

GOMSPACE

1 OCTOBER – 31 DECEMBER 2020
AND 1 JANUARY – 31 DECEMBER 2020

FOURTH QUARTER OF 2020

- Order intake decreased to T.SEK 73,441 (89,347)
- Net revenues increased to T.SEK 72,256 (38,406)
- Gross margin increased to 33% (10%)
- Operating profit (loss) improved to T.SEK 310 (a negative 16,628)
- Earnings per share were a negative SEK 0.08 (a negative 0.78)

FULL YEAR OF 2020

- Order intake increased to T.SEK 270,703 (192,354)
- Net revenues increased to T.SEK 194,576 (136,263)
- Gross margin increased to 24% (13%)
- Operating profit (loss) improved to a negative T.SEK 30,261 (a negative 113,856)
- Earnings per share were a negative SEK 0.83 (a negative 2.90)
- The Board proposes no dividend for 2020

OUTLOOK FOR 2021

- In 2021, we expect to generate between SEK 210-235 million in revenue.

EVENTS

- GomSpace and Colombian Air Force signed a contract to initiate the FACSAT-2 satellite mission and associated intensive virtual technology transfer program and a contract to the second FACSAT-2 contract to support advanced science and technology activities to enhance the satellite capabilities of the Colombian Airforce. Value of both orders are T.SEK 11,556
- GomSpace wins significant product order in North America in the geo-intelligence industry to deliver software-defined radio modules and antenna systems. The contract value is T.SEK 5,697
- Jens Maaløe becomes chairman of GomSpace, and Jukka Pertola will continue as the Vice-Chair

FINANCIAL SUMMARY

T.SEK	Q4			Full year		
	2020	2019	▲%	2020	2019	▲%
Orders received	73,441	89,347	-18%	270,703	192,354	41%
Net revenue	72,256	38,406	88%	194,576	136,263	43%
Gross profit	23,793	3,765	532%	47,646	17,994	165%
Gross margin	33%	10%	23 pp.	24%	13%	11 pp.
Operating profit (loss)	310	-16,628	102%	-30,261	-113,856	73%
- As a percentage of revenues	0%	-43%	43 pp.	-16%	-84%	68 pp.
Profit (loss) before tax	-4,631	-46,111	90%	-47,659	-146,531	67%
- As a percentage of revenues	-6%	-120%	114 pp.	-24%	-108%	84 pp.
Profit (loss) for the period	-4,276	-40,597	89%	-43,566	-151,663	71%
- As a percentage of revenues	-6%	-106%	100 pp.	-22%	-111%	89 pp.
Cost of goods sold	48,463	34,641	40%	146,930	118,269	24%
- As a percentage of revenues	67%	90%	-23 pp.	76%	87%	-11 pp.
Sales and distribution costs	8,398	4,393	91%	28,640	43,789	-35%
- As a percentage of revenues	12%	11%	1 pp.	15%	32%	-17 pp.
Development costs	5,833	3,115	87%	20,387	40,635	-50%
- As a percentage of revenues	8%	8%	0 pp.	10%	30%	-20 pp.
Administrative costs	9,718	10,195	-5%	30,875	45,030	-31%
- As a percentage of revenues	13%	27%	-14 pp.	16%	33%	-17 pp.
Balance sheet items						
Intangible assets				117,603	120,554	-2%
Property, plant and equipment				65,044	85,603	-24%
Working capital				10,682	-20,522	-152%
Net cash and cash equivalents				135,502	127,160	7%
Equity				247,421	295,682	-16%
Liabilities				155,627	141,071	10%



Comments from

Niels Buus

CEO

In the fourth quarter, we broke our own record. The revenue increased by 88% compared to last year, i.e., from SEK 38 to 72 million this year.

For the year, revenue has increased by 43%, from SEK 136 to 195 million. The cash flow from primary operating activities has increased from SEK -96 to 41 million, and the cash position has increased by SEK 9 million from SEK 127 to 136 million.

In 2018, we set the goal of achieving positive cash flow from the primary operation without raising additional capital. This goal has now been met.

I am very proud that everybody in GomSpace has taken on the challenge and has significantly contributed to bring us in a healthier financial position than ever.

However, we are all aware that we still have significant challenges ahead of us: The first and most important objective is to maintain and improve operating profit. This should be implemented through the continued development of an efficient and scalable operation of the company as well as a continued growth of the top line.

The continued growth will be based on the technology developed in collaboration with European Space Agency (ESA). In one of the projects, we are developing a 12U nanosatellite that will enable us to make solutions for the growing demand for low earth orbit (LEO) communication, tracking, and identification for professional customers.

To increase the margins, we will invest in standardized nanosatellite platforms that will be more efficient to produce.

In 2021, we will continue our growth and expect to reach a revenue between SEK 210 and 235 million.

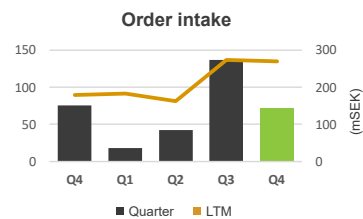
We look forward to continuing our journey in 2021.

A handwritten signature in blue ink, appearing to read 'Niels Buus'. The signature is stylized and fluid.

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	-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
Order backlog 30 September 2020	3,249	26,938	18,468	161,809	210,464
Currency adjustment of orders	69	4,478	-2,709	-3,772	-1,934
Order intake	3,691	21,398	14,992	33,360	73,441
Canceled orders	0	0	0	-134	-134
Converted to revenue	-4,680	-22,057	-5,193	-40,326	-72,256
Order backlog 31 December 2020	2,329	30,757	25,558	150,937	209,581



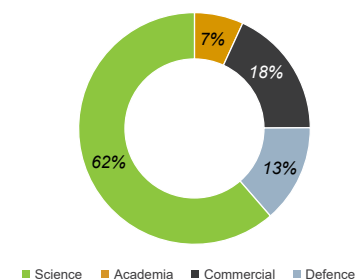
Order intake and backlog

The orders received for Q4 2020 decreased with 18% to T.SEK 73,441 (89,347). The orders received for 2020 increased with 41% to T.SEK 270,703 (192,354). The order backlog increased with 37% to T.SEK 209,581 (152,740).

Orders in the Commercial and Defence business areas have increased, and we still receive significant orders in the Science business area. We have signed contracts with the European Space Agency (T.SEK 27,912), Colombian Air Force (T.SEK 11,556), and a significant software-defined radio modules and antenna systems order in North America (T.SEK 5,697).

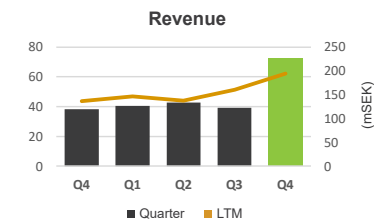
72% (57%) of the backlog orders are in the Science business area, which provides stability and assurance regarding converting backlog into revenue. Our expectation for 2021 is to generate between SEK 210-235 million in revenue from order intake and backlog.

Order intake Jan-Dec 2020 split per business segment



Revenue and operating profit (loss)

Revenue increased 88% to T.SEK 72,256 in Q4 2020 (38,406). The revenue for 2020 increased to T.SEK 194,576 (136,263). In Q4 2020, satellite solutions' sales increased 129% to T.SEK 54,263 (23,656), and the sales of platforms, payloads, and subsystems increased 23% to T.SEK 17,993 (14,631). The increase in revenue is mainly due to satellite solutions' sales impacted by progress from subcontractors. Secondly, the performance in Manufacturing is increased.

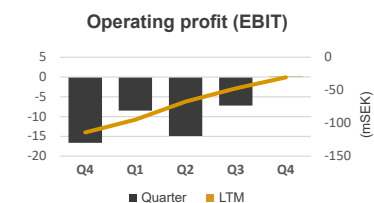


The largest customer in Q4 2020 was the European Space Agency (ESA), with a revenue share of 52% of the total revenue. For 2020, the ESA share is 40%.

In Q4 2020, revenue related to new customers represented 11% compared to 15% of revenue in Q4 2019. In 2020, revenue related to new customers represented 17% compared to 10% in 2019.

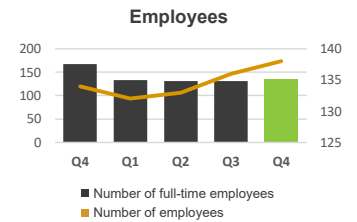
The gross margin in Q4 2020 was 33% (10%). In 2020, the gross margin was 24% (13%). In Q4 2020, the gross margin is positively affected by increased sales of platforms, payloads, and subsystems with a higher margin than satellite solutions sales and a re-evaluation of inventory components of T.SEK 3,935.

Operating profit (loss) improved 102% to T.SEK 310 in Q4 2020 (a negative 16,628). The improvement is mainly a result of our increased and continued focus on reducing costs. We keep a higher level of capacity utilization, spending more hours on customer projects. Sales and distribution costs are positively affected by a reversal of loss provision at an amount of T.SEK 513 (T.SEK 1,724).



THE GROUP

Employees	Q4 2019		Q1 2020		Q2 2020		Q3 2020		Q4 2020	
Technology	82	61%	80	61%	78	59%	82	60%	85	62%
Manufacturing	30	22%	30	23%	31	23%	31	23%	31	22%
Sales and distribution	11	8%	11	8%	12	9%	12	9%	11	8%
Administration	11	8%	11	8%	12	9%	11	8%	11	8%
Number of employees	134	100%	132	100%	133	100%	136	100%	138	100%
Number of average-full-time employees	168		133		131		131		134	



The number of employees in Q4 2020 was 138 (134). This corresponds to 134 (168) full-time employees in 2020.

Cash flow

Cash from operating activities in Q4 2020 increased T.SEK 9,433, from T.SEK -11,649 to T.SEK -2,216.

Working capital was negatively affected with T.SEK 3,993 (3,650) from trade payables, T.SEK 4,814 from contract work (a positive 11,045), and T.SEK 2,583 (a positive 1,375) from inventories. In Q4 2020 we paid the settlement payment to Aerial & Maritime of T.SEK 16,786.

In 2020, Cash from operating activities was positively affected by governmental postponed payroll taxes at an amount of T.SEK 8,114 related to Covid-19.

Cash and cash equivalents at the end of Q4 2020 were T.SEK 135,502 (127,160).

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.

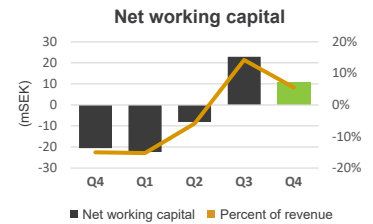
Regarding the COVID-19 pandemic, the Group's customers are not significantly affected by the COVID-19 pandemic.

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 2020. As a result of this review, the Group record a credit loss of T.SEK 3,411 in 2020.

Parent Company and ownership

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 31 December 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	Q4		Full year	
	2020	2019	2020	2019
KEY FIGURES				
Net revenue	72,256	38,406	194,576	136,263
Gross profit	23,793	3,765	47,646	17,994
Operating profit (loss)	310	-16,628	-30,261	-113,856
Share of profit from associates	-44	-23,820	-9,029	-25,967
Net financial items	-4,897	-5,663	-8,369	-6,708
Profit (loss) before tax	-4,631	-46,111	-47,659	-146,531
Profit (loss) for the period	-4,276	-40,597	-43,566	-151,663
Investments in PPE	747	195	900	6,953
Total assets	403,048	436,753	403,048	436,753
Equity	247,421	295,682	247,421	295,682
Total liabilities	155,627	141,071	155,627	141,071
RATIOS				
Gross margin (%)	33%	10%	24%	13%
Operating margin (%)	0%	-43%	-16%	-84%
Net margin (%)	-6%	-106%	-22%	-111%
Return on invested capital (%)	-1%	-9%	-11%	-35%
Return on equity (%)	-2%	-13%	-16%	-41%
Equity ratio (%)	61%	68%	61%	68%
Earnings per share, basic, SEK	-0.08	-0.78	-0.83	-2.90
Earnings per share, diluted, SEK	-0.08	-0.78	-0.83	-2.90
Number of outstanding shares basic, average	52,274,803	52,274,803	52,274,803	52,274,803
Number of outstanding shares of 31 December 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	Q4		Full year	
		2020	2019	2020	2019
Net revenue	3	72,256	38,406	194,576	136,263
Cost of goods sold		-48,463	-34,641	-146,930	-118,269
Gross profit		23,793	3,765	47,646	17,994
Sales and distribution costs		-8,398	-4,393	-28,640	-43,789
Development costs		-5,833	-3,115	-20,387	-40,635
Administrative costs		-9,718	-10,195	-30,875	-45,030
Other operating income		466	9	1,995	303
Other operating costs		0	-2,699	0	-2,699
Operating profit (loss)		310	-16,628	-30,261	-113,856
Share of profit from associates		-44	-23,820	-9,029	-25,967
Finance income		275	-2,298	1,771	485
Finance expenses		-5,172	-3,365	-10,140	-7,193
Profit (loss) before tax		-4,631	-46,111	-47,659	-146,531
Tax		355	5,514	4,093	-5,132
Profit (loss) for the period		-4,276	-40,597	-43,566	-151,663
Profit (loss) is attributable to:					
Owners of GomSpace Group AB		-4,276	-40,597	-43,566	-151,663
		-4,276	-40,597	-43,566	-151,663
Consolidated Comprehensive Income					
Profit (loss) for the period		-4,276	-40,597	-43,566	-151,663
Items which may be reclassified to the income statement:					
Foreign exchange rate adjustments		-4,666	-3,475	-5,188	3,527
Other comprehensive income for the period, net of tax		-4,666	-3,475	-5,188	3,527
Total comprehensive income for the period		-8,942	-44,072	-48,754	-148,136
Total comprehensive income for the period is attributable to:					
Owners of GomSpace Group AB		-8,942	-44,072	-48,754	-148,136
		-8,942	-44,072	-48,754	-148,136
Earnings per share, basic, SEK		-0.08	-0.78	-0.83	-2.90
Earnings per share, diluted, SEK		-0.08	-0.78	-0.83	-2.90
Number of outstanding shares basic, average		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

Consolidated Financial Position

	31 Dec	31 Dec
T.SEK	2020	2019
ASSETS		
Goodwill	3,710	3,710
Technology	8,600	9,400
Completed development projects	26,029	25,761
In-process development projects	73,641	71,857
Other intangible assets	5,623	9,826
Intangible assets	117,603	120,554
Property, plant, and equipment	22,388	31,062
Right-of-use assets	42,656	54,541
Property, plant, and equipment	65,044	85,603
Investments in associates	0	11,672
Deferred tax	1,541	1,173
Other non-current assets	4,069	4,071
Non-current assets	5,610	5,244
Total non-current assets	188,257	223,073
Raw materials and consumables	26,449	24,133
Inventories	26,449	24,133
Contract work	19,643	13,087
Trade receivables	21,729	37,212
Tax receivable	5,052	6,588
Other prepayments	2,348	4,125
Other receivables	4,068	1,375
Receivables	52,840	62,387
Cash and cash equivalents	135,502	127,160
Total current assets	214,791	213,680
Total assets	403,048	436,753

	31 Dec	31 Dec
T.SEK	2020	2019
EQUITY AND LIABILITIES		
Share capital	3,660	3,660
Share premium	581,599	581,599
Translation reserve	2,583	7,771
Retained earnings	-340,421	-297,348
Total equity	247,421	295,682
Credit institutions	14,264	14,874
Lease liabilities	31,745	43,956
Other liabilities	7,591	2,933
Total non-current liabilities	53,600	61,763
Current portion of non-current liabilities	15,921	19,735
Trade payables and other payables	22,180	9,621
Contract work	44,223	29,156
Prepayments	1,820	4,132
Corporation tax	1,187	163
Other liabilities	16,696	16,501
Total current liabilities	102,027	79,308
Total liabilities	155,627	141,071
Total equity and liabilities	403,048	436,753

Consolidated Changes in Equity

T.SEK	Share capital	Share premium	Translation reserve	Retained earnings	Total equity
Equity 01.01.2019	3,660	581,652	4,244	-147,713	441,843
Total comprehensive income for the period	0	0	3,527	-151,663	-148,136
Total comprehensive income for the period	0	0	3,527	-151,663	-148,136
Transactions with owners in their capacity as owners					
Increase in share capital, costs	0	-53	0	0	-53
Share-based payments	0	0	0	2,028	2,028
	0	-53	0	2,028	1,975
Equity 31.12.2019	3,660	581,599	7,771	-297,348	295,682
Equity 01.01.2020	3,660	581,599	7,771	-297,348	295,682
Total comprehensive income for the period	0	0	-5,188	-43,566	-48,754
Total comprehensive income for the period	0	0	-5,188	-43,566	-48,754
Transactions with owners in their capacity as owners					
Share-based payments	0	0	0	493	493
	0	0	0	493	493
Equity 31.12.2020	3,660	581,599	2,583	-340,421	247,421

Consolidated Cash Flow

T.SEK	Q4		Full year	
	2020	2019	2020	2019
Profit (loss) before tax	-4,631	-46,111	-47,659	-146,531
Reversal of financial items	4,896	5,664	8,369	6,708
Depreciation and amortizations	8,501	8,307	33,650	32,091
The result after tax from associates	44	23,820	9,029	25,967
Non-cash items	-2,089	12,781	2,640	20,589
Changes in inventories	-3,558	-17,115	-3,158	-11,372
Changes in trade receivables	-2,116	-35,943	13,131	3,081
Changes in other receivables	-4,497	5,709	-8,326	22,663
Changes in trade and other payables	2,161	24,751	33,136	-48,992
Cash flow from primary operating activities	-1,289	-18,137	40,812	-95,796
Received interest financials	247	10	248	11
Paid interest financials cost	-1,228	-1,325	-3,813	-4,554
Tax received	153	7,800	6,598	7,949
Tax paid	-99	3	-401	-237
Cash flow from operating activities	-2,216	-11,649	43,444	-92,627
Investments in intangible assets (before grants)	-7,002	-9,081	-23,886	-31,513
Investments in leasehold improvement, plant, and equipment	-747	195	-900	-6,953
Deposit paid	1	85	-139	-191
Government grants	-236	248	8,263	5,979
Cash flow from investing activities	-7,984	-8,553	-16,662	-32,678
<i>Financing from debt:</i>				
Borrowings	-430	2,978	6,124	2,978
Repayment of borrowings	866	-2,512	-5,101	-9,002
Payment of lease liabilities	-3,048	-2,753	-11,029	-10,441
	-2,612	-2,287	-10,006	-16,465
<i>Financing from shareholders:</i>				
The capital increase costs	0	0	0	-53
	0	0	0	-53
Cash flow from financing activities	-2,612	-2,287	-10,006	-16,518
Net cash flow for the period	-12,812	-22,489	16,776	-141,823
Cash and cash equivalents, beginning of the period	134,385	34,038	106,227	248,754
Unrealized exchange rate gains and losses on cash	-5,459	-688	-8,434	-434
Change in bank deposit for security	17,494	95,366	19,039	-270
Cash and cash equivalents, end of the period	133,608	106,227	133,608	34,038
<i>Reconciliation of cash and cash equivalents</i>				
Cash and cash equivalents according to the balance sheet	135,502	127,160	135,502	127,160
Bank deposit	-1,894	-20,933	-1,894	-20,933
Cash and cash equivalents according to the cash flow statement	133,608	106,227	133,608	106,227

Parent Company Income

T.SEK	Q4		Full year	
	2020	2019	2020	2019
Net revenue	6,460	6,328	25,841	25,676
Gross profit	6,460	6,328	25,841	25,676
Administrative costs	-7,763	-8,219	-32,378	-33,338
Operating profit (loss)	-1,303	-1,891	-6,537	-7,662
Share of profit from associates	0	-12,442	-11,673	-12,442
Impairment of investment in subsidiaries	0	0	-31,064	0
Finance income	893	641	2,421	2,466
Finance expenses	-331	-230	-834	-345
Profit (loss) before tax	-741	-13,922	-47,687	-17,983
Tax	0	-2,228	0	-3,520
Profit (loss) for the period	-741	-16,150	-47,687	-21,503
Profit (loss) is attributable to:				
Owners of GomSpace Group AB	-741	-16,150	-47,687	-21,503
	-741	-16,150	-47,687	-21,503
Comprehensive Income				
Profit (loss) for the period	-741	-16,150	-47,687	-21,503
Items which may be reclassified to the income statement:				
Other comprehensive income for the period, net of tax	0	0	0	0
Total comprehensive income for the period	-741	-16,150	-47,687	-21,503

Parent Company Financial Position

T.SEK	31 Dec	31 Dec
	2020	2019
ASSETS		
GomSpace A/S	348,166	245,846
GomSpace Sweden AB	28,057	45,056
GomSpace Orbital ApS	0	65
GomSpace Luxembourg S.A.R.L.	10,478	10,478
GomSpace Asia Pte. Ltd.	2,142	2,142
GomSpace North America LLC	1,105	1,105
Investments in subsidiaries	389,948	304,692
Aerial & Maritime Ltd.	0	11,673
Investments in associates	0	11,673
Fixed asset investments	389,948	316,365
Total non-current assets	389,948	316,365
Receivables from subsidiaries	107,092	133,009
Trade receivables from associates	0	39
Tax receivable	85	39
Other prepayments	322	434
Other receivables	1	108
Receivables	107,500	133,629
Cash and cash equivalents	17,663	112,508
Total current assets	125,163	246,137
Total assets	515,111	562,502
EQUITY AND LIABILITIES		
Share capital	3,660	3,660
Share premium	578,311	578,311
Retained earnings	-68,047	-20,853
Total equity	513,924	561,118
Trade payables and other payables	714	1,049
Other liabilities	473	335
Total current liabilities	1,187	1,384
Total liabilities	1,187	1,384
Total equity and liabilities	515,111	562,502

Parent Company Changes in Equity

T.SEK	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.2019	3,660	578,364	-1,378	580,646
Total comprehensive income for the period	0	0	-21,503	-21,503
Increase in share capital, costs	0	-53	0	-53
Share-based payments	0	0	2,028	2,028
Total comprehensive income for the period	0	-53	-19,475	-19,528
Equity 31.12.2019	3,660	578,311	-20,853	561,118
Equity 01.01.2020	3,660	578,311	-20,853	561,118
Total comprehensive income for the period	0	0	47,687	-47,687
Share-based payments	0	0	493	493
Total comprehensive income for the period	0	0	-47,194	-47,194
Equity 31.12.2020	3,660	578,311	-68,047	513,924

Notes

1. Accounting policies

Basis of preparation

The interim consolidated financial statements for the fourth 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 at 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 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 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.

Regarding the COVID-19 pandemic, the Group's customers are not significantly affected by the COVID-19 pandemic.

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 2020. As a result of this review, the Group record a credit loss of T.SEK 3,411 in 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
Jan-Dec 2020					
Geographical					
Sweden	-30	264	0	1,475	1,709
Denmark	0	1,977	0	1	1,978
Europe (excluding Sweden and Denmark)	1,248	36,622	5,576	79,159	122,605
USA	3,789	24,652	2,393	1,157	31,991
Asia	6,920	3,459	0	11,873	22,252
Rest of the world	1,793	11,144	1,100	4	14,041
	13,720	78,118	9,069	93,669	194,576
Jan-Dec 2019					
Geographical					
Sweden	207	1,797	0	1,303	3,307
Denmark	1,312	2,913	0	0	4,225
Europe (excluding Sweden and Denmark)	2,832	56,989	587	40,110	100,518
USA	2,015	5,361	2,014	254	9,644
Asia	2,263	4,376	0	5,966	12,605
Rest of the world	2,989	1,365	1,208	402	5,964
	11,618	72,801	3,809	48,035	136,263
Jan-Dec 2020					
Major goods/service lines					
Sales of satellite solutions (over time)	3,993	50,657	5,716	90,530	150,896
Sales of platforms, payloads and, subsystems (over time)	9,727	27,461	3,353	3,139	43,680
	13,720	78,118	9,069	93,669	194,576
Jan-Dec 2019					
Major goods/service lines					
Sales of satellite solutions (over time)	1,136	52,627	1,375	43,689	98,827
Sales of platforms, payloads, and subsystems (over time)	10,482	19,685	2,434	4,346	36,947
Other sales (point of time)	0	489	0	0	489
	11,618	72,801	3,809	48,035	136,263
Jan-Dec 2020					
Order book					
Order backlog 1 January 2020	1,229	63,990	1,025	86,496	152,740
Currency adjustment	-3,110	5,409	-2,850	-8,831	-9,382
Order intake	18,463	48,713	36,452	167,075	270,703
Canceled orders	-533	-9,237	0	-134	-9,904
Converted to revenue	-13,720	-78,118	-9,069	-93,669	-194,576
Order backlog 31 December 2020	2,329	30,757	25,558	150,937	209,581
Jan-Dec 2019					
Order book					
Order backlog 1 January 2019	3,281	685,374	1,866	24,881	715,402
Currency adjustment	640	16,708	-1,356	6,034	22,026
Order intake	10,111	72,732	4,324	105,187	192,354
Canceled orders	-1,186	-638,023	0	-1,570	-640,779
Converted to revenue	-11,618	-72,801	-3,809	-48,035	-136,263
Order backlog 31 December 2019	1,228	63,990	1,025	86,497	152,740

4. Impairment test

The Group performed an impairment test on 31 December 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 31 December 2020 (M.SEK 855), management assesses there is headroom between the recoverable amount and the carrying amount of goodwill, intangible and tangible assets as at 31 December 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 31 December 2020, similar to 31 December 2019.

Impairment test of investment 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 in Q3 2020.

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 9,029 (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 31 December 2020.

Financial Calendar

Annual report
Annual general meeting
Interim report, January-March 2021

Week 13 2021
23 April 2021
26 April 2021

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 at 31 December 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, 28 January 2021

Executive Board and Board of Directors

Niels Buus
CEO

Jens Maaløe
Chairman

Jukka Pekka Pertola

Niels Jesper Jespersen Jensen

Steen Lorenz Johan Hansen

Henrik Schibler

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

