

A blurred background image showing two men in a meeting. The man on the left is wearing a blue shirt and is looking towards the right. The man on the right is also wearing a blue shirt and is looking towards the left. They appear to be in a professional setting, possibly a conference room or office.

Interim Report

for 1 January – 31 March 2018

GOMSPACE

DELIVERING THE FUTURE

1 JANUARY – 31 MARCH 2018 (2017)

- Net revenues increased to T.SEK 37,738 (18,997)
- Gross margin decreased to 35% (46%)
- Operating profit (loss) decreased to a negative T.SEK 15,093 (a negative 10,257)
- Earnings per share were a negative SEK 0.52 (a negative 0.42)
- Order book amounts to T.SEK 723,433 as at 31 March 2018. We expect to convert SEK 110-140 million of the current backlog into revenue during 2018
- GomSpace raises SEK 125 million through a directed new issue of shares and evaluates the possibility to move the listing of its shares to Nasdaq's main market

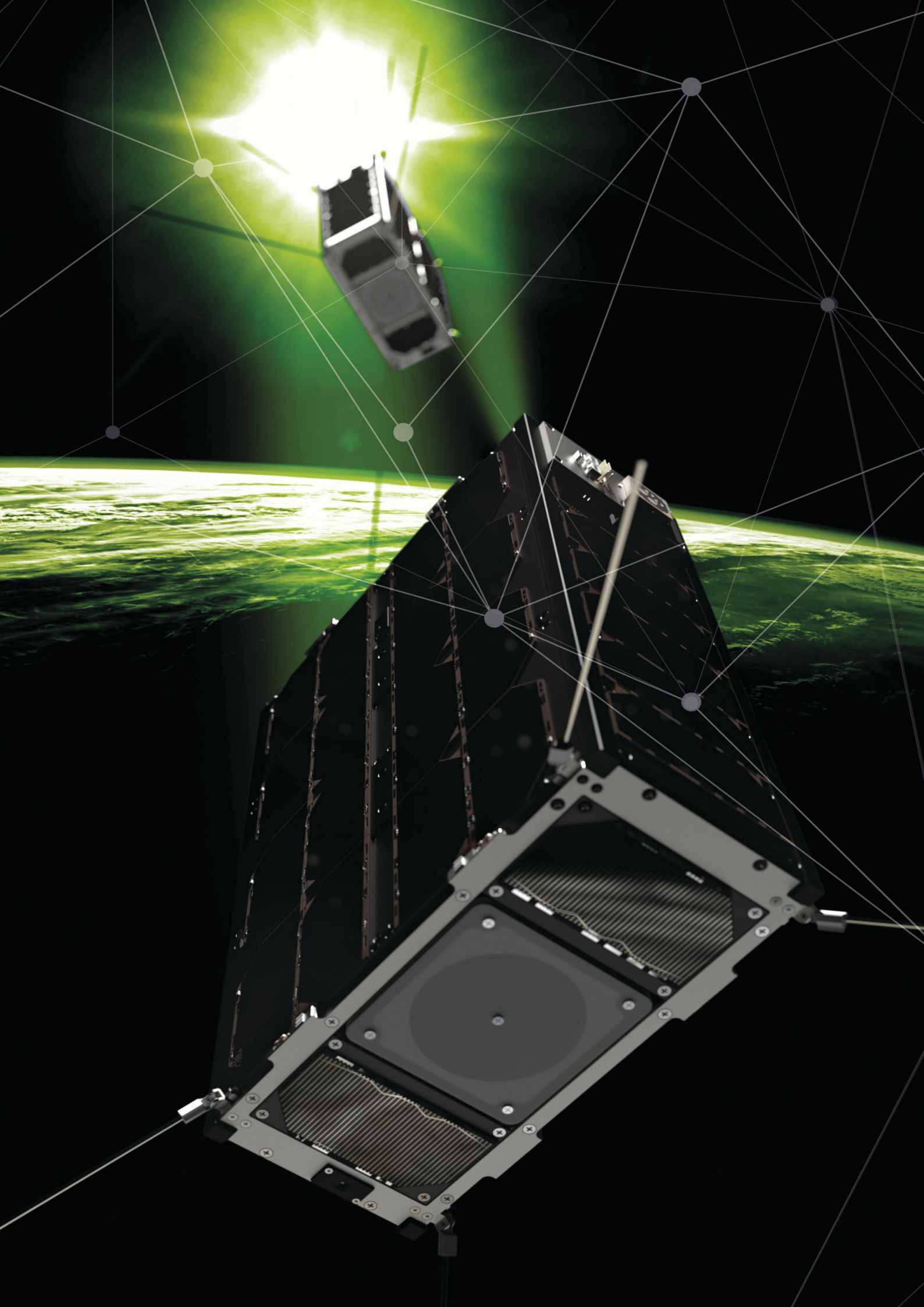
Subsequent events

- Successful commissioning of the GOMX-4 nanosatellites

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 24, 2018, 08.00 (CET).

Table of Contents

5	Message from the CEO
6-7	Significant Events
8-13	Financial Performance
14	Market Development
15	Product Development
16	Group - Key Figures and Ratios
17-21	Consolidated Financial Statements
22-25	Parent Company Financial Statements
26-37	Notes
38	Financial Calendar
39	Management's Statement



Message from the CEO

We are very happy to welcome the new shareholders who joined GomSpace in the directed share issue at the beginning of March. This new capital puts us in a good position to carry through our accelerated growth plans.

We are pleased that we also in this quarter continued to grow considerably faster than our goal at 70% which was in our original plans.

Net revenues in the first quarter 2018 were T.SEK 37,738 compared to T.SEK 18,997 in the first quarter of 2017.

The growth in revenue exceeds our plans. In the first quarter 2018 the growth was 99% compared to the first quarter of 2017 and it grew 27% compared to the fourth quarter of 2017. Without the partial elimination of revenue from Aerial & Maritime Ltd., the growth in revenue would have been 102% in the first quarter 2018.

The result for the first quarter of 2018 was a loss of T.SEK 13,820 compared to a loss of T.SEK 10,272 in the first quarter of 2017. The gross margin was 35% in the first quarter 2018 compared to 46% in the same period last year, but it has increased compared to the fourth quarter 2017 where it was 26%. The result and gross margin are still influenced by the accelerated growth of our business, but we have now begun to increase the margin again.

We are continuously receiving new orders according to our expectations. Many of the orders are, however, below our threshold for when we need to disclose them to the market. For that reason, we have chosen to start informing the market about our order backlog (see note 4). During the first quarter, we received orders at a total amount of T.SEK 14,712 without new major orders and the backlog amounted to T.SEK 723,433. Although the backlog will be converted to revenue over some years, it can be expected that our growth will be very high in the near future.

On February 2, we launched the GOMX-4 constellation of 2 satellites. After one and a half month, we could announce that both satellites functioned very well on all its systems. At a press conference held at our headquarters, we could demonstrate the inter-satellite link and retrieval of data from the satellites. This is a great step for GomSpace in providing a highly efficient satellite constellations.

At the end of March, we inaugurated a new production facility at 600 sqm which has the total capacity to manufacture 350 satellites per year. We are at the moment equipping the facility with production equipment as well as new and semi-automated test equipment and we will start the ramp up of production of 3 constellations starting before the summer and throughout the rest of the year.

Considering the many new undertakings; the large number of new employees, the building of the production facilities, the interesting projects we are working on as well as the promising outlook to a potential increase in the market share, we will maintain our focus on increasing our efficiency to reach our growth plans.

We are currently revising our 5-year growth plan, and during the autumn we expect to be able to set a new and exiting target for the development of GomSpace up to and including 2023. Based on the work so far, we remain very positive with regards to the possibility to continue disrupting the satellite business with nanosatellites that can enable new and not yet exploited space applications.

Best regards,

A handwritten signature in blue ink, which appears to be 'Niels Buus'.

Niels Buus
CEO

Significant Events during the period

GomSpace raises SEK 125 million through a directed new issue of shares and evaluates the possibility to move the listing of its shares to Nasdaq's main market

March 8, 2018 - The board of directors of GomSpace Group AB has, with support from an authorisation granted by the annual general meeting held on 27 April 2017, and as indicated in a press release published earlier this day, resolved to issue 2,083,333 new shares at the price of SEK 60.00 per share. The price was established through a so called "accelerated book-building" procedure led by Danske Bank A/S, Danmark, Sverige Filial ("Danske Bank"). The new share issue is directed to a limited number of Swedish and international institutional investors. GomSpace has also decided to evaluate the possibility to move the listing of its shares to Nasdaq Stockholm's main market in the near to mid-term future.

GomSpace evaluates the possibility to carry out a directed new issue of shares in the approximate amount of SEK 125 million

March 8, 2018 - GomSpace Group AB has commissioned Danske Bank A/S, Danmark, Sverige Filial ("Danske Bank") to evaluate the possibility to carry out a directed new issue of shares in the approximate amount of SEK 125 million to a limited number of Swedish and international institutional investors. With support from the authorization granted by the annual general meeting held on 27 April 2017, the board of directors has engaged Danske Bank to evaluate the possibility to carry out a directed new issue of shares in the approximate amount of SEK 125 million through a so called "accelerated book-building" procedure. The reasons for the deviation from the shareholders' preferential rights are mainly to bring institutional shareholders into the Company and at the same time strengthen the Company's financial position. The potential proceeds from the directed new issue are intended to be used to finance and facilitate accelerated expansion, nearby acquisition opportunities and development of GomSpace, its market and its products.

GomSpace receives authorization to proceed from new customer Kleos Space

March 1, 2018 - GomSpace A/S has received an Authorization To Proceed (the "ATP") from Kleos Space S.à.r.l. ("Kleos") on a contract to deliver Kleos' first satellite system. The ATP means that GomSpace is authorized by Kleos to kick-off the initial part of the project. The value of the ATP is EUR 250,000. The value of the whole contract for the satellite system, expected to be closed in the second quarter of 2018, is approximately EUR 2.34 million. Subject to the final contract, the delivery of the satellite system is expected to take place in the first quarter of 2019.

Singapore takes next steps towards implementing the world's first space-based VHF communications

February 6, 2018 - GomSpace A/S together with The Civil Aviation Authority of Singapore (CAAS) and Singapore Technologies Electronics Limited (ST Electronics) signed a research collaboration agreement on the sidelines of the Singapore Airshow to conduct a design study on the implementation of space-based Very High Frequency (VHF) communications for air traffic management (ATM) in the Singapore Flight Information Region (FIR). This agreement follows the signing of a Memorandum of Understanding (MOU) by the three parties in July 2017 to explore the application and deployment of the space-based system.

GomSpace's fourth demonstration mission was successfully launched – intended to pioneer the advanced use of nanosatellites

February 2, 2018 - GomSpace's GOMX-4 satellites were successfully launched from China. The satellites were separated as planned in the altitude of 500km. GOMX-4 is a demonstration mission which includes two 6U satellites: The GOMX-4A mission involves north area monitoring and the GOMX-4B mission is for innovative payload demonstrations. In the afternoon, we established radio contact with the satellites from GomSpace's headquarters in Aalborg (Denmark) and have begun the initial activities to ensure that both satellites are operating as planned. Testing each of the individual subsystems will begin after initial contact, which is expected to take three to four weeks. Full mission operation will begin in March after completion of subsystems and payload testing.

GomSpace signs contract for low-inclination launch on Virgin Orbit's LauncherOne

January 16, 2018 – the 2019 launch will deploy several nanosatellites for aircraft and ocean vessel tracking constellation. GomSpace has purchased a launch for several nanosatellites onboard a LauncherOne rocket from the California based company Virgin Orbit. The flight, which is bound for a low-inclination orbit, is scheduled to occur in early 2019. GomSpace will use the launch to further build out a constellation of small satellites that will use Automatic Dependent Surveillance-Broadcast (ADS-B) and Automatic Identification System (AIS) signal monitoring to track civilian aircraft and ocean-going vessels.

Significant Events after the accounting period

Successful commissioning of the GOMX-4 nanosatellites

April 13, 2018 - As part of a mission to demonstrate interlink communication on nanosatellite tandem formation flights and data retrieval, including surveillance of the Arctic area, the Danish nanosatellite specialist GomSpace launched two nanosatellites in February. 12 weeks later, GomSpace for the first time showed the possibility of live data capture from the two nanosatellites in space at a press conference held in Aalborg, Denmark. At the same time, the press conference marked the official transition to the so-called demonstration phase, following the mission's test phase. The latter has thus been successfully completed, and the mission is now ready to carry out its scheduled tasks.

Financial Performance

Financial Review

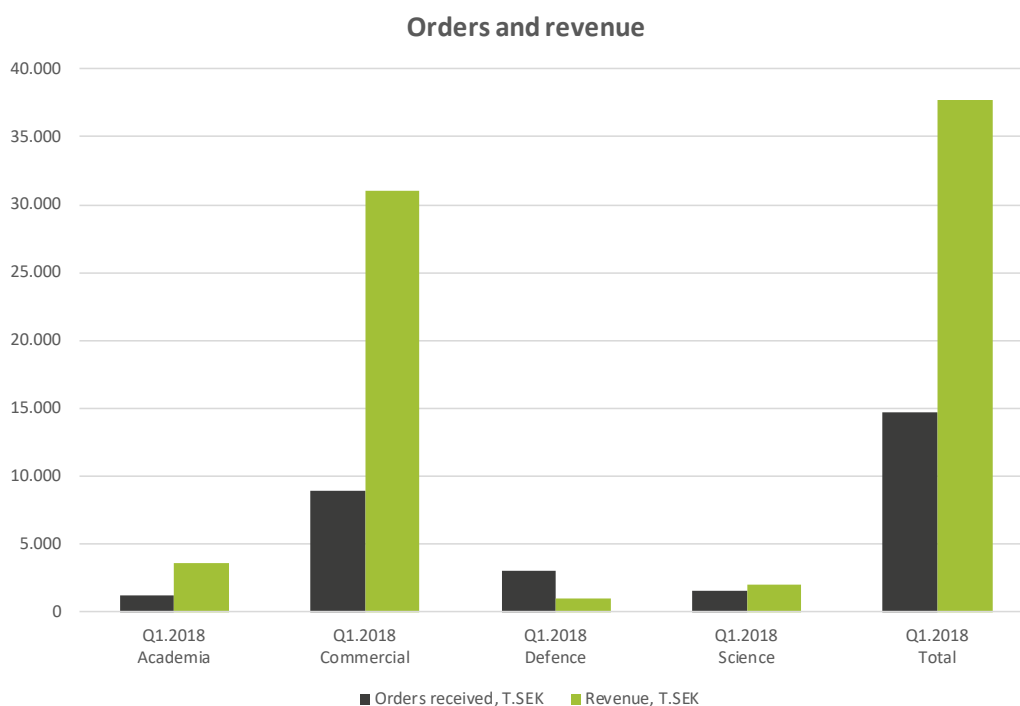
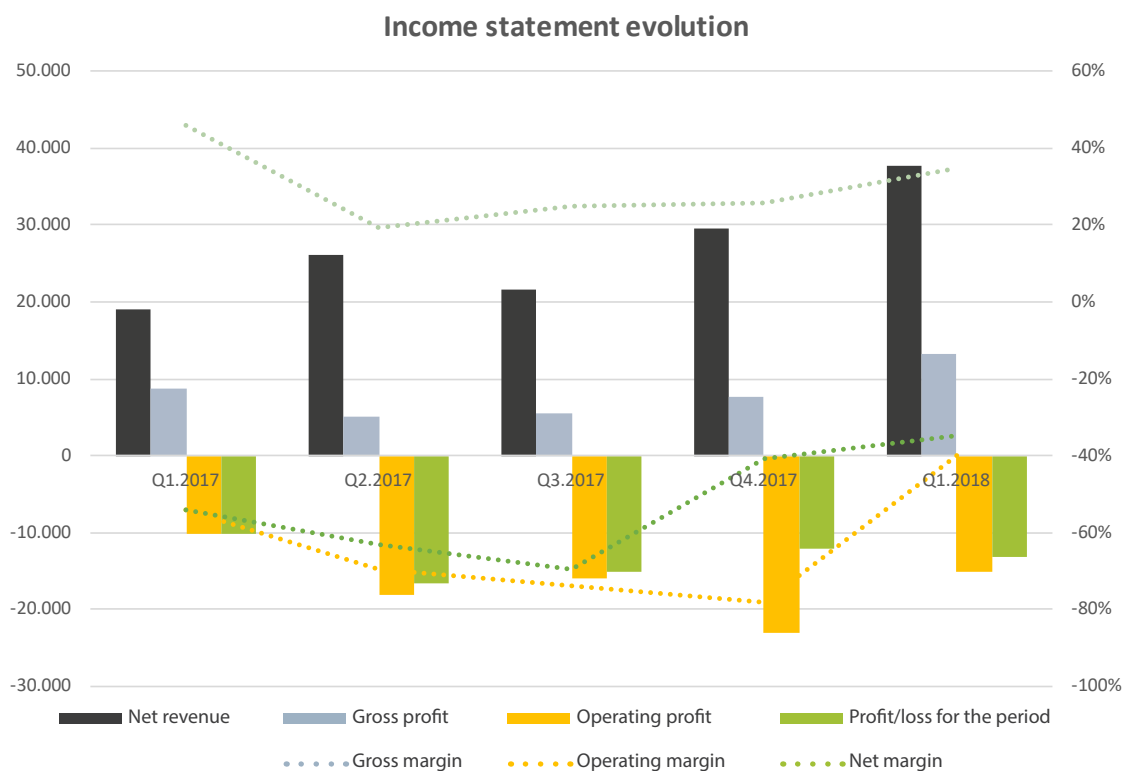
The Interim Report for 1 January – 31 March for GomSpace Group AB also includes the companies GomSpace A/S, GomSpace Orbital ApS, NanoSpace AB, GomSpace Asia Pte Ltd, GomSpace North America LLC as well as GomSpace Luxembourg S.A.R.L. Result for the period was a net loss of T.SEK 13,820 (a loss of 10,272). At 31 March 2018, equity was T.SEK 296,096 (135,135).

	2018 JAN-MAR T.SEK	2017 JAN-MAR T.SEK	EVOLUTION IN PCT.	2017 JAN-DEC T.SEK
Net revenue	37,738	18,997	99%	96,405
Gross profit	13,171	8,757	50%	26,884
Gross margin	35%	46%		28%
Operating profit (loss)	-15,093	-10,257	47%	-67,610
- As a percentage of revenues	-40.0%	-54.0%		-70.1%
Profit (loss) before tax	-16,572	-11,144	49%	-66,515
- As a percentage of revenues	-43.9%	-58.7%		-69.0%
Profit (loss) for the period	-13,820	-10,272	35%	-53,989
- As a percentage of revenues	-36.6%	-54.1%		-56.0%
Cost of goods sold	24,567	10,240	140%	69,521
- As a percentage of revenues	65.1%	53.9%		72.1%
Sales and distribution costs	7,977	5,716	40%	30,996
- As a percentage of revenues	21.1%	30.1%		32.2%
Development costs	7,146	5,508	30%	25,277
- As a percentage of revenues	18.9%	29.0%		26.2%
Administrative costs	13,430	7,790	72%	38,221
- As a percentage of revenues	35.6%	41.0%		39.6%
Earnings per share, basic, SEK	-0.52	-0.42	24%	-2.09
Earnings per share, diluted, SEK	-0.51	-0.42	21%	-2.08

The result after a growth in revenue at 99% for the first quarter of 2018 is above our growth target. Gross margin at 35% is under our long-term targets. The first quarter is influenced by additional hours spent on investment activities and the preparation of the new production area for large scale manufacturing of satellites. Compared to the fourth quarter of 2017, gross margin has improved from 28% to 35%.

The operating loss for the first quarter was T.SEK 15,093 (a loss of 10,257).

Financial Performance (continued)



Orders received and revenue

The orders received for the first quarter 2018 amounted to T.SEK 14,712 and the order backlog value at the end of the first quarter 2018 amounted to T.SEK 723,433, the most significant part of the order backlog is placed on the commercial business area.

Financial Performance (continued)

	ACADEMIA	COMMERCIAL	DEFENCE	SCIENCE	TOTAL
	T.SEK	T.SEK	T.SEK	T.SEK	T.SEK

ORDER BOOK

Business segments

Order backlog 1 January 2018	5,597	720,131	3,992	16,739	746,459
Orders received	1,278	8,874	2,982	1,578	14,712
Converted to revenue	-3,643	-31,088	-1,044	-1,963	-37,738
Order backlog 31 March 2018	3,232	697,917	5,930	16,354	723,433

The orders received regarding commercial orders represent 60% of total orders for the period. An Authorization To Proceed of T.SEK 2,493 is signed with our customer Kleos Space S.à.r.l. to deliver their first satellite system. The value of the whole contract is expected to be closed in second quarter and amounts to approximately T.SEK 23,331.

In the remaining part of 2018, we expect to convert between SEK 110-140 million of the order backlog into revenue. Furthermore, we have a strong sales pipeline of platforms, payloads and subsystems which we expect will contribute with 5-15% of revenues in 2018.

In the first quarter, sales to new customers represented 1% of revenues compared to 15% of revenues in the first quarter of 2017.

1 JANUARY – 31 MARCH 2018 (2017)

Revenues for the first quarter of 2018 amounted to T.SEK 37,738 (18,997), corresponding to an increase of 99% compared with the same period in 2017. The revenue includes a correction, T.SEK 611, eliminating partial revenue from the associated entity, Aerial & Maritime Ltd. Had this adjustment not been carried out, the total underlying growth would have been 102%. Sky & Space Global constitutes 55% of total revenue in the first quarter.

The largest part of revenue is generated by European customers in the commercial segment. The Group expects to increase sales both geographically and in the segments Academia, Defense and Science in the coming years in order to strengthen the business.

In the first quarter of 2018, revenue was affected negatively by the allocation of additional hours for the development of projects and re-estimation of projects.

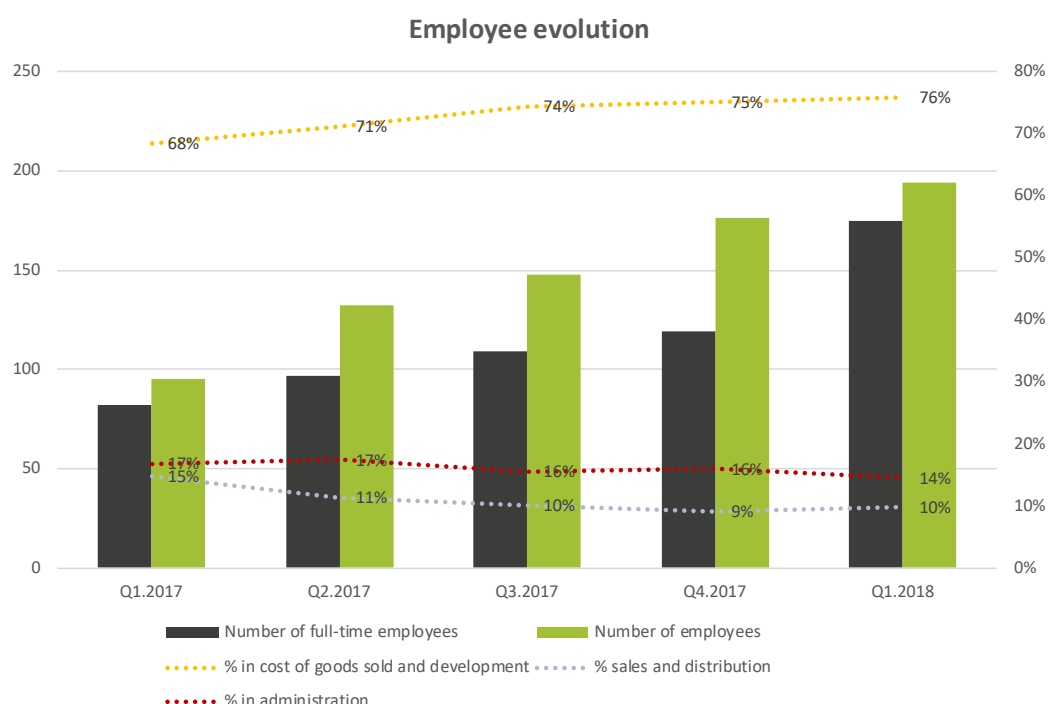
Financial Performance (continued)

Expenses

1 JANUARY – 31 MARCH 2018 (2017)

Operating expenses for the first quarter of 2018 amounted to T.SEK 53,120 (29,254), corresponding to an increase of 82%. Sales, distribution, development and administrative costs increased to T.SEK 28,553 (19,014), corresponding to an increase of 50%. Our sales and administrative costs have increased as expected according to our business plan, however, costs of goods sold and costs for development activities have increased significantly, primarily due to the ramp up of the production facilities as well as the adjustment to new systems and procedures in order to manufacture satellite constellations.

Compared to the first quarter of 2017 administrative costs as well as sales and distributions costs have increased, though when comparing to the general growth of the business in terms of revenue the percentage has lowered as expected.



Employees

As at 31 March, GomSpace Group AB had 194 (95) employees, corresponding to 175 (82) full-time/year employees. Employees working within cost of goods sold and in development were a total of 147 (65), with sales and distribution 19 (14), and in administration there were 28 (16) employees.

Profitability

1 JANUARY – 31 MARCH 2018 (2017)

In the first quarter 2018, gross profit amounted to T.SEK 13,171 (8,757), corresponding to an increase of 50% compared with the same period in 2017. In the first quarter 2018, the gross margin is 35% compared with the same period in 2017 where the gross margin was 46%. The impact of partial elimination is a decrease of T.SEK 199. The underlying gross margin without partial elimination is 35%.

Gross margin is affected by the preparation of the new production area for large scale manufacturing of satellites.

In the first quarter 2018, operating loss amounted to T.SEK 15,093 (operating loss 10,257).

Financial Performance (continued)

Share of profit from associates

In the first quarter 2018, the share of profit from associates amounts to a negative T.SEK 111 (a negative 214) which is a share of the result from Aerial & Maritime Ltd.

Financial income and expenses

1 JANUARY – 31 MARCH 2018 (2017)

Net financial items for the first quarter of 2018 had a positive effect on profit, mainly due to exchange rate adjustments. Net financial items amounted to a negative T.SEK 1,368 (a negative 673).

Tax and deferred tax

1 JANUARY – 31 MARCH 2018 (2017)

The Group recognized a deferred tax asset at a total amount of T.SEK 5,908 relating to tax loss carry-forward. The parent company, GomSpace Group AB, recognized a lowered deferred tax asset at a total amount of T.SEK 537 in the first quarter of 2018 relating to tax loss carry-forward.

GomSpace Group had an effective tax rate of 16.6% (7.8%) in the first quarter 2018.

Shareholder's equity

As at 31 March 2018, total shareholder's equity amounted to T.SEK 296,096 (135,135). On 8 March, the Group issued 2.08 million new shares and received T.SEK 125,000. Cost in relation to increasing capital amounts to T.SEK 4,093 and is deducted in the share premium. In the first quarter 2018, an amount of T.SEK 1,214 is recognized as share-based payments in relation to the warrant program established for the Group's employees.

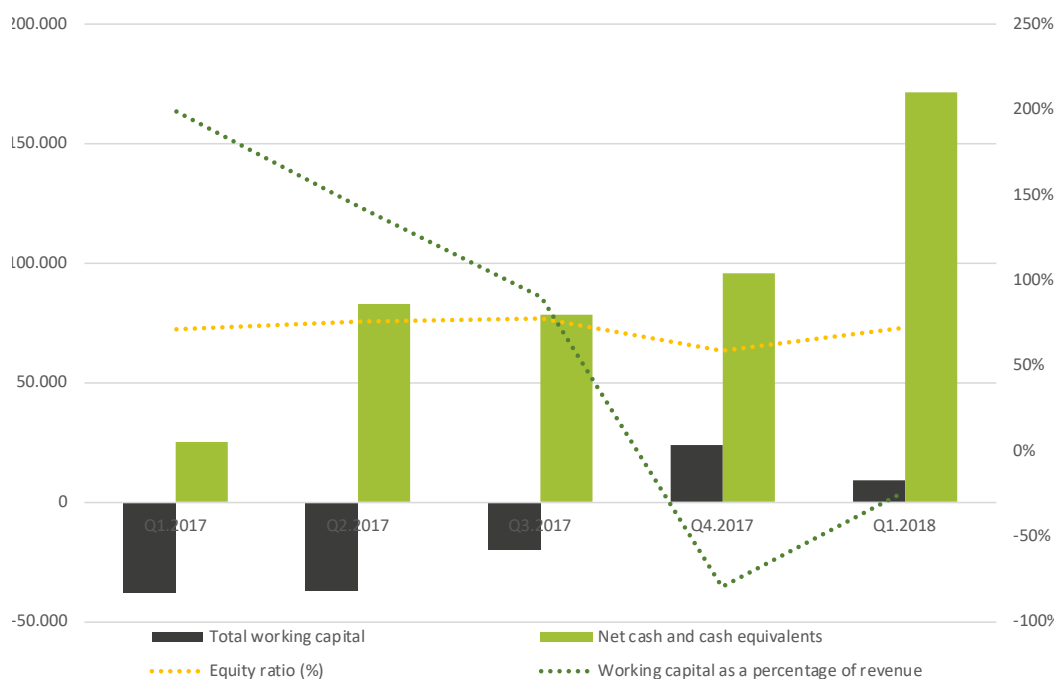
Investments

1 JANUARY – 31 MARCH 2018 (2017)

Investments in intangible assets amounted to T.SEK 13,811 (2,648) in relation to in-house development. Investments in property, plant and equipment amounted to T.SEK 4,283 (3,161). The investment activity was high during the first quarter. The main investment in intangible assets is related to in-house development projects for customer cases.

Investments in property, plant and equipment are mainly related to building up the new production area for large scale manufacturing of satellites.

Working capital and cash evolution



Financial Performance (continued)

Cash and cash equivalents, financing and financial position

1 JANUARY – 31 MARCH 2018 (2017)

Cash flow from operating activities amounted to T.SEK 27,638 (a negative 17,799) during the first quarter. Working capital decreased, mainly due to a decrease in trades receivables.

Cash flow from investing activities amounted to a negative T.SEK 18,171 (a negative 29,072). The main part of the investment activities is related to in-house development projects.

Cash flow from financing activities amounted to T.SEK 120,362 (a negative 1,998). The financing activities are related to the share issue from 8 March which amounted to T.SEK 120,907.

Cash and cash equivalents amounted to T.SEK 156,830 (10,923) at the end of the first quarter. GomSpace Group's working capital totalled a negative T.SEK 9,205 (a positive 37,792).

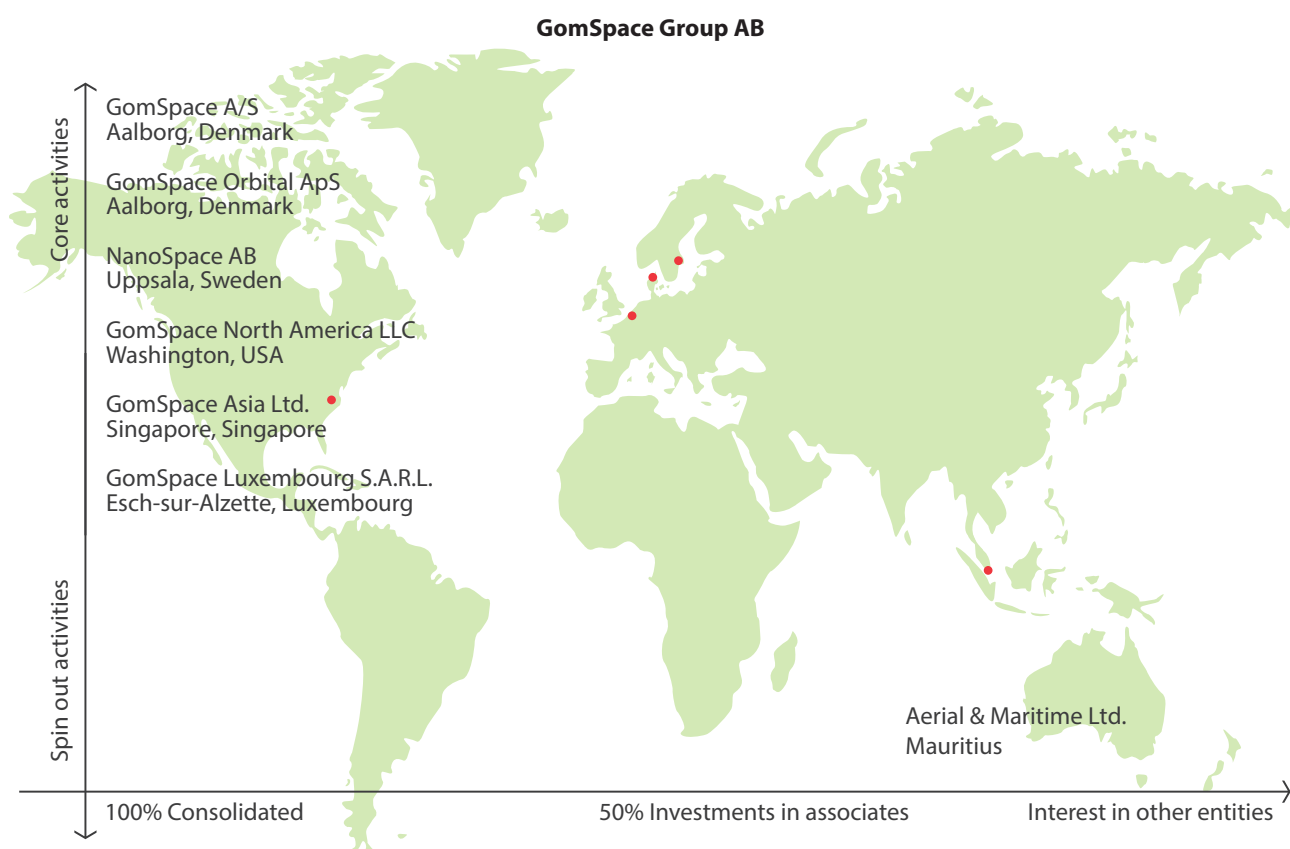
Credit risks

The Group is exposed to credit risks and other financial risks, such as market risks, including foreign exchange, interest and liquidity risks. These risks are described in the Annual Report and in the Consolidated Financial Statements for 2017.

Parent Company

The parent company had total revenues of T.SEK 6,133 (4,361) in the first quarter of 2018. The parent company incurred total costs of T.SEK 8,012 (7,029) in the first quarter. A total of T.SEK 4,093 is attributable to the capital increase and has been deducted from the share premium. The operating result for the first quarter 2018 is a negative T.SEK 1,879 (a negative 2,668). The net loss for the first quarter is T.SEK 4,003 (a net loss of 624).

The Group consists of GomSpace Group AB (Reg. No. 559026-1888), GomSpace A/S (Reg. No. 30899849), NanoSpace AB (Reg. No. 556643-0475), GomSpace Orbital ApS (Reg. No. 38173561), GomSpace ASIA Pte Ltd (Reg. No. 201707094C), GomSpace North America LLC (Reg. No. S667083-2) and GomSpace Luxembourg S.A.R.L. (No. B218666).



Market Development

Nano- and micro-satellites are having a disruptive effect on the market as the technology brings competitive advantages in terms of low cost and high flexibility to address many business areas, incl. areas that were previously considered niche areas and areas which did not previously justify an investment in space-based infrastructure.

In 2017 we saw a new record of more than 300 satellites smaller than 50kg launched; this is compared to the 100 satellites that were launched in 2016. Of last year's satellites, 75% now target commercial applications in contrast to earlier years where nanosatellite missions have been more focused on education and basic technology development.

A significant portion of the satellites relates to Planets Earth Observation constellation, but communication services are growing very rapidly with 22% of last year's satellites vs. 4% historically.

Generally, when measuring nanosatellites by launch mass the mass is getting slightly larger which is in line with GomSpace's development efforts as operational requirements increase the need for power generation and design margins.

More than 6,200 small satellites are expected to be launched over the next 10 years, driven by anticipated roll-out of multiple constellations – mainly for commercial operators – which is expected to account for more than 70 percent of that total*. The market is expected to grow at a Compound Annual Growth Rate (CAGR) of 23.7% from USD 1.21 billion in 2017 to USD 3.49 billion in 2022**.

As a pioneer and innovator in the market, GomSpace, through its own actions, is a significant force in driving the growth in the market as our investments in satellite platform technology, network technology and payload technology enable new opportunities for our customers. This has for instance been demonstrated in our activities related to space-based aircraft tracking – and GomSpace continues to research new instruments and applications areas to be served by our technology.

The market growth is expected to be driven by earth observation and radio applications to customers in the Commercial, Civil (science and non-profit service) and Defence areas **.

We expect GomSpace's growth to remain significantly above the market CAGR due to:

- Our focus on radio technology-related missions which in general scale to constellations with more satellites than other application areas.
- Our market traction with contracts to leading constellations customers, incl. Sky and Space Global Ltd., AISTECH as well as Aerial and Maritime Ltd.
- Our investments in increasing our international activities in growth markets, incl. establishment in the US (51% market, 24% CAGR **) and Singapore (Asia: 15% of market, 22% CAGR **).
- Our continued investments in new technology and products to demonstrate and enable new applications.

Further, our announcement to establish satellite operations services out of Luxembourg over time will extend the scope of our offerings to address a larger part of the value chain and through new products it will ensure that the scalability of satellite operations will not become a bottleneck for the market development.

Many new applications and opportunities for nanosatellites will be developed in the coming years, both due to our investments (see Product Development section) and the estimated over 200 academic and commercial organizations worldwide doing research in this area.

Given the growth in space activities and the number of market participants, regulatory issues relating to spaceflight, incl. launch, satellite and frequency approvals, are becoming increasingly important, and regulatory bodies are becoming more active in overlooking activities.

As a mature player in the market, we welcome this trend as adequate and competent regulation will ensure sustainability of the market, e.g. by avoiding congestion in space by establishing "traffic rules". It will also increase market entry barriers for new market entrants, however, GomSpace has already the required expertise to work proactively in this area.

* Satellitetoday: <http://www.satellitetoday.com/newspace/2017/08/14/total-smallsat-market-reach-30-billion-10-years/>

** MarketsAndMarkets: <http://www.marketsandmarkets.com/Market-Reports/nanosatellite-and-microsatellite-market-130496085.html>

Product Development

During the first quarter 2018, we have progressed on developing competitive nanosatellite platforms as well as further developing engineering competencies and industrial manufacturing capabilities for satellites.

In general, we progress according to plans developing the next generation communication nanosatellites. We will be able to offer “probably the best” performing nanosatellite platform in the market.

Focus on our product platform development is to be responsive to customer and market requirements. This is driven by the need to use satellites as routing devices in satellite constellations as well as the need for future extraction and compression of surveillance data.

To increase the capabilities of the satellites, we are expanding our portfolio of radio solutions to other than VHF, UHF and S band frequencies. We initiated the development of radio products for higher frequencies thus increasing data bandwidth.

For our nanosatellite products to meet the needs of our professional users, we are carrying out a number of design and process optimization programs. These activities are supporting a continued improvement in reliability, availability and operational lifetime of our solutions.

For 2018, the focus in R&D and product development will be to execute on the activities above. We will further optimize our modular hardware and software product platforms to meet individual customer needs. We will continue to make partnerships on technology development with universities and technology institutes to leverage our own competences and funding to speed up development.

Group

- Key Figures and Ratios

	2018 JAN-MAR T.SEK	2017 JAN-MAR T.SEK	2017 JAN-DEC T.SEK
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KEY FIGURES

Net revenue	37,738	18,997	96,405
Gross profit	13,171	8,757	26,884
Operating profit (loss)	-15,093	-10,257	-67,610
Share of profit from associates	-111	-214	4,591
Net financial items	-1,368	-673	-3,496
Profit (loss) before tax	-16,572	-11,144	-66,515
Profit (loss) for the period	-13,820	-10,272	-53,989
Investments in PPE	4,283	3,161	18,500
Total assets	414,341	189,271	313,069
Equity	296,096	135,135	185,315
Total liabilities	118,245	54,136	127,754

RATIOS

Gross margin	35%	46%	28%
Operating margin	-40%	-54%	-70%
Net margin	-37%	-54%	-56%
Return on invested capital (%)	-3%	-5%	-17%
Return on equity (%)	-6%	-7%	-33%
Equity ratio (%)	71%	71%	59%
Earnings per share, basic	-0.52	-0.42	-2.09
Earnings per share, diluted	-0.51	-0.42	-2.08
Number of outstanding shares basic, average	26,795,723	24,507,334	25,805,411
Number of outstanding shares as at 31 March 2018	28,340,667	24,507,334	26,257,334

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

Consolidated Income Statement

	NOTE	2018 JAN-MAR T.SEK	2017 JAN-MAR T.SEK	2017 JAN-DEC T.SEK
Net revenue	4	37,738	18,997	96,405
Cost of goods sold		-24,567	-10,240	-69,521
Gross profit		13,171	8,757	26,884
Sales and distribution costs		-7,977	-5,716	-30,996
Development costs		-7,146	-5,508	-25,277
Administrative costs		-13,430	-7,790	-38,221
Other operating income		289	0	0
Operating profit (loss)		-15,093	-10,257	-67,610
Share of profit from associates		-111	-214	4,591
Finance income		3,696	143	4,077
Finance expenses		-5,064	-816	-7,573
Profit (loss) before tax		-16,572	-11,144	-66,515
Tax		2,752	872	12,526
Profit (loss) for the period		-13,820	-10,272	-53,989
Profit (loss) is attributable to:				
Owners of GomSpace Group AB		-13,820	-10,272	-53,989
		-13,820	-10,272	-53,989
Consolidated Statement of for the Comprehensive Income				
Profit (loss) for the period		-13,820	-10,272	-53,989
Items which may be reclassified to the income statement:				
Foreign exchange rate adjustments		2,480	-149	-2,867
Other comprehensive income for the period, net of tax		2,480	-149	-2,867
Total comprehensive income for the period		-11,340	-10,421	-56,856
Total comprehensive income for the period is attributable to:				
Owners of GomSpace Group AB		-11,340	-10,421	-56,856
		-11,340	-10,421	-56,856
Earnings per share, basic, SEK		-0.52	-0.42	-2.09
Earnings per share, diluted, SEK		-0.51	-0.42	-2.08
Number of outstanding shares basic, average		26,795,723	24,507,334	25,805,411
Number of outstanding shares diluted, average		26,916,705	24,507,334	25,896,226

Consolidated Statement of Financial Position

		2018 31 MAR T.SEK	2017 31 MAR T.SEK	2017 31 DEC T.SEK
	NOTE			
Goodwill		3,710	3,710	3,710
Technology		10,800	11,600	11,000
Completed development projects		11,176	5,567	6,363
Development projects in progress		36,478	8,637	26,576
Other intangible assets		17,918	3,302	18,425
Intangible assets	6	80,082	32,816	66,074
Property, plant and equipment		25,048	8,879	21,333
Property, plant and equipment	7	25,048	8,879	21,333
Investments in associates		41,962	35,090	41,892
Deferred tax		12,382	5,639	9,297
Other non-current assets		3,598	4,209	3,376
Non-current assets		15,980	9,848	12,673
Total non-current assets		163,072	86,633	141,972
Raw materials and consumables		16,653	5,981	9,763
Inventories		16,653	5,981	9,763
Contract work		39,379	24,657	22,237
Trade receivables		11,778	37,688	30,765
Tax receivable		5,548	1,236	5,426
Other prepayments		1,891	1,270	1,500
Other receivables		4,333	6,873	5,830
Receivables		62,929	71,724	65,758
Marketable securities		10	10	9
Cash and cash equivalents		171,677	24,923	95,567
Total current assets		251,269	102,638	171,097
Total assets		414,341	189,271	313,069

Consolidated Statement of Financial Position

	2018 31 MAR T.SEK	2017 31 MAR T.SEK	2017 31 DEC T.SEK
Share capital	1,985	1,716	1,839
Share premium	347,897	136,787	227,136
Translation reserve	698	936	-1,782
Retained earnings	-54,484	-4,304	-41,878
Total equity	296,096	135,135	185,315
Credit institutions	28,866	5,637	29,201
Deferred taxes	0	3,483	0
Total non-current liabilities	28,866	9,120	29,201
Current portion of non-current liabilities	6,060	2,056	4,794
Credit institutions	0	4,283	0
Trade payables and other payables	10,990	7,759	16,326
Contract work	41,586	18,561	38,931
Prepayments	7,417	5,387	7,953
Corporation tax	80	0	58
Other liabilities	23,246	6,970	31,031
Total current liabilities	89,379	45,016	98,553
Total liabilities	118,245	54,136	127,754
Total equity and liabilities	414,341	189,271	313,069

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
Equity 01.01.2017	1,716	137,337	1,085	5,968	146,106
Profit (loss) for the period	0	0	0	-10,272	-10,272
Other comprehensive income	0	0	-149	0	-149
Total comprehensive income for the period	0	0	-149	-10,272	-10,421
Transactions with owners in their capacity as owners					
Increase in share capital, costs	0	-550	0	0	-550
	0	-550	0	0	-550
Equity 31.03.2017	1,716	136,787	936	-4,304	135,135
Equity 01.04.2017	1,716	136,787	936	-4,304	135,135
Profit (loss) for the period	0	0	0	-43,717	-43,717
Other comprehensive income	0	0	-2,718	0	-2,718
Total comprehensive income for the period	0	0	-2,718	-43,717	-46,435
Transactions with owners in their capacity as owners					
Increase in share capital	123	95,253	0	0	95,376
Increase in share capital, costs	0	-4,904	0	0	-4,904
Share-based payments	0	0	0	6,143	6,143
Total comprehensive income for the period	123	90,349	0	6,143	96,615
Equity 31.12.2017	1,839	227,136	-1,782	-41,878	185,315
Equity 01.01.2018	1,839	227,136	-1,782	-41,878	185,315
Total comprehensive income for the period	0	0	2,480	-13,820	-11,340
Total comprehensive income for the period	0	0	2,480	-13,820	-11,340
Transactions with owners in their capacity as owners					
Increase in share capital	146	124,854	0	0	125,000
Increase in share capital, costs	0	-4,093	0	0	-4,093
Share-based payments	0	0	0	1,214	1,214
	146	120,761	0	1,214	122,121
Equity 31.03.2018	1,985	347,897	698	-54,484	296,096

Consolidated Cash Flow Statement

	2018 JAN-MAR T.SEK	2017 JAN-MAR T.SEK	2017 JAN-DEC T.SEK
Profit (loss) before tax	-16,572	-11,144	-66,515
Reversal of financial items	1,368	673	3,496
Depreciation and amortizations	3,864	1,472	8,666
Result after tax from associates	111	214	987
Non-cash items	1,033	0	592
Changes in inventories	-6,304	-1,718	-5,497
Changes in trade receivables	21,154	-21,241	-16,832
Changes in other receivables	-14,396	1,879	6,012
Changes in trade and other payables	-16,496	11,465	59,814
Cash flow from primary operating activities	-26,238	-18,400	-9,277
Received interest financials	3,696	143	1
Paid interest financials cost	-5,201	-822	-1,388
Tax received	149	1,314	2,404
Tax paid	-44	-34	-146
Cash flow from operating activities	-27,638	-17,799	-8,406
Investments in intangible assets	-13,811	-2,648	-41,923
Investments in leasehold improvement, plant and equipment	-4,283	-3,161	-18,500
Deposit paid	-77	-3,357	-3,617
Government grants	0	0	8,173
Proceeds from sale of property, plant and equipment	0	26	41
Investments in associates	0	-19,932	-24,114
Cash flow from investing activities	-18,171	-29,072	-79,940
<i>Financing from debt:</i>			
Borrowings	0	0	26,982
Repayment of borrowings	-545	-1,448	-6,885
	-545	-1,448	20,097
<i>Financing from shareholders:</i>			
Capital increase	125,000	0	95,375
Capital increase, costs	-4,093	-550	-5,454
	120,907	-550	89,921
Cash flow from financing activities	120,362	-1,998	110,018
Net cash flow for the period	74,553	-48,869	21,672
Cash and cash equivalents, beginning of the period	84,170	59,803	59,803
Unrealized exchange rate gains and losses on cash	1,450	-11	92
Change in bank deposit for security	-3,343	0	2,603
Cash and cash equivalents, end of the period	156,830	10,923	84,170
Reconciliation of cash and cash equivalents			
Cash and cash equivalents according to the balance sheet	171,677	24,923	95,567
Bank deposit for security	-14,847	-14,000	-11,397
Cash and cash equivalents according to the cash flow statement	156,830	10,923	84,170

Parent Company Income Statement

	2018 JAN-MAR T.SEK	2017 JAN-MAR T.SEK	2017 JAN-DEC T.SEK
Net revenue	6,133	4,361	21,482
Gross profit	6,133	4,361	21,482
Administrative costs	-8,012	-7,029	-27,849
Operating profit (loss)	-1,879	-2,668	-6,367
Finance income	0	99	2,378
Finance expenses	-2,661	-27	-379
Profit (loss) before tax	-4,540	-2,596	-4,368
Tax	537	1,972	2,256
Profit (loss) for the period	-4,003	-624	-2,112
Profit (loss) is attributable to:			
Owners of GomSpace Group AB	-4,003	-624	-2,112
	-4,003	-624	-2,112
Statement of Comprehensive Income			
Profit (loss) for the period	-4,003	-624	-2,112
Items which may be reclassified to the income statement:			
Other comprehensive income for the period, net of tax	0	0	0
Total comprehensive income for the period	-4,003	-624	-2,112

Parent Company Statement of Financial Position

	2018 31 MAR T.SEK	2017 31 MAR T.SEK	2017 31 DEC T.SEK
GomSpace A/S	110,971	36,891	110,971
NanoSpace AB	34,056	23,850	34,056
GomSpace Orbital ApS	65	65	65
GomSpace Luxembourg S.A.R.L.	115	0	115
GomSpace Asia	2,142	0	2,142
GomSpace North America	1,105	0	1,105
Investments in subsidiaries	148,454	60,806	148,454
Aerial & Maritime Ltd.	24,115	19,932	24,115
Investments in associates	24,115	19,932	24,115
Fixed asset investments	172,569	80,738	172,569
Deferred tax	2,792	1,972	2,255
Other non-current assets	2,792	1,972	2,255
Total non-current assets	175,361	82,710	174,824
Trade receivables from subsidiaries	27,632	26,311	11,523
Trade receivables from associates	56	0	111
Other prepayments	69	90	153
Other receivables	0	6,516	120
Receivables	27,757	32,917	11,907
Cash and cash equivalents	139,444	19,231	38,144
Total current assets	167,201	52,148	50,051
Total assets	342,562	134,858	224,875

Parent Company Statement of Financial Position

	2018 31 MAR T.SEK	2017 31 MAR T.SEK	2017 31 DEC T.SEK
Share capital	1,985	1,716	1,839
Share premium	344,609	133,499	223,622
Retained earnings	-5,127	-6,992	-2,112
Total equity	341,467	128,223	223,349
Payables to subsidiaries	0	5,784	111
Payables to associates	0	0	0
Trade payables and other payables	800	777	826
Other liabilities	295	74	589
Total current liabilities	1,095	6,635	1,526
Total liabilities	1,095	6,635	1,526
Total equity and liabilities	342,562	134,858	224,875

Parent Company

Statement of Changes in Equity

	SHARE CAPITAL T.SEK	SHARE PREMIUM T.SEK	RETAINED EARNINGS T.SEK	TOTAL EQUITY T.SEK
Equity 01.01.2017	1,716	134,049	-6,368	129,397
Profit (loss) for the period	0	0	-624	-624
Total comprehensive income for the period	0	0	-624	-624
Transactions with owners in their capacity as owners				
Increase in share capital, costs	0	-550	0	-550
Total comprehensive income for the period	0	-550	0	-550
Equity 31.03.2017	1,716	133,499	-6,992	128,223
Equity 01.04.2017	1,716	133,499	-6,992	128,223
Profit (loss) for the period	0	0	-1,488	-1,488
Total comprehensive income for the period	0	0	-1,488	-1,488
Transactions with owners in their capacity as owners				
Increase in share capital	123	95,253	0	95,376
Increase in share capital, costs	0	-4,904	0	-4,904
Share-based payments	0	0	6,142	6,142
Total comprehensive income for the period	123	90,349	6,142	96,614
Equity 31.12.2017	1,839	223,848	-2,338	223,349
Equity 01.01.2018	1,839	223,848	-2,338	223,349
Total comprehensive income for the period	0	0	-4,003	-4,003
Increase in share capital	146	124,854	0	125,000
Increase in share capital, costs	0	-4,093	0	-4,093
Share-based payments	0	0	1,214	1,214
Total comprehensive income for the period	146	120,761	-2,789	118,118
Equity 31.03.2018	1,985	344,609	-5,127	341,467

Notes to the Interim Consolidated Financial Statements

1. Accounting policies

Basis of preparation

The interim consolidated financial statements for the first quarter of 2018 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 2017.

Key ratios definitions

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

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

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

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

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

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

$$\text{Earnings per share, basic} = \frac{\text{profit}}{\text{number of shares basic, average}}$$

$$\text{Earnings per share, diluted} = \frac{\text{profit}}{\text{number of shares diluted, average}}$$

$$\text{Working capital} = \text{Inventory} + \text{Contract work} + \text{Trade receivables} + \text{Other Prepayments} + \text{Other receivables} - \text{Trade payables and Other payables} - \text{Contract work} - \text{Prepayments} - \text{Other liabilities}$$

Notes to the Interim Consolidated Financial Statements (continued)

2. New standards adopted by the Group

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements as at 31 December 2017, except for the adoption of new standards effective as of 1 January 2018. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments that require restatement of the opening balance. As required by IAS 34, the nature and effect of these changes are disclosed below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim consolidated financial statements of the Group.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied IFRS 9 prospectively, with the initial application date of 1 January 2018.

Adopting IFRS 9 has no effect for the Group.

Under IFRS 9, the Group initially measures trade receivables as a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The new classification and measurement of the Group's debt financial assets are as follows:

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognized in the income statement.

Impairment

The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For Contract assets and Trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payment is 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Notes to the Interim Consolidated Financial Statements (continued)

2. New standards adopted by the Group (continued)

The adoption of the ECL requirements of IFRS 9 resulted in no changes in impairment allowances of the Group's debt financial assets.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted IFRS 15 using the modified retrospective method of adoption. The adopting of IFRS 15 has no effect on the consolidated financial statements for the Group.

The Group is in the business of providing satellite solutions, platforms, payloads and subsystems. The equipment and services are sold both on their own in separately identified contracts with customers and together as a bundled package of goods and/or services.

Sales of satellite solutions, platforms, payloads and subsystems

The Group is in the business of providing satellite solutions as well as sales of platforms, payloads and subsystems for nanosatellites. Platforms, payloads and subsystems are either sold as separate components to customers, integrated as a platform or as turnkey nanosatellite solutions. It has been determined that satellite solutions and platforms, payloads and subsystems meet the criteria to recognize revenue over time on a percentage of completion basis. This is due to the customization of components according to customer specifications (selected options) which means that GomSpace has no alternative use for the components once customization commences and therefore GomSpace has a right to payment regarding work completed to date. Other sales are recognized at point in time. The Group's contracts with customers for the sale of satellite solutions, platforms, payloads and subsystems generally include one performance obligation. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

Warranty obligations

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. As such, most warranties are assurance-type warranties under IFRS 15, which the Group accounts for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, consistent with its practice prior to the adoption of IFRS 15.

Advances received from customers

Generally, the Group receives short-term advances from its customers. However, from time to time, the Group also receives long-term advances from customers. Prior to the adoption of IFRS 15, the Group presented these advances as Deferred revenue in the statement of financial position. No interest was accrued on the long-term advances received under the previous accounting policy.

Upon the adoption of IFRS 15, for short-term advances, the Group used the practical expedient. As such, the Group will not adjust the promised amount of the consideration for the effects of a financing component in contracts, where the Group expects, at contract inception, that the period between the time the customer pays for the goods and services and when the Group transfers the promised goods or services the customer will be one year or less.

Notes to the Interim Consolidated Financial Statements (continued)

3. Significant accounting estimates and judgments

In preparing the Interim Report, Management makes various accounting estimates and assumptions which form the basis of presentation, recognition and measurement of the Group's assets and liabilities. The most significant accounting estimates and judgments are presented below.

In applying the Group's accounting policies, Management makes judgments which may significantly influence the amounts recognized in the Interim Report. Determining the carrying amount of some assets and liabilities requires judgments, estimates and assumptions concerning future events.

The judgments, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual items are described below.

The Group is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

The Group has established a warrant program from 27 April 2017 to 27 April 2021. 100% of the warrants in the first grant is vested and the management expects that 85% of the warrants will be vested in the fourth grant.

Development

For development projects in progress an impairment test is performed annually. The impairment test is performed on the basis of various factors, including future expected use of the outcome of the project, the fair value of the estimated future earnings or savings, interest rates and risks.

For development projects in progress, Management estimates on an ongoing basis whether each project is likely to generate future economic benefits for the Group in order to qualify for recognition. The development projects are evaluated on technical as well as commercial criteria. The carrying amount of development projects in progress is disclosed in note 6.

Contract work

Recognized revenue on contract work is based on percentage of completion which is based on cost incurred on the contract as a percentage of the total cost estimated to complete the project. Management estimates, on an ongoing basis, the cost required to complete the projects and whether the costs can be recovered through the contract. The carrying amount of contract work in progress is disclosed in the consolidated statement of financial position.

Deferred tax

Regarding deferred tax there is a recognized tax asset concerning tax loss carry-forward. It is Management's opinion that the tax loss can be utilized.

Notes to the Interim Consolidated Financial Statements (continued)

4. Revenue

Business segments

	ACADEMIA	COMMERCIAL	DEFENSE	SCIENCE	TOTAL
	T.SEK	T.SEK	T.SEK	T.SEK	T.SEK

GEOGRAPHICAL

Sweden	0	0	0	-327	-327
Denmark	1,451	0	0	0	1,451
Europe (excluding Sweden and Denmark)	345	26,736	1	2,215	29,297
USA	230	1,837	1,043	0	3,110
Asia	1,617	973	0	8	2,598
Rest of the world	0	1,542	0	67	1,609
	3,643	31,088	1,044	1,963	37,738

MAJOR GOODS/SERVICE LINES

Sales of satellite solutions	2,307	26,058	1,044	1,896	31,305
Sales of platforms, payloads and subsystems	1,336	4,831	0	67	6,234
Other sales	0	199	0	0	199
	3,643	31,088	1,044	1,963	37,738

Notes to the Interim Consolidated Financial Statements (continued)

5. Income tax and deferred tax

The Group had a recognized deferred tax loss carry-forward at a total amount of T.SEK 26,158 (T.SEK 3,892). The parent company, GomSpace Group AB, had a non-recognized deferred tax loss carry-forward at a total amount of T.SEK 6,236 (T.SEK 5,082). This amount can only be used by the Swedish entities and no tax profit is expected to be generated within a foreseeable future. Once the amount is recognized, this is done over equity as it regards deferred tax concerning expenses booked on equity.

DEFERRED TAX ASSET RELATES TO:	2018 31 MAR T.SEK	2017 31 MAR T.SEK
Intangible assets	-15,611	1,012
Property, plant and equipment	2,118	0
Short-term assets	-283	0
Tax loss carry-forwards	26,158	3,892
	12,382	4,904
Tax loss carry-forward	32,394	11,986
Unrecognized as deferred tax asset	-6,236	-5,082
Tax loss carry-forward recognized as deferred tax liability	0	-3,012
Tax loss carry-forward recognized as deferred tax asset	26,158	3,892

Notes to the Interim Consolidated Financial Statements (continued)

6. Intangible assets

	GOODWILL	TECHNOLOGY	IN PROCESS DEVELOPMENT PROJECTS	COMPLETED DEVELOPMENT PROJECTS	OTHER INTANGIBLE ASSETS	TOTAL
	T.SEK	T.SEK	T.SEK	T.SEK	T.SEK	T.SEK

GROUP

Cost price at 1 January 2018	3,710	12,000	26,576	14,509	20,843	77,638
Additions during the year	0	0	13,704	0	107	13,811
Reclassification	0	0	-5,206	5,206	0	0
Exchange rate adjustment	0	0	1,404	788	811	3,003
Cost price at 31 March 2018	3,710	12,000	36,478	20,503	21,761	94,452
Amortization at 1 January 2018	0	-1,000	0	-8,146	-2,418	-11,564
Amortization	0	-200	0	-799	-1,310	-2,309
Exchange rate adjustment	0	0	0	-382	-115	-497
Amortization at 31 March 2018	0	-1,200	0	-9,327	-3,843	-14,370
Carrying amount at 31 March 2018	3,710	10,800	36,478	11,176	17,918	80,082

Cost price at 1 January 2017	3,710	12,000	6,197	12,054	3,623	37,584
Additions during the year	0	0	2,444	0	203	2,647
Exchange rate adjustment	0	0	-4	-32	-2	-38
Cost price at 31 March 2017	3,710	12,000	8,637	12,022	3,824	40,193
Amortization at 1 January 2017	0	-200	0	-6,021	-306	-6,527
Amortization	0	-200	0	-447	-216	-863
Exchange rate adjustment	0	0	0	13	0	13
Amortization at 31 March 2017	0	-400	0	-6,455	-522	-7,377
Carrying amount at 31 March 2017	3,710	11,600	8,637	5,567	3,302	32,816

Impairment test

The annual impairment test for goodwill is performed as at 31 December after completion of budgets and strategy plans for the next 5 years. As at 31 March 2018, management assesses that there is no indication of impairment regarding the net asset values for goodwill and intangible assets with an indefinite useful life.

Notes to the Interim Consolidated Financial Statements (continued)

7. Property, plant and equipment

	LEASEHOLD IMPROVEMENTS	OTHER FIXTURES, FITTINGS, TOOLS AND EQUIPMENT	TOTAL PROPERTY, PLANT AND EQUIPMENT
	T.SEK	T.SEK	T.SEK
GROUP			
Cost price at 1 January 2018	9,963	16,372	26,335
Additions during the year	3,666	617	4,283
Exchange rate adjustment	529	708	1,237
Cost price at 31 March 2018	14,158	17,697	31,855
Depreciation at 1 January 2018	-852	-4,149	-5,001
Depreciation	-246	-1,306	-1,552
Disposals during the year	0	0	0
Exchange rate adjustment	-45	-209	-254
Depreciation at 31 March 2018	-1,143	-5,664	-6,807
Carrying amount at 31 March 2018	13,015	12,033	25,048
Cost price at 1 January 2017	2,331	5,567	7,898
Additions during the year	221	2,940	3,161
Disposals during the year	0	-26	-26
Exchange rate adjustment	-5	-2	-7
Cost price at 31 March 2017	2,547	8,479	11,026
Depreciation at 1 January 2017	-352	-1,181	-1,533
Depreciation	-131	-485	-616
Exchange rate adjustment	0	2	2
Depreciation at 31 March 2017	-483	-1,664	-2,147
Carrying amount at 31 March 2017	2,064	6,815	8,879

Notes to the Interim Consolidated Financial Statements (continued)

8. 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
31 MARCH 2018							
ASSETS							
Trade and other receivables	0	0	55,490	0	55,490	55,490	0
Marketable securities	10	0	0	0	10	0	10
Cash and cash equivalents	0	0	171,677	0	171,677	171,677	0
Total assets	10	0	227,167	0	227,177	227,167	10
LIABILITIES							
Credit institutions	0	0	0	34,926	34,926	34,926	0
Trade payables and other payables	0	0	0	34,236	34,236	34,236	0
Prepayments	0	0	0	49,003	49,003	49,003	0
Total liabilities	0	0	0	118,165	118,165	118,165	0
31 MARCH 2017							
ASSETS							
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 cash equivalents	0	0	24,923	0	24,923	24,923	0
Total assets	10	0	94,141	0	94,151	94,141	10
LIABILITIES							
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	23,948	23,948	23,948	0
Total liabilities	0	0	0	50,653	50,653	50,653	0

Notes to the Interim Consolidated Financial Statements (continued)

8. 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 or the asset or liability which are not based on observable market data (non-observable inputs) (Level 3)

In the first quarter of 2018, no transfers between levels were made.

Notes to the Interim Consolidated Financial Statements (continued)

9. Share-based payment

GomSpace Group AB (publ) established warrant programs as an incentive for all the Group's employees. Board members of the Group will not be allowed to participate. The warrant activity for the year is outlined below.

	2018 JAN-MAR T.SEK	2017 JAN-MAR T.SEK	2017 JAN-DEC T.SEK
Outstanding warrants as at 27 April 2017	10,709	0	10,709
Granted	-2,895	0	-2,895
Exercised	0	0	0
Outstanding warrants	7,814	0	7,814

At the annual general meeting in April 2017 and at an extraordinary general meeting in August 2017, shareholders approved a warrant program for all the Group's employees. Board members of the Group will not be allowed to participate. Up to 460,380 warrants may be issued under this program and the exercise price is 100% of the volume weighted average last closing price for the Group's share on Nasdaq First North Premier during the period from and including 20 April 2017 until and including 26 April 2017. The exercise price thus calculated shall be rounded off to the nearest whole SEK 0.10, whereupon SEK 0.5 shall be rounded upwards. The exercise price may never be below the quotient value of the shares.

The fair value of the warrants, expected to be granted until April 2020, is an amount of up to T.SEK 11,577, using the so-called Black&Scholes model based on the assumptions below.

Volatility	70%
Risk-free interest rate	0.00%
Dividend yield	0.00%
Year to maturity	4
Exercise price	54.1

The costs of this program will be recognized as cost in the consolidated income statement over the service period. Further details of the Warrant Program can be found on our website:

[https://gomspace.com/UserFiles/Investor%20relations/General%20meeting%202017/Board_s_complete_proposal_to_issue_warrants_\(incentive_programme\)_-_37192241_v91.pdf](https://gomspace.com/UserFiles/Investor%20relations/General%20meeting%202017/Board_s_complete_proposal_to_issue_warrants_(incentive_programme)_-_37192241_v91.pdf)

Notes to the Interim Consolidated Financial Statements (continued)

10. Related parties

Related parties comprise the associated companies, the Board of Directors and the management team. Furthermore, related parties comprise companies in which the above-mentioned persons have significant interests.

The Group has the following transactions with related parties:

	2018 JAN-MAR T.SEK	2017 JAN-MAR T.SEK
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Transactions with related parties

Sale of goods and services to associates	1,124	2,069
Administration costs from Board of Directors and management team	30	1,262
Receivables from associates on the balance sheet date	933	22,115

Financial Calendar

Interim report,
April - June 2018

31 August 2018

COMPANY INFORMATION

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Luxembourg

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 2018, and of the results of the Group's and the parent company's operations and cash flow for the period 1 January - 31 March 2018.

Stockholm, 24 May 2018

Executive Board

Niels Buus
CEO

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

