579	360	1,552
Other liabilities	423	355	414
Total current liabilities	1,002	715	1,966
Total liabilities	1,002	715	1,966
Total equity and liabilities	584,472	506,183	491,507

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments

Parent Company Changes in Equity

T.SEK	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.2021	3,660	578,311	-68,047	513,924
Total comprehensive income for the period	0	0	-8,546	-8,546
Share-based payments	0	0	90	90
Total comprehensive income for the period	0	0	-8,456	-8,456
Equity 30.06.2021	3,660	578,311	-76,503	505,468
Equity 01.07.2021	3,660	578,311	-76,503	505,468
Total comprehensive income for the period	0	0	-15,927	-15,927
Share-based payments	0	0	0	0
Total comprehensive income for the period	0	0	-15,927	-15,927
Equity 31.12.2021	3,660	578,311	-92,430	489,541
Equity 01.01.2022	3,660	578,311	-92,430	489,541
Total comprehensive income for the period	0	0	-1,709	-1,709
Increase in share capital	731	101,831	0	102,562
Increase in share capital, costs	0	-6,924	0	-6,924
Total comprehensive income for the period	731	94,907	-1,709	93,929
Equity 30.06.2022	4,391	673,218	-94,139	583,470

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments



Notes

1. Accounting policies

Basis of preparation

The interim consolidated financial statements for the first half of 2022 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 2021. Any changes from the Annual Report 2021 are described below.

Key ratios definitions

Gross margin	=	$\frac{\text{gross profit}}{\text{net revenue}}$	The gross margin shows the amount of total sales revenue that the group retains after incurring the direct costs associated with producing.
Operating (EBIT) margin	=	$\frac{\text{operating profit}}{\text{net revenue}}$	The ratio shows the group's operational profitability after depreciation and write-downs.
Net margin	=	$\frac{\text{profit}}{\text{net revenue}}$	The net margin shows the ratio of profit (loss) the group earns to the group's total amount of revenue.
Return on invested capital LTM	=	$\frac{\text{profit}}{\text{total assets}}$	The ratio shows how well the group is using its capital to generate profits.
Return on equity LTM	=	$\frac{\text{profit}}{\text{average equity}^*}$	Return on equity shows how good the group is in generating returns on the investment it received from its shareholders.
*Average equity for the 2021 amounts to T.SEK 236,155			
Equity ratio	=	$\frac{\text{equity}}{\text{total assets}}$	The ratio is used to measure the group's financial stability.
Earnings per share, basic	=	$\frac{\text{profit}}{\text{number of shares basic, average}}$	The ratio shows the profitability of the group based on outstanding shares.
Earnings per share, diluted	=	$\frac{\text{profit}}{\text{number of shares diluted, average}}$	The ratio shows the profitability of the group based on outstanding shares and expected dilutive securities.
Net working capital	=	Inventory + Contract work + Trade receivables + Other prepayments + Other receivables - Trade payables and other payables - Contract work - Prepayments - Other liabilities	Net working capital shows the group's ability to pay its current liabilities with its current assets.

1. Accounting policies (continued)

Reconciliation of consolidated alternative key figures

T.SEK	Apr-jun		H1		Full year
	2022	2021	2022	2021	2021
Gross profit	3,308	6,783	28,628	7,808	49,016
Net revenue	51,253	47,535	129,618	82,780	213,605
Gross margin	6%	14%	22%	9%	23%
Operating profit (EBIT)	-31,281	-12,331	-27,115	-26,242	-29,524
Net revenue	51,253	47,535	129,618	82,780	213,605
Operating (EBIT) margin	-61%	-26%	-21%	-32%	-14%
Profit (loss) for the year	-28,522	-11,251	-25,102	-23,748	-27,327
Net revenue	51,253	47,535	129,618	82,780	213,605
Net margin	-56%	-24%	-19%	-29%	-13%
Profit (loss) for the year LTM	-28,681	-35,464	-28,681	-35,464	-27,327
Total Assets	454,710	374,377	454,710	374,377	395,800
Return on invested capital LTM	-6%	-9%	-6%	-9%	-7%
Profit (loss) for the year LTM	-28,681	-35,464	-28,681	-35,464	-27,327
Average equity LTM	264,054	244,847	264,054	244,847	236,156
Return on equity LTM	-11%	-14%	-11%	-14%	-12%
Equity	302,377	225,732	302,377	225,732	224,890
Total Assets	454,710	374,377	454,710	374,377	395,800
Equity ratio	66%	60%	66%	60%	57%
Profit (loss) for the year	-28,522	-11,251	-25,102	-23,748	-27,327
Number of outstanding shares basic and diluted, average	62,730	52,275	58,315	52,275	52,275
Earnings per share, basic and diluted, SEK	-0.45	-0.22	-0.43	-0.45	-0.52

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 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

No new amendments and interpretations apply for the first time in 2022.

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.

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 2021.

3. Revenue

T.SEK	Business areas				
	Academia	Commercial	Defence	Science	Total
Jan-Jun 2022					
Geographical					
Sweden	0	208	0	673	881
Denmark	0	504	252	0	756
Europe (excluding Sweden and Denmark)	620	63,972	896	28,240	93,728
USA	453	8,211	744	234	9,642
Asia	1,639	4,402	0	1,593	7,634
Rest of the world	271	190	16,516	0	16,977
	2,983	77,487	18,408	30,740	129,618
Jan-Jun 2021					
Geographical					
Sweden	35	810	0	417	1,262
Denmark	0	213	0	0	213
Europe (excluding Sweden and Denmark)	219	23,468	6,317	32,281	62,285
USA	135	7,671	41	435	8,282
Asia	2,585	1,191	0	1,862	5,638
Rest of the world	168	961	3,971	0	5,100
	3,142	34,314	10,329	34,995	82,780
Jan-Jun 2022					
Major goods/service lines					
Revenue from satellite solutions (over time)	1,198	48,795	16,859	29,470	96,322
Revenue from platforms, payloads and, subsystems (over time)	1,785	28,692	1,549	1,270	33,296
	2,983	77,487	18,408	30,740	129,618
Jan-Jun 2021					
Major goods/service lines					
Revenue from satellite solutions (over time)	575	22,975	8,665	34,283	66,498
Revenue from platforms, payloads, and subsystems (over time)	2,567	11,339	1,664	712	16,282
	3,142	34,314	10,329	34,995	82,780
Jan-Jun 2022					
Order book					
Order backlog 1 January 2022	5,213	179,111	20,220	335,421	539,965
Currency adjustment	-730	1,175	910	12,784	14,139
Order intake	5,576	63,229	4,103	12,520	85,428
Canceled orders	0	-2,350	0	0	-2,350
Converted to revenue	-2,983	-77,487	-18,408	-30,740	-129,618
Order backlog 30 June 2022	7,076	163,678	6,825	329,985	507,564
Jan-Jun 2021					
Order book					
Order backlog 1 January 2021	2,329	30,757	25,558	150,937	209,581
Currency adjustment	201	-13,062	1,263	3,796	-7,802
Order intake	7,752	206,676	4,290	4,539	223,257
Cancelled orders	0	-505	-3,453	-405	-4,363
Converted to revenue	-3,142	-34,314	-10,329	-34,995	-82,780
Order backlog 30 June 2021	7,140	189,552	17,329	123,872	337,893

4. Right of use assets (leasing)

Leasing assets		Property	Other fixtures, fittings, tools and equipment	Total
T.SEK				
Group				
Balance at 1 January 2022		30,633	2,568	33,201
Exchange rate adjustment		983	100	1,083
Additions		18,848	0	18,848
Disposals		0	0	0
Depreciation		-4,922	-582	-5,504
Balance at 30 June 2022		45,542	2,086	47,628
<hr/>				
Balance at 1 January 2021		39,904	2,752	42,656
Exchange rate adjustment		239	22	261
Additions		0	330	330
Disposals		0	0	0
Depreciation		-4,863	-558	-5,421
Balance at 30 June 2021		35,280	2,546	37,826

The weighted rate amounts to 2-4%.
Additions in 2022 consist of new office space in Luxembourg to meet the increased number of employees.

T.SEK	Group	
	31 Jun 2022	31 Jun 2021
Within 0-1 years	12,477	11,582
Within 1-5 years	31,333	27,717
After 5 years	6,693	0
Total non-discounted leasing payments	50,503	39,299
<hr/>		
Recognised in balance at 30 June		
Current leasing liability (0-1 years)	12,027	10,764
Non-current leasing liability (after 1 year)	36,310	26,765
	48,337	37,529

T.SEK	Jan-Jun	
	2022	2021
Income statement leasing costs		
Interest costs related to leasing contracts	396	530
Payments related to low-value leasing contracts	805	514



Financial Calendar

Interim report, July-October 2022

27 October 2022

COMPANY INFORMATION

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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 on 30 June 2022, 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, 25 July 2022

Executive Board and Board of Directors

Niels Buus
CEO

Jens Maaløe
Chairman

Jukka Pekka Pertola
Vice Chairman

Steen Lorenz Johan Hansen

Nikolaj Wendelboe

Kenn Herskind

This Interim Report has not been reviewed by the company's auditors.

