

A photograph of a satellite in space, viewed from a low angle. The satellite is dark with several large, rectangular solar panels extending from its sides. It is suspended by two thin black cables. Below the satellite, the Earth's surface is visible, showing a mix of brown and tan landmasses and blue oceans. The horizon of the Earth is visible at the top of the frame, with a thin blue line representing the atmosphere.

# Interim Report

for 1 January – 31 March 2017

#### 1 JANUARY - 31 MARCH 2017 (2016)

- Net revenues increased to T.SEK 18,997 (11,003)
- Gross margin decreased to 46% (64%)
- Operating profit (loss) decreased to a negative T.SEK 10,257 (a positive 929)
- Earnings per share were a negative SEK 0.42 (a positive 0.69)
- GomSpace selected for the delivery of a constellation of satellites to Sky and Space Global (UK) Ltd

#### Subsequent events

- GomSpace makes a private placement at SEK 95 million through issuance of 1.75 million new shares

THE FIRST QUARTER INTERIM REPORT FOR GOMSPACE GROUP AB (PUBL). THE INFORMATION IN THIS INTERIM REPORT IS SUCH THAT GOMSPACE GROUP AB IS REQUIRED TO DISCLOSE IN ACCORDANCE WITH THE EU'S MARKET ABUSE REGULATION AND THE SWEDISH SECURITIES MARKET ACT.

THE INFORMATION WAS SUBMITTED FOR PUBLICATION ON MAY [31], 2017, [08.00] (CET).

N.B. THE ENGLISH TEXT IS AN UNOFFICIAL TRANSLATION AND IN THE CASE OF A DISCREPANCY BETWEEN THE SWEDISH TEXT AND THE ENGLISH TRANSLATION, THE SWEDISH TEXT SHALL PREVAIL.

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# Message from the CEO

GomSpace Group AB hereby presents its first quarter report for 2017 as a listed company on NASDAQ First North, premier, in Stockholm

The result for the period was a loss of T.SEK 10,272, in line with our expectation, and the growth in revenue was 73% which is also in line with our target. Gross margin was 46% which is slightly under our target.

Without the partial elimination of revenue from Aerial & Maritime Ltd. the growth in revenue would be 89% and gross margin 49%.

We are now in a phase where we, at a substantial level, invest in assets as well as in operations. The financials are very much influenced by this.

The basic conditions are however solid, because our order-book is very strong and it has in fact never been stronger in our history. At the same time, the future demand also looks promising.

Compared to the same period last year, we are nearly three times as many employees. We have invested, and we are investing, in new facilities and the level of product development is very high.

Building up the company at this high pace to ensure that we can follow the demand does put pressure on the financial results. The margin and the result will naturally be burdened by the costs related to onboarding our new employees on the customer projects and the development projects.

This situation was anticipated right from the beginning when we were listed at the stock exchange. Our financial situation continues to be solid. Our solidity is at 73% and it has been strengthened even further with the directed shares issue at SEK 95 million to a group of financial institutions just before Easter.

To be able to create a situation where we can scale the revenue quickly without increasing the cost level, GomSpace is now beginning to develop into an industrial manufacturer of nanosatellites.

The satellite business has up till now been characterized by building PROTOTYPES satellites and sending these satellites into space. With the development of the nanosatellite segment where it is going to be large constellations of many satellites forming the basis of the new types of services that nanosatellites can perform, it is going to be necessary to transform the way satellites are developed and manufactured.

Now we need to make the satellites as PRODUCTS. I.e. they need to be developed in such a way that they can be manufactured in high numbers and at a low cost.

As a standardized product, not as a one-off prototype.

As we will start manufacturing many satellites at an industrial scale, our profit margins will be improving along with the more efficient production methods.

Underlying GomSpace has a strong operating profit base that we are working from. If we had not invested at this level we would have been able to produce a good positive operating profit. We have however chosen to invest strongly in fulfilling the large demand in the market and to build a large company.

The relatively high investment level only makes sense as long as we can see a very large return in our investment. As soon as we reach a sustainable level of investment, we will start producing positive operating profit again.

Finally, we have from 27 April implemented an incentive program through issuance of warrants for the employees in GomSpace. It is important for us to strengthen the retention for all the brave and fantastic women and men from more than 10 countries, to help us building GomSpace Group.

With the best regards

A handwritten signature in blue ink, appearing to read 'Niels Buus', with a long horizontal flourish extending to the right.

Niels Buus  
CEO

# Significant Events during the period

## **Aerial & Maritime Ltd. and AISTECH Srl. enter into a mutual Data Service Agreement**

March 30, 2017 – Aerial & Maritime Ltd (“A&M”) an associated company of GomSpace Group AB (“GomSpace” or the “Company”) has entered into a mutual Data Service Agreement with the Spanish company AISTECH Srl. (“AISTECH”). The term of the agreement is 5 years and the first data delivery is expected in 2018. The total value of the agreement is depending on several options to be activated throughout the contractual period, such as different data packages and size of data, and will therefore range between a value of EUR 1 to 8 million for A&M and between EUR 1 to 4 million for AISTECH.

## **GomSpace enters into a research project with Aarhus University, Denmark**

March 22, 2017 – GomSpace ApS (“GomSpace”) a subsidiary of GomSpace Group AB (the “Company”) has entered into a joint research project agreement with Aarhus University, that will lead to the launch of Aarhus University’s first own satellite – AUSAT-1 within a 16-month period. The order value of approx. SEK 1,800,000 will be distributed over the term of the agreement.

## **GomSpace selected for the delivery of a constellation of satellites to Sky and Space Global (UK) Ltd**

February 28, 2017 – GomSpace ApS (“GomSpace”) a subsidiary of GomSpace Group AB (“the Company”) has been selected by and has entered into a procurement contract with the UK company Sky and Space Global (UK) Ltd. to develop and deliver a constellation of satellites within a 4 year period. The first delivery of satellites will be in 2018. The revenue will be distributed over the term of the agreement. The total value of this order is depending on several options including development, services and choice of satellites and will therefore range between approximately EUR 35.0 and 55.0 million.

## **North American space company places order with GomSpace for a 6U Nanosatellite Platform, to be used in their upcoming multi-band demoflight**

January 26, 2017 – GomSpace ApS – a subsidiary of GomSpace Group AB (the “Company”) has entered a contract of approximately SEK 1.5 million to deliver a 6U platform for an advanced Nanosatellite demonstrator to an undisclosed North American space company.

## **NanoSpace receives commercial order to supply components to TURKSAT 6A**

January 26, 2017 – NanoSpace AB – a subsidiary of GomSpace Group AB (“GomSpace” or the “Company”) – has received an order for Xenon flow control components from The Scientific and Technological Research Council of Turkey – Space Technologies Research Institute (“TUBITAK UZAY”) in Ankara. The Xenon flow control components will be used onboard the geosynchronous telecommunication satellite, TURKSAT 6A, that is scheduled for launch in 2020. The value of this order is in the range of SEK 1.7 to 2.5 million depending on optional items.

# Significant Events after the accounting period

## **SpaceQuest places order for two advanced nanosatellite platforms from GomSpace**

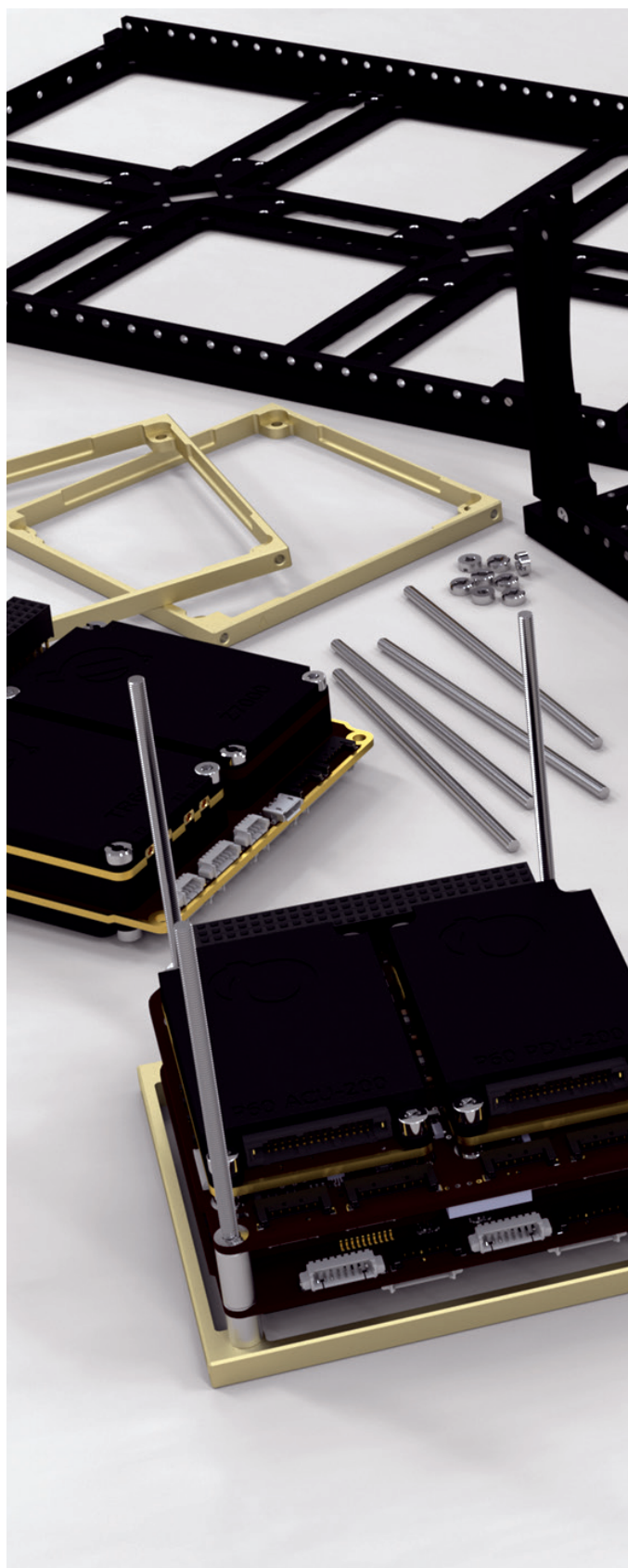
May 22, 2017 – GomSpace ApS ("GomSpace") a subsidiary of GomSpace Group AB (publ) (the "Company") has entered a delivery contract with the American company SpaceQuest, Ltd. SpaceQuest, one of the pioneers and leaders in microsatellite technologies and solutions, has placed an order with GomSpace for the delivery of two advanced 3U nanosatellite platforms, associated software and payload components for a total amount of USD 325,000.

## **GomSpace makes a private placement at SEK 95 million through issuance of 1.75 million new shares**

April 5, 2017 – The board of directors of GomSpace Group AB (the "Company" or "GomSpace"), parent company of GomSpace ApS, has, with support from an authorisation granted by the extraordinary general meeting held on April 28, 2016, and as indicated in the press release published on April 5, 2017, resolved to issue 1.75 million new shares at the price of SEK 54.5 per share. The price was established through a so called "accelerated book-building" procedure led by Carnegie Investment Bank AB (publ). The new share issue is directed to selected Swedish and international institutional investors.

## **GomSpace enters a delivery agreement with Spacety Co., Ltd.**

April 5, 2017 – GomSpace ApS ("GomSpace") a subsidiary of GomSpace Group AB (the "Company") has entered an agreement with Spacety Co., Ltd. (changsha). Spacety is the first Chinese commercial company to develop and deliver nanosatellite services. GomSpace will deliver the main components for a number of satellites, that in the coming years will grow to a small constellation of satellites. The order value of this initial agreement is between EUR 150,000 to EUR 200,000 and will be delivered this year. Spacety's satellites will be launched by the end of 2017.



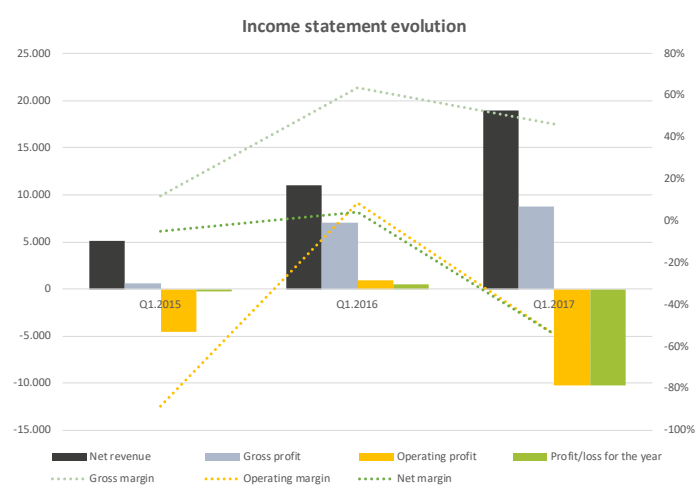
# Financial Performance in the first quarter of 2017 (2016)

## Financial Review

The Interim Report for 1 January – 31 March for GomSpace Group AB also includes the companies GomSpace ApS, GomSpace Orbital ApS as well as NanoSpace AB. Result for the period was a loss of T.SEK 10,272 (a profit of 481) and as at 31 March 2017 equity was T.SEK 135,135 (14,459).

The result after a growth in revenue at 73% is at level with our growth target, however, growth was actually higher during the period due to elimination of partial revenue from Aerial & Maritime Ltd. Gross margin at 46% is affected by the above elimination, though still slightly under our growth targets.

The operating loss was T.SEK 10,257 and the loss for the period was T.SEK 10,272.



## Revenue

1 JANUARY – 31 MARCH 2017 (2016)

Revenues for the first quarter of 2017 amounted to T.SEK 18,997 (11,003), corresponding to an increase of 73% compared with the same period in 2016. The revenue includes a correction, T.SEK 1,789, eliminating partial revenue from the associated entity, Aerial & Maritime.

Had the above adjustment not been carried out, the total underlying growth would have been 89%.

Furthermore, we re-estimated the stages of completion regarding selected customer projects and our review had a decreasing effect on revenue with T.SEK 3,821.

In the first quarter, sales to new customers represented 15% of revenues.

## Expenses

1 JANUARY - 31 MARCH 2017 (2016)

Operating expenses for the first quarter of 2017 amounted to T.SEK 29,254 (10,074), corresponding to an increase of 190%. Sales, distribution, development and administrative costs increased to T.SEK 19,014 (6,086), corresponding to an increase of 212%. Our sales and administrative costs have increased as expected according to our business plan, however costs for our development activities have increased significantly, primarily due to the onboarding of many new engineers in our development department.

## Profitability

1 JANUARY - 31 MARCH 2017 (2016)

In the first quarter 2017, gross profit amounted to T.SEK 8,757 (7,015), corresponding to an increase of 25% compared with the same period in 2016. In the first quarter 2017, the gross margin is 46% compared with the same period in 2016 when the gross margin was 64%. The impact of partial elimination is a decrease of T.SEK 1,789. The underlying gross margin without partial elimination is 49%.

The performance in the first quarter 2016 was extraordinarily high. This was primarily due to a supplement to a customer agreement. The gross margin was at an unusual high level. Furthermore, revenue recognition regarding sales of goods has changed from recognition point of time to percentage of completion. The reason why we change this is that we have undertaken an assessment of impact of the new IFRS 15 standard. This assessment concluded that the underlying conditions for delivering products is shifting towards customization and, therefore, in an accounting perspective should be recognized as contract work. The change had a minor positive effect on revenue in the first quarter of 2016, T.SEK 320. Because of the insignificant effect, the comparative figures have not been corrected.

In the first quarter 2017, operating loss amounted to T.SEK 10,257 (operating profit 929), corresponding to a decrease of 1,204% compared with the same period in 2016.

## Financial income and expenses

Net financial items for the first quarter had a negative effect on profit. Net financial items amounted to a negative T.SEK 673 (negative 309).

## Tax and deferred tax

The Parent Company GomSpace Group AB recognized a tax loss carry-forward at a total amount of T.SEK 1,972, the main part of this amount is from last year. There is a one time correction of T.SEK 2,700 in relation to a tax loss carry-forward in a subsidiary. GomSpace Group AB had an effective tax rate of a positive 7.8% (22.4%) in the first quarter.

# Financial Performance in the first quarter of 2017 (2016) (continued)

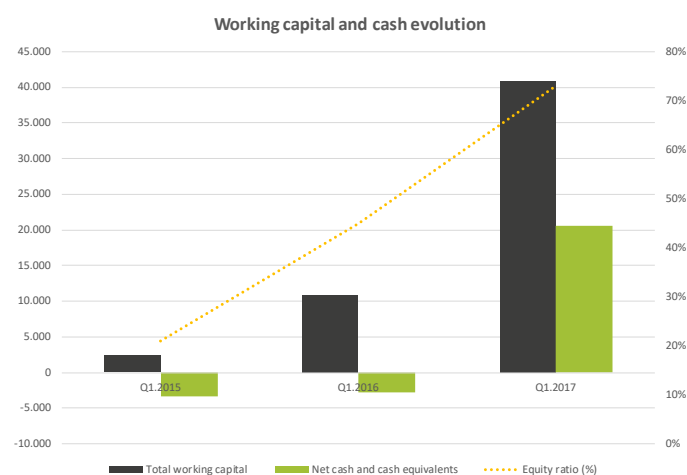
## Shareholder's equity

As at 31 March 2017, total shareholder's equity amounted to T.SEK 135,135 (14,459). During the period, there is a retail transaction cost in relation to the initial public offering of T.SEK 550. The Company has not issued any shares or received any proceeds during the period.

## Investments

1 JANUARY - 31 MARCH 2017 (2016)

Investments in intangible assets amounted to T.SEK 2,647 (1,402) in relation to in-house development. Investments in property, plant and equipment amounted to T.SEK 3,160 (234). Major investments were production equipment as well as computer equipment. During the first quarter of 2017 we made a deposit in relation to the new premises. The deposit was at an amount of T.SEK 3,358.



## Cash and cash equivalents, financing and financial position

1 JANUARY - 31 MARCH 2017 (2016)

Cash flow from operating activities amounted to a negative T.SEK 17,799 (a positive 4,157) during the first quarter. The increase in working capital is mainly due to the increase in trade receivables of which the main part relates to the associated company Aerial & Maritime Ltd.

Cash flow from investing activities was negative in an amount of T.SEK 29,072 (negative 1,636). The main part of the investment activities is related to cash contribution to the associated company Aerial & Maritime Ltd.

Cash and cash equivalents amounted to T.SEK 24,923 (2,723) at the end of the quarter. GomSpace Group AB's working capital totalled T.SEK 40,837 (10,906). The cash position is lower than expected due to funds being tied up in working capital. We still consider the general solvency of our customers to be at a high level.





# Market Development

In recent years, the nano- and micro-satellite technology has gained foothold in the satellite market and is expected to grow more than the conventional satellite market. Specifically, nanosatellites, or cube-satellites, are having a disruptive effect on the satellite market by lowering the barriers for enabling space-based applications. This, in turn, leads to the proliferation of the space economy and to innovation in new business models and areas benefiting from space-based assets.

This is exemplified with our recent order from Sky and Space Global (SSG) Ltd that will utilize our nanosatellite technology to deliver a new cost efficient communication service targeting emerging markets.

We see developments in the market's three phases:

**The first**, during which the use of nanosatellites was demonstrated, is now over.

**The second** is the phase in which defined global mission types are being demonstrated that can lead to specific services with large satellite constellations. This phase will always comprise an important phase in an investment in large constellations. At the current size of the nanosatellites market, these activities will continue to drive high near term growth in that market.

**The third** phase is the investment in full constellations, once proven through the activities mentioned above, to provide commercial services to end-users. SSG is the forerunner for this, but many more will follow and drive the growth in the number of nanosatellites to be produced and operated.

An increase in regulatory filings for future satellite constellations under planning/development is supporting the expectation of increasing activity in the sector. Many of these filings suggest new constellations, employing hundreds, and even thousands, of satellites primarily for communication applications. As regulatory activities precede procurement and deployment activities, this picture is consistent with the expectations for the anticipated third phase of market development.

This expected market development is backed by increasing institutional support shown by the space agencies and institutional sponsors of nanosatellite technology development and demonstrations.

For example, at the ministerial meeting of the European Space Agency in December 2016, new budget commitments were undertaken by the member states and the increased support for innovation and demonstration was confirmed.

Also, we expect the European Union to increase investments in technology related to nanosatellites, new applications and instruments as well as technologies for deploying and managing large satellites constellations through the Horizon 2020 development program.

## Development

During the quarter, the complete set of components and modules for the 6U platform has been released for production making GomSpace able to offer all major components and modules for both a 3U and 6U satellite bus. The 6U platform consists of a complete range of new satellite products like our NanoPower P60 power supply, the battery pack NanoPower BPX, the upgraded NanoMind A3200 satellite computer, the reaction wheel NanoTorque GSW-600, the magnetorquer NanoTorque GST-600 and the NanoDock ADCS-6 attitude determination and control system. During the quarter, we continued the development of deployable solar panels which are essential for efficiently powering 6U and bigger satellites.

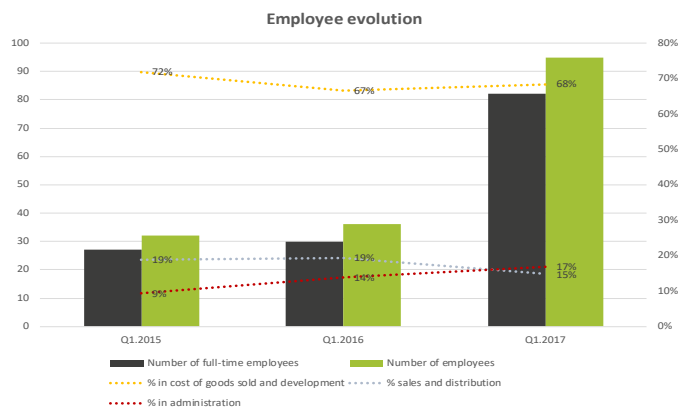
We have also continued the development of the state-of-the-art Software Defined Radio (SDR) communication solution for both ground-to-satellite and satellite-to-satellite communication and for reception of avionics and maritime surveillance data. The SDR platform has been released for production consisting of the NanoDock SDR motherboard, the NanoCom Z7000 baseband computer, the NanoCom TR600 radio, and a range of antenna solutions for different applications like AIS, ADS-B reception and S-band communication. The SDR platform can be upgraded to the X- and Ka-band frequency bands as needed.

Increasing the life-time for nanosatellites is a major technical challenge, and we have been spending substantial effort finding new ways to use standard components which can withstand the harsh environmental requirements in space – like the wide temperature range, vacuum and radiation. We are refining our screening methods for finding reliable standard components, building up our internal test facilities and increasing our relations to external test facilities experienced in such environmental measurements.

During the quarter, we started the development of the satellites for our first major constellation of satellites. This sets new requirements for the autonomy of the satellites making it possible to manage the constellations efficiently – both at the ground segment as well as internally inside the satellites and between the satellites. The goal is to be able to manage a complete constellation like a network of satellites.

Finally we have good success participating in publicly funded projects like the H2020 funded TeSeR and Discoverer projects bringing new technology and experience to GomSpace.

# Other



## Employees

As at 31 March, GomSpace Group AB had 95 (36) employees, corresponding to 82 (30) full-time/year employees. Employees working with the cost of goods sold and in development, totalled 65 (24), with sales and distribution, 14 (7), and in administration there were 16 (5) employees.

## Number of shares

On 31 March 2017, the total number of outstanding shares in GomSpace Group AB was 24,507,334. On April 5, 2017 GomSpace makes a private placement at SEK 95 million through issuance of 1.75 million new shares after an "accelerated book-building" procedure. The total number of outstanding shares are hereafter 26,257,334 shares.

## Parent Company

The Parent Company had total revenues of T.SEK 4,361 (0) in the first quarter of 2017. The Parent Company incurred total costs of T.SEK 7,029 (0) in the first quarter. The operating results for the first quarter 2017 are a negative T.SEK 2,596 (0). The net loss for the first quarter is T.SEK 624 (0).

The Group consists of GomSpace Group AB (Reg. No. 5590261888), GomSpace ApS (Reg. No. 30899849), NanoSpace AB (Reg. No. 556643-0475) and GomSpace Orbital ApS (Reg. No. 38173561). GomSpace ApS, NanoSpace AB and GomSpace Orbital ApS is the operating companies within the Group.



# Group

## - Key Figures and Ratios

	2017 JAN-MAR T.SEK	2016 JAN-MAR T.SEK
<b>KEY FIGURES</b>		
Net revenue	18,997	11,003
Gross profit	8,757	7,015
Operating profit (loss)	-10,257	929
Share of profit from associates	-214	0
Net financial items	-673	-309
Profit (loss) before tax	-11,144	620
Profit (loss) for the period	-10,272	481
Investments in PPE	3,160	234
Total assets	186,226	32,065
Equity	135,135	14,459
Total liabilities	51,091	17,606
<b>RATIOS</b>		
Gross margin	46%	64%
Operating margin	-54%	8%
Net margin	-54%	4%
Return on invested capital (%)	-6%	2%
Return on equity (%)	-7%	3%
Equity ratio (%)	73%	45%
Earnings per share, basic and diluted	-0.42	0.69
Number of outstanding shares, average	24,507,334	700,000

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

# Consolidated Income Statement

	2017 JAN-MAR T.SEK	2016 JAN-MAR T.SEK	2016 JAN-DEC T.SEK
Net revenue	18,997	11,003	54,142
Cost of goods sold	-10,240	-3,988	-28,941
<b>Gross profit</b>	<b>8,757</b>	<b>7,015</b>	<b>25,201</b>
Sales and distribution costs	-5,716	-2,507	-15,473
Development costs	-5,508	-1,120	-6,812
Administrative costs	-7,790	-2,459	-17,426
<b>Operating profit (loss)</b>	<b>-10,257</b>	<b>929</b>	<b>-14,510</b>
Share of profit of associates	-214	0	21,386
Finance income	143	21	525
Finance expenses	-816	-330	-1,914
<b>Profit (loss) before tax</b>	<b>-11,144</b>	<b>620</b>	<b>5,487</b>
Tax	872	-139	3,494
<b>Profit (loss) for the period</b>	<b>-10,272</b>	<b>481</b>	<b>8,981</b>
<b>Profit (loss) is attributable to</b>			
Owners of GomSpace Group AB	-10,272	481	8,981
	<b>-10,272</b>	<b>481</b>	<b>8,981</b>
Earnings per share, basic and diluted, SEK	-0.42	0.69	0.62
Earnings per share, basic and diluted, SEK based on the same method as in the combined financial statements 2013-2015	-	0.03	-
Number of outstanding shares, average	24,507,334	700,000*	14,592,504
Number of outstanding shares, average based on the same method as in the combined financial statements 2013-2015	-	13,857,384	-

\* 700,000 numbers of shares in Q1 2016 was before IPO.

# Consolidated Statement of Comprehensive Income

	2017 JAN-MAR T.SEK	2016 JAN-MAR T.SEK	2016 JAN-DEC T.SEK
Profit (loss) for the period	-10,272	481	8,981
<b>Items which may be reclassified to the income statement:</b>			
Foreign exchange rate adjustments	-149	162	890
<b>Other comprehensive income for the period, net of tax</b>	<b>-149</b>	<b>162</b>	<b>890</b>
<b>Total comprehensive income for the period</b>	<b>-10,421</b>	<b>643</b>	<b>9,871</b>
<b>Total comprehensive income for the period is attributable to:</b>			
Owners of GomSpace Group AB	-10,421	643	9,871
	<b>-10,421</b>	<b>643</b>	<b>9,871</b>

# Consolidated Statement of Financial Position

	31 MAR 2017 T.SEK	31 MAR 2016 T.SEK	31 DEC 2016 T.SEK
Goodwill	1,400	0	1,400
Technology	11,600	0	11,800
Completed development projects	5,567	2,224	6,033
Development projects in progress	8,637	7,141	6,197
Other intangible assets	3,302	274	3,317
<b>Intangible assets</b>	<b>30,506</b>	<b>9,639</b>	<b>28,747</b>
Property, plant and equipment	8,879	839	6,365
<b>Property, plant and equipment</b>	<b>8,879</b>	<b>839</b>	<b>6,365</b>
<b>Investments in associates</b>	<b>35,090</b>	<b>0</b>	<b>36,723</b>
Deferred tax	4,904	0	4,093
Other non-current assets	4,209	0	0
<b>Non-current assets</b>	<b>9,113</b>	<b>0</b>	<b>4,093</b>
<b>Total non-current assets</b>	<b>83,588</b>	<b>10,478</b>	<b>75,928</b>
Raw materials and consumables	5,981	3,062	4,266
<b>Inventories</b>	<b>5,981</b>	<b>3,062</b>	<b>4,266</b>
Contract work	24,657	10,897	28,237
Trade receivables	37,688	2,453	13,933
Tax receivable	1,236	1,274	2,529
Other prepayments	1,270	230	656
Other receivables	6,873	941	6,686
<b>Receivables</b>	<b>71,724</b>	<b>15,795</b>	<b>52,041</b>
<b>Marketable securities</b>	<b>10</b>	<b>7</b>	<b>10</b>
<b>Cash and cash equivalents</b>	<b>24,923</b>	<b>2,723</b>	<b>73,803</b>
<b>Total current assets</b>	<b>102,638</b>	<b>21,587</b>	<b>130,120</b>
<b>Total assets</b>	<b>186,226</b>	<b>32,065</b>	<b>206,048</b>

# Consolidated Statement of Financial Position

	31 MAR 2017 T.SEK	31 MAR 2016 T.SEK	31 DEC 2016 T.SEK
Share capital	1,716	973	1,716
Share premium	136,787	15,661	137,337
Translation reserve	936	357	1,085
Retained earnings	-4,304	-2,532	5,968
<b>Total equity</b>	<b>135,135</b>	<b>14,459</b>	<b>146,106</b>
Credit institutions	5,637	3,717	6,179
Deferred taxes	3,483	1,037	3,143
<b>Total non-current liabilities</b>	<b>9,120</b>	<b>4,754</b>	<b>9,322</b>
Current portion of non-current liabilities	2,056	746	1,534
Credit institutions	4,283	5,429	5,752
Trade payables and other payables	7,759	1,737	29,565
Contract work	16,516	278	5,089
Prepayments	4,387	1,604	1,627
Other liabilities	6,970	3,058	7,053
<b>Total current liabilities</b>	<b>41,971</b>	<b>12,852</b>	<b>50,620</b>
<b>Total liabilities</b>	<b>51,091</b>	<b>17,606</b>	<b>59,942</b>
<b>Total equity and liabilities</b>	<b>186,226</b>	<b>32,065</b>	<b>206,048</b>

# Consolidated Statement of Changes in Equity

	SHARE CAPITAL T.SEK	SHARE PREMIUM T.SEK	TRANSLATION RESERVE T.SEK	RETAINED EARNINGS T.SEK	TOTAL EQUITY T.SEK
<b>Equity 01.01.2016</b>	<b>973</b>	<b>15,661</b>	<b>195</b>	<b>-3,013</b>	<b>13,816</b>
Total comprehensive income for the period	0	0	162	481	643
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>162</b>	<b>481</b>	<b>643</b>
Transactions with owners in their capacity as owners	0	0	0	0	0
<b>Equity 31.03.2016</b>	<b>973</b>	<b>15,661</b>	<b>357</b>	<b>-2,532</b>	<b>14,459</b>
<b>Equity 01.01.2017</b>	<b>1,716</b>	<b>137,337</b>	<b>1,085</b>	<b>5,968</b>	<b>146,106</b>
Total comprehensive income for the period	0	0	-149	-10,272	-10,421
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-149</b>	<b>-10,272</b>	<b>-10,421</b>
Transactions with owners in their capacity as owners					
IPO costs	0	-550	0	0	-550
	<b>0</b>	<b>-550</b>	<b>0</b>	<b>0</b>	<b>-550</b>
<b>Equity 31.03.2017</b>	<b>1,716</b>	<b>136,787</b>	<b>936</b>	<b>-4,090</b>	<b>135,135</b>



# Consolidated Cash Flow Statement

	2017 JAN-MAR T.SEK	2016 JAN-MAR T.SEK	2016 JAN-DEC T.SEK
Profit (loss) before tax	-11,144	620	5,487
Reversal of financial items	673	309	1,389
Depreciation and amortizations	1,472	376	2,798
Non-cash items	214	0	-20,954
Changes in inventories	-1,718	-121	-1,078
Changes in trade receivables	-21,241	4,250	-4,677
Changes in other receivables	1,879	-3,067	-12,308
Changes in trade and other payables	11,465	2,046	13,314
<b>Cash flows from primary operating activities</b>	<b>-18,400</b>	<b>4,413</b>	<b>-16,029</b>
Received interest	143	21	461
Paid interest	-822	-277	-1,800
Paid taxes	0	0	0
Tax received	1,314	0	0
Tax paid	-34	0	0
<b>Cash flow from operating activities</b>	<b>-17,799</b>	<b>4,157</b>	<b>-17,368</b>
Investments in non-current assets	-9,166	-1,636	-12,076
Proceeds from sale of property, plant and equipment	26	0	4
Fixed asset investments	-19,932	0	0
Acquisition of a subsidiary, net of cash acquired	0	0	-2,900
<b>Cash flow from investing activities</b>	<b>-29,072</b>	<b>-1,636</b>	<b>-14,972</b>
Borrowings	0	0	3,740
Repayment of borrowings	-1,448	-868	-1,383
Capital increase	0	0	125,000
Dividends paid	0	0	0
Capital increase, costs	-550	0	-22,082
<b>Cash flow from financing activities</b>	<b>-1,998</b>	<b>-868</b>	<b>105,275</b>
<b>Net cash flow for the period</b>	<b>-48,869</b>	<b>1,653</b>	<b>72,935</b>
Cash and cash equivalents, beginning of the period	73,803	1,206	1,268
Unrealized exchange rate gains and losses on cash	-11	-136	-400
<b>Cash and cash equivalents, end of the period</b>	<b>24,923</b>	<b>2,723</b>	<b>73,803</b>
<b>Reconciliation of cash and cash equivalents</b>			
Cash and cash equivalents according to the balance sheet	24,923	2,723	73,803
Cash and cash equivalents according to the cash flow statement	<b>24,923</b>	<b>2,723</b>	<b>73,803</b>

# Parent Company Income Statement

	2017 JAN-MAR T.SEK	2016 JAN-MAR T.SEK	2016 JAN-DEC T.SEK
Net revenue	4,361	0	1,708
<b>Gross profit</b>	<b>4,361</b>	<b>0</b>	<b>1,708</b>
Administrative costs	-7,029	0	-7,846
<b>Operating profit (loss)</b>	<b>-2,668</b>	<b>0</b>	<b>-6,138</b>
Finance income	99	0	17
Finance expenses	-27	0	-247
<b>Profit (loss) before tax</b>	<b>-2,596</b>	<b>0</b>	<b>-6,368</b>
Tax	1,972	0	0
<b>Profit (loss) for the period</b>	<b>-624</b>	<b>0</b>	<b>-6,368</b>
Profit (loss) is attributable to			
Owners of GomSpace Group AB	-624	0	-6,368
	<b>-624</b>	<b>0</b>	<b>-6,368</b>
Earnings per share, basic and diluted, SEK	-0.03	0.00	-0.44

# Parent Company Statement of Other Comprehensive Income

	2017 JAN-MAR T.SEK	2016 JAN-MAR T.SEK	2016 JAN-DEC T.SEK
Profit (loss) for the period	-624	0	-6,368
<b>Items which may be reclassified to the income statement:</b>			
<b>Other comprehensive income for the period, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>	<b>-624</b>	<b>0</b>	<b>-6,368</b>
<b>Total comprehensive income for the period is attributable to:</b>			
Owners of GomSpace Group AB	-624	0	-6,368
	<b>-624</b>	<b>0</b>	<b>-6,368</b>

# Parent Company

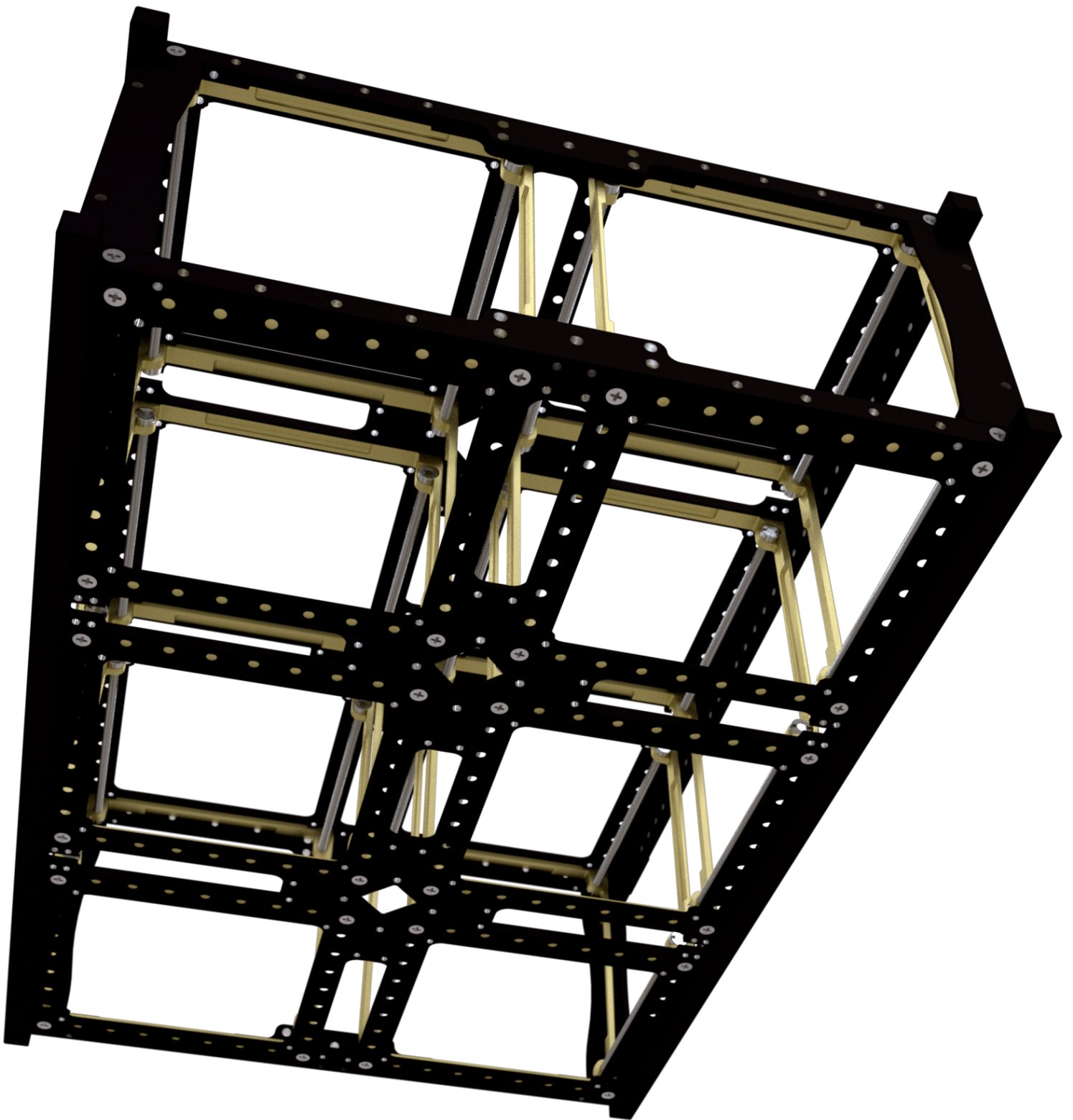
## Statement of Financial Position

	31 MAR 2017 T.SEK	31 MAR 2016 T.SEK	31 DEC 2016 T.SEK
<b>ASSETS</b>			
GomSpace ApS	36,891	0	36,891
NanoSpace AB	23,850	0	23,850
GomSpace Orbital ApS	65	0	65
Aerial & Maritime Ltd.	19,932	0	19,932
<b>Fixed asset investments</b>	<b>80,738</b>	<b>0</b>	<b>80,738</b>
Deferred tax	1,972	0	0
<b>Other non-current assets</b>	<b>1,972</b>	<b>0</b>	<b>0</b>
<b>Total non-current assets</b>	<b>82,710</b>	<b>0</b>	<b>80,738</b>
Trade receivables	26,311	0	310
Other prepayments	90	0	90
Other receivables	6,516	0	1,879
<b>Receivables</b>	<b>32,917</b>	<b>0</b>	<b>2,279</b>
<b>Cash and cash equivalents</b>	<b>19,231</b>	<b>50</b>	<b>70,434</b>
<b>Total current assets</b>	<b>52,148</b>	<b>50</b>	<b>72,713</b>
<b>Total assets</b>	<b>134,858</b>	<b>50</b>	<b>153,451</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	1,716	50	1,716
Share premium	133,499	0	134,049
Retained earnings	-6,992	0	-6,368
<b>Total equity</b>	<b>128,223</b>	<b>50</b>	<b>129,397</b>
Payables to subsidiaries	5,784	0	2,087
Payables to associates	0	0	19,932
Trade payables and other payables	777	0	2,035
Other liabilities	74	0	0
<b>Total current liabilities</b>	<b>6,635</b>	<b>0</b>	<b>24,054</b>
<b>Total liabilities</b>	<b>6,635</b>	<b>0</b>	<b>24,054</b>
<b>Total equity and liabilities</b>	<b>134,858</b>	<b>50</b>	<b>153,451</b>

# Parent Company

## Statement of Changes in Equity

	SHARE CAPITAL T.SEK	SHARE PREMIUM T.SEK	RETAINED EARNINGS T.SEK	TOTAL EQUITY T.SEK
<b>Equity 01.01.2016</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>50</b>
Total comprehensive income for the period	0	0	0	0
<b>Equity 31.03.2016</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>50</b>
<b>Equity 01.01.2017</b>	<b>1,716</b>	<b>134,049</b>	<b>-6,368</b>	<b>129,397</b>
Total comprehensive income for the period	0	0	-624	-624
IPO costs	0	-550	0	-550
	<b>0</b>	<b>-550</b>	<b>-624</b>	<b>-1,174</b>
<b>Equity 31.03.2017</b>	<b>1,716</b>	<b>133,499</b>	<b>-6,992</b>	<b>128,223</b>



## **6U nanosatellite structure for demanding missions with advanced payloads**

# Notes to the Interim Consolidated Financial Statements

## 1. Accounting policies

### Basis of preparation

As GomSpace Group AB is an established off-the-shelf company which has not conducted any business, the consolidated financial statements of GomSpace Group AB will be prepared as a continuation of GomSpace ApS, as the transaction whereby GomSpace Group AB is established as the new Parent Company is merely a reorganization of the Group in which GomSpace ApS is the accounting Parent Company. Accordingly, the consolidated financial statements of GomSpace Group AB have been prepared on this basis. The consolidated financial statements of GomSpace Group AB are, in all essential aspects, consistent with the combined financial statements presented in the Prospectus /combined financial statements 2013-2015.

This implies that the predecessor values of GomSpace ApS, which have been reported internally on a consolidated basis in accordance with IFRS as adopted by the EU, have been used. No adjustments have been made to the values of the assets and liabilities compared with the historically reported values.

GomSpace Group AB applies International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting principles adopted are consistent with those described in the Annual Report (available at [https://gomspace.com/UserFiles/Investor%20relations/Annual%20reports/GomSpace\\_Annual-Report\\_2016\\_UK.pdf](https://gomspace.com/UserFiles/Investor%20relations/Annual%20reports/GomSpace_Annual-Report_2016_UK.pdf)) There are no new accounting principles applicable from 2016 that significantly affect GomSpace Group AB. This interim report has 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.

### Key ratios definitions

$$\text{Gross margin} = \frac{\text{gross profit} \times 100}{\text{net revenue}}$$

$$\text{Operating margin} = \frac{\text{operating profit} \times 100}{\text{net revenue}}$$

$$\text{Net margin} = \frac{\text{profit} \times 100}{\text{net revenue}}$$

$$\text{Return on invested capital} = \frac{\text{profit} \times 100}{\text{total assets}}$$

$$\text{Return on equity} = \frac{\text{profit} \times 100}{\text{average equity}}$$

$$\text{Equity ratio} = \frac{\text{equity} \times 100}{\text{total assets}}$$

$$\text{Earning per share} = \frac{\text{profit}}{\text{number of shares}}$$



# Notes to the Interim Consolidated Financial Statements (continued)

## 2. Classification of financial assets and liabilities

	FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS HELD FOR TRADING T.SEK	INVESTMENTS HELD TO MATURITY T.SEK	LOANS AND RECEIVABLES T.SEK	OTHER FINANCIAL LIABILITIES T.SEK	TOTAL T.SEK	CARRYING AMOUNT T.SEK	FAIR VALUE LEVEL 1 T.SEK
<b>31 MARCH 2017</b>							
<b>ASSETS</b>							
Trade and other receivables	0	0	69,218	0	69,218	69,218	0
Marketable securities	10	0	0	0	10	0	10
Cash and equivalents	0	0	24,923	0	24,923	24,923	0
<b>Total Assets</b>	<b>10</b>	<b>0</b>	<b>94,141</b>	<b>0</b>	<b>94,151</b>	<b>94,141</b>	<b>10</b>
<b>LIABILITIES</b>							
Credit institutions	0	0	0	11,976	11,976	11,976	0
Trade payables and other payables	0	0	0	14,729	14,729	14,729	0
Prepayments	0	0	0	20,903	20,903	20,903	0
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47,608</b>	<b>47,608</b>	<b>47,608</b>	<b>0</b>
<b>31 March 2016</b>							
<b>ASSETS</b>							
Trade and other receivables	0	0	14,291	0	14,291	14,291	0
Marketable securities	7	0	0	0	7	0	7
Cash and cash equivalents	0	0	2,723	0	2,723	2,723	0
<b>Total Assets</b>	<b>7</b>	<b>0</b>	<b>17,014</b>	<b>0</b>	<b>17,021</b>	<b>17,014</b>	<b>7</b>
<b>LIABILITIES</b>							
Credit institutions	0	0	0	9,892	9,892	9,892	0
Trade payables and other payables	0	0	0	4,795	4,795	4,795	0
Prepayments	0	0	0	1,882	1,882	1,882	0
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,032</b>	<b>21,032</b>	<b>16,569</b>	<b>0</b>



# Notes to the Interim Consolidated Financial Statements (continued)

## 2. Classification of financial assets and liabilities (continued)

Fair value of credit institutions and other non-current loans are deemed to be the equal to the total carrying amount, as these items are of a short-term nature.

The fair values of financial instruments traded in an active market (such as financial instruments held for trading and available-for-sale financial instruments) are based on quoted market prices as at the balance sheet date. A market is regarded as active if quoted prices from an exchange, broker, industry group, pricing service or regulatory authority are easily and regularly available, and provided these prices represent actual and regularly occurring arm's length market transactions. The quoted market price used for the Group's financial assets is the current bid price. These instruments belong to Level 1.

The fair values of financial instruments which are not traded in an active market are determined with the help of valuation techniques. Market data is used as far as possible when such data is available. If all significant inputs required for the fair value measurement of an instrument are observable, the instrument belongs to Level 2.

In cases where one or several significant inputs are not based on observable market information, the instrument is classified as Level 3.

The above table shows financial instruments carried at fair value based on their classification in the fair value hierarchy. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly in the form of quoted prices or indirectly, i.e. derived from quoted prices (Level 2).
- Inputs for the asset or liability which are not based on observable market data (non-observable inputs) (Level 3)

In the first quarter of 2017, no transfers between levels were made.



# Financial Calendar

Interim report,  
April - June 2017

31 August 2017

## COMPANY INFORMATION

GomSpace Group AB  
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Municipality of reg. office

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Website

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E-mail

[info@gomspace.com](mailto:info@gomspace.com)

Subsidiaries

GomSpace ApS, 100%  
Denmark

GomSpace Orbital ApS, 100%  
Denmark

NanoSpace AB, 100%  
Sweden

## AUDITORS

Ernst & Young AB

## CERTIFIED ADVISOR

FNCA Sweden AB

### MANAGEMENT'S STATEMENT

The CEO certifies 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 March 2017, and of the results of the Group's and the Parent Company's operations and cash flow for the period 1 January - 31 March 2017.

Stockholm, 31 May 2017

### Executive Board



Niels Buus  
CEO

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

