

GOMSPACE

1 APRIL – 30 JUNE 2023
AND 1 JANUARY – 30 JUNE 2023

SECOND QUARTER OF 2023

- Order intake was T.SEK 22,671 (43,931)
- Net revenues slightly decreased by 2% to T.SEK 50,275 (51,253)
- Gross margin decreased to negative 30% (positive 6%) due to a revenue mix with less profitable engineering projects and one-off costs due to terminated unprofitable engineering contracts in the scientific segment
- Operating profit (EBIT) decreased to negative T.SEK 36,114 (negative 31,281)
- Earnings per share was negative SEK 0.25 (negative 0.45)

FIRST HALF-YEAR 2023

- Order intake decreased by 38% to T.SEK 53,388 (85,428)
- Net revenue decreased by 1% to T.SEK 128,425 (129,618)
- Gross margin decreased to negative 39% (negative 21%)
- Operating profit (EBIT) decreased to negative T.SEK 50,192 (negative 27,115)
- Earnings per share were negative SEK 0.49 (negative 0.43)

OUTLOOK 2023

The guidance for positive free cash flow in the second half 2024 is unchanged. The assumption is that product sales will increase, expand presence in North America through additional resources and partnerships, and the customer project portfolio mix will become more profitable.

As expected, the quarter free cash flow was a negative T.SEK 27,849, but it significantly improved from last quarter's negative T.SEK 42,406. Our commitment to positive free cash flow remains, and we have successfully implemented the cost-saving program launched earlier this year.

EVENTS DURING THE QUARTER AND SUBSEQUENT EVENTS

- In April, we signed a Memorandum of Understanding with SAIC, a premier Fortune 500® technology integrator partner. Our aim is to broaden our reach to government and commercial customers in the Americas
- In May, we had several negotiations with ESA regarding the climate observation mission. However, after careful consideration, we decided not to proceed to the next phase. We determined the project unprofitable and unsuitable for our goals
- In May, at the annual general meeting elected, two new members to strengthen the Board of Directors: Stefan Gardefjord and Henrik Kølle, both having profound experience in management and industry knowledge
- In July, GomSpace and Terma signed a MoU aimed at building a joint offering for an Asian project focusing on monitoring and protection of water territories
- In August, we signed a Contract Change Notice with ESA for €1.500.000 for the implementation of Juventas CubeSat. GomSpace is leading the Juventas CubeSat mission with the help of European subcontractors. The spacecraft is expected to be delivered by the end of 2023 for integration and testing with the mothercraft HERA

FINANCIAL SUMMARY

T.SEK	Q2			H1			Full year
	2023	2022	▲%	2023	2022	▲%	2022
Orders received	22,671	43,931	-24%	53,388	85,428	-38%	165,947
Net revenue	50,275	51,253	-2%	128,425	129,618	-1%	198,379
Gross profit	-15,209	3,308	-560%	-5,891	28,628	-121%	-51,119
Gross margin	-30%	6%	-36 pp.	-5%	22%	-27 pp.	-26%
Operating profit (EBIT)	-36,114	-31,281	-15%	-50,192	-27,115	-85%	-231,995
- As a percentage of revenues	-72%	-61%	-11 pp.	-39%	-21%	-18 pp.	-117%
Profit (loss) before tax	-35,565	-31,553	-13%	-50,719	-27,764	-83%	-227,824
- As a percentage of revenues	-71%	-62%	-9 pp.	-39%	-21%	-18 pp.	-115%
Profit (loss) for the period	-35,031	-28,522	-23%	-49,410	-25,102	-97%	-227,824
- As a percentage of revenues	-70%	-56%	-14 pp.	-38%	-19%	-19 pp.	-115%
Cost of goods sold	65,484	47,945	37%	134,316	100,990	33%	249,498
- As a percentage of revenues	130%	94%	36 pp.	105%	78%	27 pp.	126%
Sales and distribution costs	5,392	5,231	3%	11,298	10,669	6%	63,297
- As a percentage of revenues	11%	10%	1 pp.	9%	8%	1 pp.	32%
Development costs	4,980	17,945	-72%	11,123	23,505	-53%	73,945
- As a percentage of revenues	10%	35%	-25 pp.	9%	18%	-9 pp.	37%
Administrative costs	10,171	11,444	-11%	21,885	21,603	1%	43,765
- As a percentage of revenues	20%	22%	-2 pp.	17%	17%	0 pp.	22%
Balance sheet items							
Intangible assets	100,958	143,262	-30%	100,958	143,262	-30%	122,332
Property, plant and equipment	54,457	65,065	-16%	54,457	65,065	-16%	62,348
Working capital	46,558	-66,068	170%	46,558	-66,068	-170%	-6,124
Net cash and cash equivalents	54,639	83,419	-35%	54,639	83,419	-35%	33,097
Equity	156,755	302,377	-48%	156,755	302,377	-48%	104,798
Liabilities	222,923	152,333	46%	222,923	152,333	46%	229,374



Comments from

Carsten Drachmann

CEO

In the first quarter of 2023, GomSpace started a transformation process to become a more market-oriented and profitable organization. Q2 has been focused on driving the transformation on many fronts, including redefining our teams and setting very clear targets. We now know and understand the steps we need to take to reach our goals.

As a primary driver, we have set ourselves a clear goal of becoming free cashflow positive, in the 2nd half of 2024, I am happy to report that our free cash flow has improved from negative M.SEK 42,400 from Q1 2023 to a negative M.SEK 27.8 in Q2 2023. This is the trend we are measuring ourselves against and the improvement is a result of focusing on profitable projects and the reduction of costs and staff, initiated in the beginning of 2023.

The reduction was a sad yet necessary decision under the circumstances and we have now completed the action and said goodbye to 70 people since January 2023. We will see the full cost saving impact from Q3 2023 and onwards.

As reported in June, we also defined ourselves three strategic anchors to guide our turnaround: 1) More Product Business, 2) Focus on project profitability and best fit, 3) Expand North America. During Q2, we have executed an extensive transformation process within the organization to enable and secure focus on those strategic anchors.

Specifically, we have created a Product Business Unit, to secure a better focus on sales and continuous product road map development. There is good business for GomSpace in products and we have recently strengthened our sales team with one additional member.

To address the second point of focus on project profitability and best fit, we have created a team with a focus on project delivery, and equally important, onboarding of new customer contracts. In the short run, we have reviewed our current project portfolio and, as reported separately, we have agreed to terminate a large ESA program with negative profitability and cash flow. This results in a net reduction of the order backlog with M.SEK 215 of revenue, yet with a positive impact on our project profitability.

For North America, we have defined a dedicated team, with staff both in Aalborg and the US. Our collaboration with SAIC is strengthening, and we recently shared a booth at the Small Sat conference in Utah, USA.

Looking into the 2nd half of 2023, we stay focused on our transformation plans and work towards a free cashflow positive situation in the 2nd half of 2024.

Carsten Drachmann, CEO

Financial Performance

T.SEK	Business areas				Total
	Academia	Com-mercial	Defence	Science	
Order backlog 1 January 2023	6,771	88,917	6,385	306,583	408,656
Currency adjustment	67	659	73	3,894	4,693
Order intake	2,933	15,503	219	14,799	33,454
Cancelled orders	0	0	0	0	0
Converted to revenue	-5,431	-41,602	-1,862	-29,255	-78,150
Order backlog 31 March 2023	4,340	63,477	4,815	296,021	368,653
Currency adjustment	128	3,511	279	3,572	7,491
Order intake	780	20,375	667	1,849	23,671
Cancelled orders	0	0	0	-215,030	-215,030
Converted to revenue	-2,616	-14,512	-39	-33,078	-50,245
Order backlog 30 June 2023	2,633	69,114	5,722	53,334	130,804

Order intake and backlog

Order intake for T.SEK 23,671 is down with 20% compared to Q1 2023 (T.SEK 33,454), and 46% lower than Q2 2022 (T.SEK 43,931).

Order intake of products as platforms, payloads, and subsystems continue to be strong and accounts for approximately 86% of the order intake for the quarter. The orders received for satellite solutions were low, but we still see significant projects in the pipeline mature.

The terminated climate observation project with ESA negatively impacted the order backlog - constituting a cancellation of T.SEK 215.

Revenue and operating profit (EBIT)

Net revenues of T.SEK 50,275 are 36% below Q1 2023 (T.SEK 78,150), and in line with Q2 2022 (T.SEK 51,253).

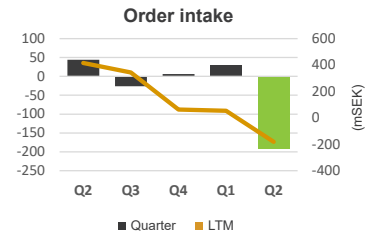
The largest proportion of revenue stemmed from sales of scientific satellite solutions with a low margin, making up 49% of revenues for the quarter, which is in line with Q1 2023. As we undergo a transformation, we are gradually discontinuing unprofitable projects. We aim to prioritize engineering projects with a higher degree of reuse, improved predictability, and better earnings.

Operating profit (EBIT) decreased to a negative T.SEK 36,114 (negative 31,553). The cost of goods sold and development costs are negatively affected by a write-down of development projects, respectively T.SEK 27,242 and T.SEK 4,840. The impairment relates to development of some intangible assets under construction. During the course of the projects, there has been an increased uncertainty regarding the business case and hence management has decided not to pursue finalization.

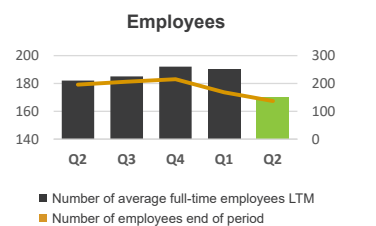
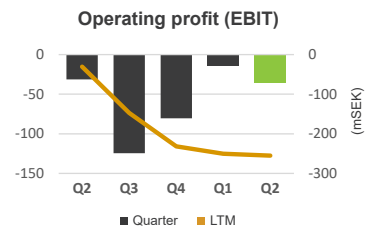
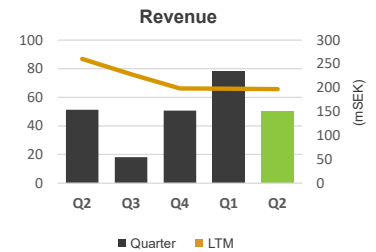
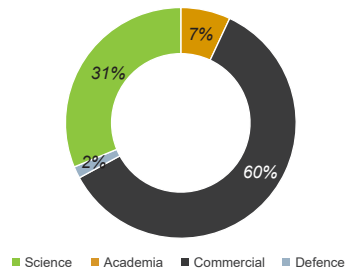
Employees	Q2 2022		Q3 2022		Q4 2022		Q1 2023		Q2 2023	
	Count	%	Count	%	Count	%	Count	%	Count	%
Technology	123	63%	130	63%	140	63%	102	61%	79	58%
Manufacturing	47	24%	49	24%	45	24%	38	23%	36	26%
Sales and distribution	9	5%	9	4%	12	4%	11	7%	10	7%
Administration	17	9%	18	9%	18	9%	17	10%	12	9%
Number of employees end of period	196	100%	206	100%	215	100%	168	100%	137	100%
Number of average full-time employees LTM	182		185		192		190		170	

The staff reduction of approximately 70 full-time employees during December 2022 and January 2023 due to the cancelled large customer project in 2022 has been fully realised during the quarter. The number of employees in Q2 2023 has decreased to 137 (196), corresponding to 170 (182) average full-time employees for the last twelve months (LTM). During the second quarter of 2023, most notice periods had expired, and all costs related to reductions had been accounted for.

A full-year cost saving of approx. M.SEK 40 will be realised due to the staff reductions, having full effect from the second half of 2023.



Order intake Jan-Jun 2023 split per business area



Cash flow

Net cash flow was positive T.SEK 14,213 (negative 69,585 in Q2.2022)

We have increased our net working capital by T.SEK 24,670, primarily due to manufacturing platforms and subsystems that still need to be delivered to customers. This increase does not include any electronic components or raw materials. Our net working capital is T.SEK 46,558, compared to T.SEK 21,888 in the previous quarter.

The cash flow from investing activities decreased, now at negative T.SEK 2,272 compared to last quarter's negative T.SEK 5,097. Our investment strategy has changed to prioritize reusability in our deliveries, leading to decreased investments in intangible assets.

The free cash flow was negative T.SEK 27,849 but was an anticipated improvement from the previous quarter's negative T.SEK 42,406.

Cash flow from financing activities amounts to T.SEK 42,062 (-3,824), and is mainly constituted by the rights issue completed in April 2023

Cash and cash equivalents at the end of Q2 2023 were T.SEK 54,639 (67,240).

Financing

In March 2023, the Board of Directors decided to issue up to 94,094,644 new shares at a subscription price of 1.30 per share. Existing shareholders were given preferential rights to subscribe. The rights issue occurred in April, and 77,939,396 shares were subscribed for, resulting in gross proceeds of M.SEK 101. Out of this, M.SEK 48 was received in cash, while m.SEK 53 was settled against a convertible loan.

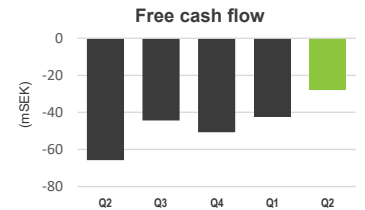
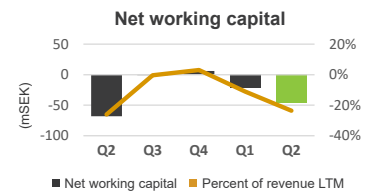
Risks

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

There has been no increase in the risks identified and discussed on pages 14-16 of the Annual Report for 2022.

Ownership

As of 30 June 2023, The Hargreaves Family No. 14 was the largest shareholder (29.58%), followed by Hansen & Langeland ApS (9.73%) and Longbus Holding ApS (1.34%). The number of shareholders as of 30 June was 10,973.



Outlook

The guidance for a positive free cash flow in the second half of 2024 is maintained the assumptions are the following:

- **Product Business** - Increased focus on managing the product business, both with regard to stable product development and increased sales focus. The company has a strong contribution margin from products and efforts here will improve the overall profitability of the company.
- **Focus on project profitability and best fit** - Identify what customer projects are best suited to GomSpace. The company will focus on leveraging its core strength and focus on customer mission success and profitability of projects.
- **Expand North America** - Expand presence in North America through additional resources and partnerships. The US represents more than half of the global accessible market for GomSpace and represents a strong growth opportunity for existing technology within a reasonable timeframe.

We still aim to grow our revenue over time but in the intermediate term, profitability and cash come before revenue.

Group - Key Figures and Ratios

T.SEK	Q2		H1		Full year
	2023	2022	2023	2022	2022
KEY FIGURES					
Net revenue	50,275	51,253	124,425	129,618	198,379
Gross profit	-15,209	3,308	-5,891	28,628	-51,119
Operating profit (EBIT)	-36,114	-31,281	-50,192	-27,115	-231,995
Net financial items	549	-272	-527	-649	-944
Profit (loss) before tax	-35,565	-31,553	-50,719	-27,764	-232,939
Profit (loss) for the period	-35,031	-28,522	-49,410	-25,102	-227,824
Investments in PPE	28	3,830	869	4,381	9,552
Total assets	379,678	454,710	379,678	454,710	334,172
Equity	156,755	302,377	156,755	302,377	104,798
Total liabilities	222,923	152,333	222,923	152,333	229,374
RATIOS					
Gross margin (%)	-30%	6%	-5%	22%	-26%
Operating margin (%)	-72%	-61%	-39%	-21%	-117%
Net margin (%)	-70%	-56%	-38%	-19%	-115%
Return on invested capital (%)	-66%	-6%	-8%	-6%	-68%
Return on equity (%)	-109%	-11%	-12%	-11%	-138%
Equity ratio (%)	41%	66%	41%	66%	31%
Earnings per share, basic, SEK	-0.25	-0.45	-0.49	-0.43	-0.49
Earnings per share, diluted, SEK	-0.25	-0.45	-0.35	-0.40	-0.35
Number of outstanding shares basic, average	140,669,159	62,729,763	100,608,009	58,315,447	52,274,803
Number of outstanding shares as of 30 June 2022	140,669,159	62,729,763	140,669,159	62,729,763	52,274,803

*In connection with the finance contract with the European Investment Bank (EIB), ensuring a loan facility of M.SEK 205 (M.EUR 18), the Group transferred 1,650,783 warrants to EIB - in relation to the first tranche. The finance contract contains two further tranches, if we utilise the facilities, the EIB will be entitled to 3,301,566 warrants.

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

Consolidated Income

T.SEK	Note	Q2		H1		Full year
		2023	2022	2023	2022	2022
Net revenue	4	50,275	51,253	128,425	129,618	198,379
Cost of goods sold		-65,484	-47,945	-134,316	-100,990	-249,498
Gross profit		-15,209	3,308	-5,891	28,628	-51,119
Sales and distribution costs		-5,392	-5,231	-11,298	-10,669	-63,297
Development costs		-4,980	-17,945	-11,123	-23,505	-73,945
Administrative costs		-10,171	-11,444	-21,885	-21,603	-43,765
Other operating income		-362	31	5	34	131
Operating profit (loss)		-36,114	-31,281	-50,192	-27,115	-231,995
Finance income		865	816	525	1,150	1,900
Finance expenses		-316	-1,088	-1,052	-1,799	-2,844
Profit (loss) before tax		-35,565	-31,553	-50,719	-27,764	-232,939
Tax		534	3,031	1,309	2,662	5,115
Profit (loss) for the period		-35,031	-28,522	-49,410	-25,102	-227,824
Profit (loss) is attributable to:						
Owners of GomSpace Group AB		-35,031	-28,522	-49,410	-25,102	-227,824
		-35,031	-28,522	-49,410	-25,102	-227,824
Consolidated Comprehensive Income						
Profit (loss) for the period		-35,031	-28,522	-49,410	-25,102	-227,824
Items which may be reclassified to the income statement:						
Foreign exchange rate adjustments		1,747	4,702	3,218	6,951	4,706
Other comprehensive income for the period, net of tax		1,747	4,702	3,218	6,951	4,706
Total comprehensive income for the period		-33,284	-23,820	-46,192	-18,151	-223,118
Total comprehensive income for the period is attributable to:						
Owners of GomSpace Group AB		-33,284	-23,820	-46,192	-18,151	-223,118
		-33,284	-23,820	-46,192	-18,151	-223,118
Earnings per share, basic, SEK		-0.25	-0.45	-0.49	-0.43	-0.52
Earnings per share, diluted, SEK		-0.25	-0.45	-0.35	-0.40	-0.52
Number of outstanding shares basic, average		140,669,159	62,729,763	100,608,009	58,315,447	52,274,803
Number of outstanding shares diluted, average		140,669,159	62,729,763	140,669,159	62,729,763	52,274,803

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments

Consolidated Financial Position

T.SEK	Note	30 Jun		31 Dec
		2023	2022	2022
ASSETS				
Goodwill		0	3,710	0
Technology		0	7,400	0
Completed development projects		12,922	17,866	10,378
In-process development projects		86,887	113,186	110,014
Other intangible assets		1,149	1,100	1,940
Intangible assets		100,958	143,262	122,332
Property, plant, and equipment		16,127	17,437	18,767
Right-of-use assets	5	38,330	47,628	43,581
Property, plant, and equipment		54,457	65,065	62,348
Other non-current assets		5,664	4,887	4,794
Non-current assets		5,664	4,887	4,794
Total non-current assets		161,079	213,214	189,474
Raw materials and consumables		68,836	38,072	46,162
Inventories		68,836	38,072	46,162
Contract work		41,907	65,915	29,264
Trade receivables		29,358	32,349	19,954
Tax receivable		8,975	9,340	6,898
Other prepayments		5,339	5,458	4,033
Other receivables		9,545	6,943	5,290
Receivables		95,124	120,005	65,439
Cash and cash equivalents		54,639	83,419	33,097
Total current assets		218,599	241,496	144,698
Total assets		379,678	454,710	334,172

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments

T.SEK	30 Jun		31 Dec
	2023	2022	2022
EQUITY AND LIABILITIES			
Share capital	9,847	4,391	4,391
Share premium	769,199	676,506	676,505
Translation reserve	21,718	14,240	18,500
Retained earnings	-644,008	-392,760	-594,598
Total equity	156,755	302,377	104,798
Credit institutions	58,894	8,583	6,885
Lease liabilities	28,604	36,310	32,382
Other liabilities	8,872	8,177	8,521
Total non-current liabilities	96,370	53,070	47,788
Current portion of non-current liabilities	16,972	16,184	69,639
Trade payables and other payables	38,834	18,552	27,757
Contract work	32,691	41,855	51,458
Prepayments	1,985	1,740	2,261
Corporation tax	1,154	410	1,120
Other liabilities	34,917	20,522	29,351
Total current liabilities	126,553	99,263	181,586
Total liabilities	222,923	152,333	229,374
Total equity and liabilities	379,678	454,710	334,172

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments

Consolidated Changes in Equity

T.SEK	Share capital	Other capital contributions	Translation reserves	Retained earnings incl result for the period	Total equity
Equity 01.01.2022	3,660	581,599	7,289	-367 658	224,890
Profit (loss) for the period	0	0	0	-25,102	-25,102
Total comprehensive income for the period	0	0	6,951	0	6,951
Total comprehensive income for the period	0	0	6,951	-25,102	-18,151
<i>Transactions with owners in their capacity as owners</i>					
Increase in share capital	731	101,831	0	0	102,562
Increase in share capital, costs	0	-6,925	0	0	-6,925
Fair value adjustment, convertible loan	0	0	0	0	0
	731	94,906	0	0	95,637
Equity 30.06.2022	4,391	676,505	14,240	-392,760	302,376
Equity 01.07.2022	4,391	676,505	14,240	-392,760	302,376
Profit (loss) for the period	0	0	0	-202,722	-202,722
Total comprehensive income for the period	0	0	4,260	0	4,260
Total comprehensive income for the period	0	0	4,260	-202,722	-198,462
<i>Transactions with owners in their capacity as owners</i>					
Increase in share capital, costs	0	0	0	884	884
	0	0	0	884	884
Equity 31.12.2022	4,391	676,505	18,500	-594,598	104,798
Equity 01.01.2023	4,391	676,505	18,500	-594,598	104,798
Profit (loss) for the period	0	0	0	-49,410	-49,410
Total comprehensive income for the period	0	0	3,218	0	3,218
Total comprehensive income for the period	0	0	3,218	-49,410	-46,192
<i>Transactions with owners in their capacity as owners</i>					
Increase in share capital	5,453	95,865	0	0	101,321
Increase in share capital, costs	0	-3,172	0	0	-3,172
	5,453	92,694	0	0	98,149
Equity 30.06.2023	9,847	769,199	21,718	-644,008	156,755

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments

Consolidated Cash Flow

T.SEK	Q2		H1		Full year
	2023	2022	2023	2022	2022
Profit (loss) before tax	-35,565	-31,553	-50,719	-27,764	-232,939
Reversal of financial items	-549	273	527	649	944
Depreciation, amortization and impairments	36,728	7,949	44,199	15,927	74,507
Non-cash items	2,062	1,197	4,166	3,120	21,307
Changes in inventories	-24,406	5,260	-19,134	-644	-6,849
Changes in trade receivables	6,732	-10,686	-5,843	-3,011	14,849
Changes in other receivables	-6,288	5,110	-16,249	-34,781	-8,768
Changes in trade and other payables	-2,583	-32,222	-16,863	-40,984	-24,029
Cash flow from primary operating activities	-23,869	-54,672	-59,916	-87,488	-160,978
Received interest financials	1,669	0	1,672	0	22
Paid interest financials cost	-3,291	-702	-4,436	-1,333	-2,587
Tax received	0	0	0	0	6,037
Tax paid	-86	-113	-205	-1,264	-1,560
Cash flow from operating activities	-25,577	-55,487	-62,885	-90,085	-159,066
Investments in intangible assets (before grants)	-2,392	-10,789	-6,090	-18,102	-40,706
Investments in leasehold improvement, plant and equipment	-28	-3,830	-869	-4,381	-9,552
Deposit paid	-9	-12	-567	-538	-260
Government grants	157	4,357	157	4,384	5,696
Cash flow from investing activities	-2,272	-10,274	-7,369	-18,637	-44,822
Free cash flow	-27,849	-65,761	-70,254	-108,722	-203,888
<i>Financing from debt:</i>					
Borrowings	607	0	56,591	0	53,593
Repayment of borrowings	-55,999	-941	-56,999	-1,860	-4,012
Payment of lease liabilities	-3,046	-2,626	-6,111	-5,206	-12,370
	-58,438	-3,567	-6,519	-7,066	37,211
<i>Financing from shareholders::</i>					
Capital increase	101,321	0	101,321	102,562	102,562
Capital increase, costs	-821	-257	-3,172	-6,924	-6,925
	100,500	-257	98,149	95,638	95,637
Cash flow from financing activities	42,062	-3,824	91,630	88,572	132,848
Net cash flow for the period	14,213	-69,585	21,376	-20,150	-71,040
Cash and cash equivalents, beginning of the period	40,344	134,664	33,097	83,516	83,516
Unrealized exchange rate gains and losses on cash	86	2,228	166	3,965	4,319
Change in bank deposit for security	-4	-67	0	-91	16,302
Cash and cash equivalents, end of the period	54,639	67,240	54,639	67,240	33,097
<i>Reconciliation of cash and cash equivalents</i>					
Cash and cash equivalents according to the balance sheet	54,639	83,419	54,639	83,419	33,097
Bank deposit	0	-16,179	0	-16,179	0
Cash and cash equivalents according to the cash flow statement	54,639	67,240	54,639	67,240	33,097

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments

Parent Company Income

T.SEK	Q2		H1		Full year
	2023	2022	2023	2022	2022
Net revenue	10,178	10,139	20,342	20,598	40,678
Gross profit	10,178	10,139	20,342	20,598	40,678
Administrative costs	-11,238	-12,242	-22,204	-23,607	-108,529
Other operating income	0	0	0	0	0
Operating profit (loss)	-1,060	-2,103	-1,862	-3,009	-67,851
Write down of investment in subsidiaries	0	0	0	0	-365,608
Finance income	1,303	737	4,178	1,348	3,591
Finance expenses	-5,877	-28	-7,813	-48	-1,354
Profit (loss) before tax	-5,633	-1,394	-5,496	-1,709	-431,222
Tax	0	0	0	0	0
Profit (loss) for the period	-5,633	-1,394	-5,496	-1,709	-431,222
Profit (loss) is attributable to:					
Owners of GomSpace Group AB	-5,633	-1,394	-5,496	-1,709	-431,222
	-5,633	-1,394	-5,496	-1,709	-431,222
Comprehensive income					
Profit (loss) for the period	-5,633	-1,394	-5,496	-1,709	-431,222
Total comprehensive income for the period	-5,633	-1,394	-5,496	-1,709	-431,222

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments

Parent Company Financial Position

T.SEK	Note	30 Jun		31 Dec
		2023	2022	2022
ASSETS				
GomSpace A/S		160,141	348,166	160,141
GomSpace Sweden AB	5	0	36,509	0
GomSpace Orbital ApS		0	0	0
GomSpace Luxembourg S.à r.l.		20,320	35,911	20,320
GomSpace Asia PTE Ltd		2,142	2,142	2,142
GomSpace North America LLC		1,105	1,105	1,105
GomSpace France SAS		105	105	105
Investments in subsidiaries		183,813	423,938	183,813
Total non-current assets		183,813	423,938	183,813
Receivables from subsidiaries		27,331	121,681	10,193
Tax receivable		86	81	55
Other prepayments		488	1,211	932
Other receivables		2	940	31
Receivables		27,906	123,913	11,211
Cash and cash equivalents		45,662	36,621	16,100
Total current assets		73,568	160,534	27,311
Total assets		257,382	584,472	211,124
EQUITY AND LIABILITIES				
Share capital		9,847	4,391	4,391
Share premium		765,911	673,218	673,217
Retained earnings		-528,264	-94,139	-522,768
Total equity		247,493	583,470	154,840
Current part of non-current liabilities		156	0	52,930
Payables to subsidiaries		6,837	0	0
Trade payables and other payables		2,678	579	2,844
Other liabilities		217	423	510
Total current liabilities		9,889	1,002	56,284
Total liabilities		9,889	1,002	56,284
Total equity and liabilities		257,382	584,472	211,124

Notes without reference

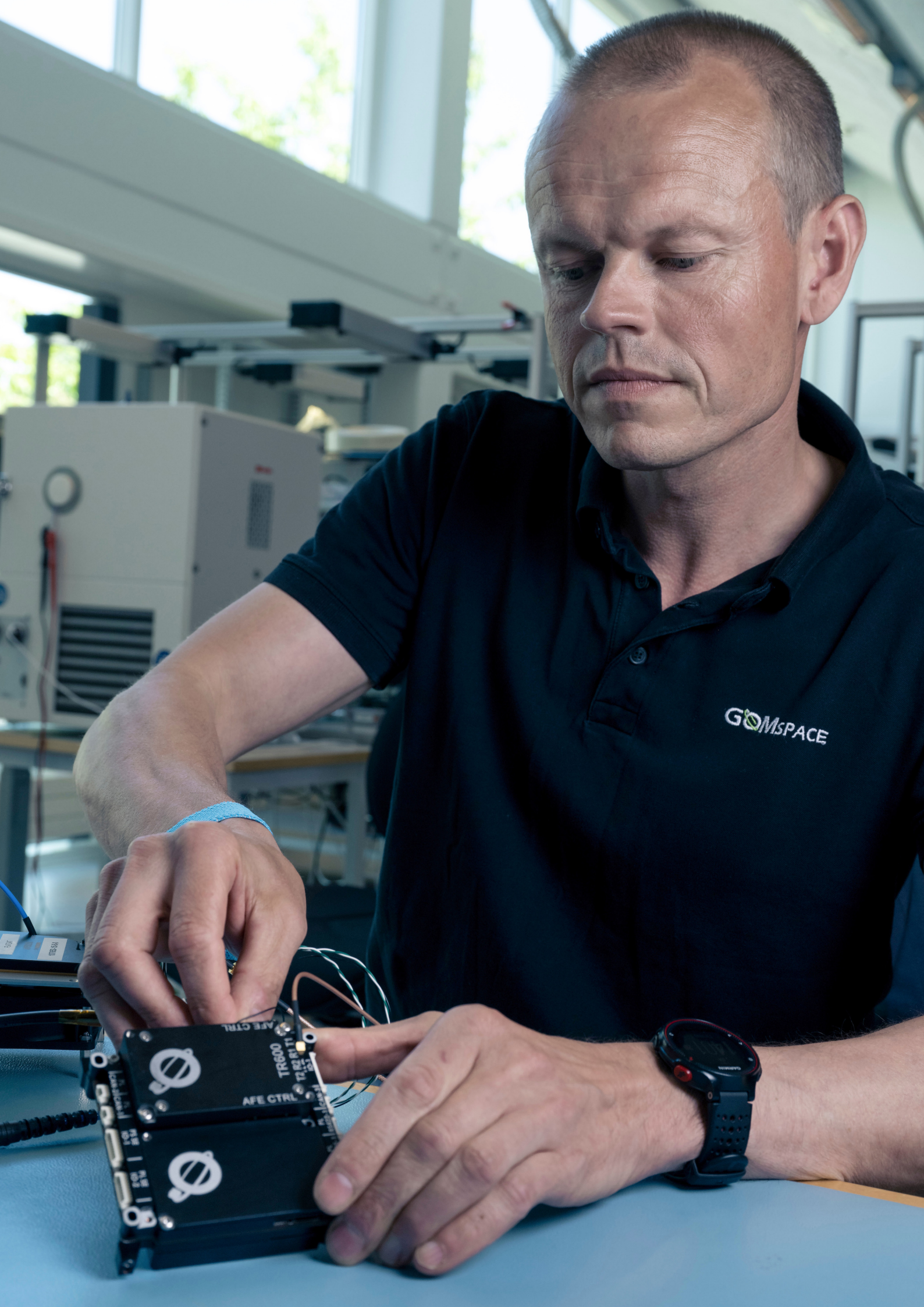
1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments

Parent Company Changes in Equity

T.SEK	Share capital	Share premium	Retained earnings	Total equity
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	-6,925	0	-6,925
Total comprehensive income for the period	731	94,906	-1,709	93,928
Equity 30.06.2022	4,391	673,217	-94,139	583,469
Equity 01.07.2022	4,391	673,217	-94,139	583,469
Total comprehensive income for the period	0	0	-429,513	-429,513
Fair value adjustment, convertible loan	0	0	884	884
Total comprehensive income for the period	0	0	-428,629	-428,629
Equity 31.12.2022	4,391	673,217	-522,768	154,840
Equity 01.01.2023	4,391	673,217	-522,768	154,840
Total comprehensive income for the period	0	0	-5,496	-5,496
Increase in share capital	5,456	95,865	0	101,321
Increase in share capital, costs	0	-3,172	0	-3,172
Total comprehensive income for the period	5,456	92,694	-5,496	92,653
Equity 30.06.2023	9,847	765,911	-528,264	247,493

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments



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Notes

Accounting policies

Basis of preparation

The interim consolidated financial statements for the second quarter of 2023 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 2022. Any changes from the Annual Report 2022 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.
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	Q2		H1		Full year
	2023	2022	2023	2022	2022
Gross profit	-15,209	3,308	-5,891	28,628	-51,119
Net revenue	50,275	51,253	128,425	129,618	198,379
Gross margin	-30%	6%	-5%	22%	-26%
Operating profit (EBIT)	-36,114	-31,281	-50,192	-27,115	-231,995
Net revenue	50,275	51,253	128,425	129,618	198,379
Operating (EBIT) margin	-72%	-61%	-39%	-21%	-117%
Profit (loss) for the year	-35,031	-28,522	-49,410	-25,102	-227,824
Net revenue	50,275	51,253	128,425	129,618	198,379
Net margin	-70%	-56%	-38%	-19%	-115%
Profit (loss) for the year LTM	-250,661	-28,681	-28,681	-28,681	-227,824
Total Assets	379,678	454,710	379,678	454,710	454,710
Return on invested capital LTM	-66%	-6%	-8%	-6%	-50%
Profit (loss) for the year LTM	-250,661	-28,681	-28,681	-28,681	-227,824
Average equity LTM	229,566	264,055	229,566	264,055	164,844
Return on equity LTM	-109%	-11%	-12%	-11%	-138%
Equity	156,755	302,377	104,798	302,377	104,798
Total Assets	379,678	454,710	334,172	454,710	334,172
Equity ratio	41%	66%	31%	66%	31%
Profit (loss) for the year	-35,031	-28,522	-49,410	-25,102	-227,824
Number of outstanding shares basic and diluted, average	60,547	62,730	60,547	58,315	60,547
Earnings per share, basic, SEK	-0.58	-0.45	-0.82	-0.43	-3.76
Profit (loss) for the year	-35,031	-28,522	-49,410	-25,102	-227,824
Number of outstanding shares diluted, average	60,547	62,730	60,547	58,315	60,547
Earnings per share, diluted, SEK	-0.58	-0.45	-0.82	-0.43	-3.76
Inventories	68,836	38,072	46,162	4,266	46,162
Contract work	41,907	65,915	29,264	28,237	29,264
Trade receivables	29,358	32,349	19,954	13,933	19,954
Other prepayments	5,339	5,458	4,033	656	4,033
Other receivables	9,545	6,943	5,290	6,686	5,290
Trade payables and other payables	-38,834	-18,552	-27,757	-29,565	-27,757
Contract work	-32,691	-41,855	-51,458	-5,089	-51,458
Prepayments	-1,985	-1,740	-2,261	-1,627	-2,261
Other liabilities	-34,917	-20,522	-29,351	-7,053	-29,351
Net working capital	46,558	66,068	-6,124	10,444	-6,124

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 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2023 but do not have an impact on 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 the presentation, recognition, and measurement of the Group's assets and liabilities.

The accounting estimates and judgments are the same in the interim condensed consolidated financial statements, as described in note 3 of the annual consolidated financial statements of 2022.

3. Revenue

T.SEK	Business areas				
	Academia	Commercial	Defence	Science	Total
Jan-Jun 2023					
Geographical					
Sweden		587			587
Denmark	0	1,103	0	0	1,103
Europe (excluding Sweden and Denmark)	1,712	47,790	242	61,728	111,472
USA	4,212	5,751	0	63	10,026
Asia	1,690	903	0	542	3,135
Rest of the world	432	-19	1,659	0	2,072
	8,046	56,115	1,901	62,333	128,395
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 2023					
Major goods/service lines					
Revenue from satellite solutions (over time)	1,123	35,891	1,679	61,851	100,544
Revenue from platforms, payloads and, subsystems (over time)	6,923	20,224	222	482	27,851
	8,046	56,115	1,901	62,333	128,395
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 2023					
Order book					
Order backlog 1 January 2023	6,771	88,917	6,385	306,583	408,656
Currency adjustment	195	4,170	352	7,466	12,184
Order intake	3,713	32,141	886	16,648	53,388
Canceled orders	0	0	0	-215,030	-215,030
Converted to revenue	-8,046	-56,114	-1,901	-62,333	-128,394
Order backlog 30 June 2023	2,633	69,114	5,722	53,334	130,804
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
Cancelled 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

4. Depreciation, amortisations and impairments

T.DKK	Q2		H1	
	2023	2022	2023	2022
Costs of goods sold	29,996	2,909	34,913	7,177
Sales and distribution costs	341	197	813	353
Development costs	5,615	3,143	6,973	4,847
Administrative costs	776	1,700	1,500	3,550
Total depreciation, amortisations and impairments	36,728	7,949	44,199	15,927

The cost of goods sold and development costs are negatively affected by a write-down of development projects T.SEK 32,083 due to the impairment test performed. The impairment relates to development of some intangible assets under construction. During the course of the projects, there has been an increased uncertainty regarding the business case and hence management has decided not to pursue finalization.

5. Share-based payment

The Board of Directors of GomSpace Group AB (parent company of GomSpace A/S) obtained approval to implement a share-based incentive program (equity-settled share-based payment transactions) in the form of a warrant scheme offered to all Danish and Swedish employees of the group. The warrants give participants the right to purchase newly issued shares in GomSpace Group AB.

In Q2 2023 a total of 648,000 warrants were approved and granted to the CEO and CFO of GomSpace A/S. On 31 May 2023 GomSpace Group AB granted the warrants. The share-based payment transaction is accounted for as an equity-settled share-based payment scheme in GomSpace A/S. The warrants vest in five equal annual instalments commencing on the 1 June 2024, with the final instalment vesting on 1 June 2028. The warrants can be exercised within certain exercise windows between 1 June 2024 and 31 December 2028. Vesting of the warrants will be conditional upon the continued employment of the participants.

In the consolidated financial statements of the Group, the cost is recognised in employee benefits expense, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the income statement for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

The financial statements of GomSpace Group AB, as principal to the share-based payment transaction, will recognise an increase in the cost of investment in the subsidiary receiving the employment services, representing a capital contribution based on the share-based payment charge over the vesting period.

A management recharge based on the grant date fair value of the warrants is accrued over the vesting period of the share-based payment. The accrued recharge is credited against the cost of investment (a return of capital contribution), up to the amount of the original capital contribution, with any excess recharge being recognised in the income statement.

The total expense recognised in the income statement for the year related to the warrant schemes was T.SEK 8.

The fair value of the warrants has been calculated using the Black-Scholes option-pricing model. Key inputs in the valuation model include:

	Warrant program (2023/2028)
Expected future dividend (SEK per share)	0
Volatility	74%
Risk free interest rate	3,3%
Life of warrant	67 months
Share price at grant date (SEK per share)	1,4
Exercise price (SEK per share)	2,7
Fair value at grant date (SEK per warrant)	0,7
Outstanding warrants 30 June 2023	648,000

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

Set out below are the summary movements in warrants during the year. There are currently no exercisable warrants.

	No. warrants 2023
Outstanding at 1 January	0
Granted	648,000
Forfeited	0
Exercised	0
Expired	0
Outstanding at 30 June	648,000
Exercisable at 30 June	0

The value of the granted warrants per 30 June 2023 constitutes T.SEK 8.

Please refer to minutes from AGM on 31 May 2023 for further information about the warrant program (https://gomspace.com/UserFiles/Minutes_AGM_GomSpace_31_May_2023.pdf).

Financial Calendar

Interim report July-October 2023

21 November 2023

COMPANY INFORMATION

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Ernst & Young AB

CERTIFIED ADVISOR

FNCA Sweden AB

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 2023 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 August 2023

Executive Board

Carsten Drachmann
CEO

Jukka Pekka Pertola
Chairman

Stefan Gardefjord

Henrik Kølle

Steen Lorenz Johan Hansen

Nikolaj Wendelboe

Kenn Herskind

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

