

# GOMSPACE

1 JANUARY – 31 MARCH 2020

## FIRST QUARTER 2020

- Order intake increased to T.SEK 18,448 (14,788)
- Net revenues increased to T.SEK 40,455 (29,877)
- Gross margin increased to 24% (1%)
- Operating profit (loss) improved to a negative T.SEK 8,478 (a negative 27,630)
- Earnings per share were a negative SEK 0.14 (a negative 0.58)

## EVENTS

- GomSpace leads development of a teaming agreement to demonstrate game-changing communications technology in space with the University of Arizona, and American FreeFall Aerospace and Rincon Research

## OUTLOOK FOR 2020

- In 2020, we still expect to convert between SEK 160-185 million into revenue

## FINANCIAL SUMMARY

T.SEK	Q1			Full year
	2020	2019	▲%	2019
Orders received	18,448	14,788	25%	192,354
Net revenue	40,455	29,877	35%	136,263
Gross profit	9,810	446	2100%	17,994
Gross margin	24%	1%	23 pp.	13%
Operating profit (loss)	-8,478	-27,630	69%	-113,856
- As a percentage of revenues	-21%	-92%	71 pp.	-84%
Profit (loss) before tax	-8,188	-29,585	72%	-146,531
- As a percentage of revenues	-20%	-99%	79 pp.	-108%
Profit (loss) for the period	-7,490	-30,184	75%	-151,663
- As a percentage of revenues	-19%	-101%	82 pp.	-111%
Cost of goods sold	30,645	29,431	4%	118,269
- As a percentage of revenues	76%	99%	-23 pp.	87%
Sales and distribution costs	5,888	9,848	-40%	43,789
- As a percentage of revenues	15%	33%	-18 pp.	32%
Development costs	4,577	5,922	-23%	40,635
- As a percentage of revenues	11%	20%	-9 pp.	30%
Administrative costs	7,983	12,394	-36%	45,030
- As a percentage of revenues	20%	41%	-21 pp.	33%
<b>Balance sheet items</b>				
Intangible assets	126,959	122,620	4%	120,554
Property, plant and equipment	82,537	94,924	-13%	85,603
Working capital	-22,432	-5,024	-346%	-20,522
Net cash and cash equivalents	120,851	225,113	-46%	127,160
Equity	296,293	414,521	-29%	295,682
Liabilities	137,693	188,591	-27%	141,071



## Comments from

# Niels Buus

CEO

The first quarter of 2020 shows the positive outcome of the cost reduction program which we undertook in 2019. The revenue increased by 35% from SEK 29.9 million to SEK 40.5 million, the gross margin increased from 1% to 24% and the cash flow went from SEK -44.6 million to SEK -7.1 million. We still have some more improvements to do to make GomSpace a strong earner of cash on the operations, although, we have taken a giant leap in the right direction from which we will continue our improvements. The order booking has increased by 25% from SEK 14.8 million to SEK 18.4 million which is slightly less than expected. However, we will maintain the outlook for the year.

In GomSpace, we have been able to handle the COVID-19 pandemic situation very well internally. So far, we have been able to keep the momentum on the production and the customer projects. We do however expect that there will be some delays in the order booking. We expect that the commercial customers will have challenges with the financing of their next phases and we also expect that the rocket launches will face delays as a result of the situation.

There is still a solid basis for a long-term growth in the nanosatellite business. But with the COVID-19 pandemic sending the world economy into global recession, we must expect that the next couple of years will be hard in terms of rapid growth. Therefore, we will not be able to reach the goal of SEK 1.5 billion in 2023, but we will maintain the goal of a positive cash flow on operations.

While the global economy is in recession, we are in the fortunate situation to be working with the European Space Agency, ESA, on many projects. They are a very stable customer that continues regardless of the state of the economy. It is however important to state that we are still very committed to bring GomSpace into accelerated growth as soon as this situation allows for this again.

We are extremely fortunate that our employees through an incredible fighting spirit have proven that they can excel in hard times. Besides that, we have a sound cash position and we only have little debt. Based on that we are determined to continue our improvements and to come out of this global crisis even stronger than before.

Niels Buus, CEO

A handwritten signature in blue ink, appearing to read 'Niels Buus', written in a cursive style.

## Financial Performance

T.SEK	Business segments				Total
	Academia	Com-mercial	Defence	Science	
Order backlog 1 January 2020	1,229	63,990	1,025	86,496	152,740
Currency adjustment	-401	2,963	455	6,582	9,599
Order intake	7,639	2,703	1,126	6,980	18,448
Converted to revenue	-1,998	-20,594	-1,663	-16,200	-40,455
<b>Order backlog 31 March 2020</b>	<b>6,469</b>	<b>49,062</b>	<b>943</b>	<b>83,858</b>	<b>140,332</b>



### Order intake and backlog

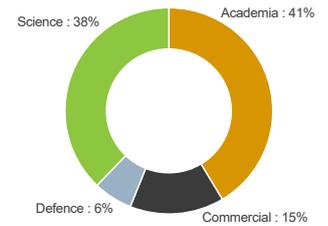
The orders received for Q1 2020 increased with 25% to T.SEK 18,448 (14,788).

The increase was mainly related to orders in the science and academia business areas. The total order intake for the first quarter is lower than expected.

60% of the backlog is orders in the science business area. We have an intention of changing the sales mix and leveling out our orders within the four business areas – to compensate for the low margin in science projects.

In 2020, we still expect to convert between SEK 160-185 million into revenue from order intake and backlog.

### Order intake 2020 split per segment



### Revenue and operating profit (loss)

Revenue increased 35% to T.SEK 40,455 in Q1 2020 (29,877). In Q1 2020, the sales of satellite solutions increased 41% to T.SEK 31,747 (22,553) and sales of platforms, payloads and subsystems increased 21% to T.SEK 8,708 (7,189). The increased revenue is mainly due to an efficient execution of orders related to platforms and subsystems. Projects were also positively affected by the large order intake in Q4 2019, however, there are still delays in launches.

The largest customer in Q1 2020 was The European Space Agency (ESA) with a revenue share of 28% of the total revenue in Q1 2020.

In Q1 2020, revenue related to new customers represented 13% compared to 6% of revenue in Q1 2019.

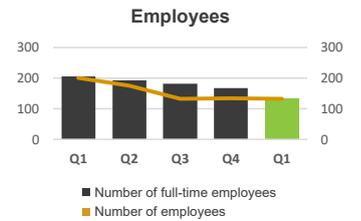
Operating loss decreased 69% to T.SEK 8,478 in Q1 2020 (27,630). The decrease is mainly a result of our increased and continued focus on reducing costs.

The gross margin in Q1 2020 was 24% (1%). The increased gross margin is a result of an improved utilization of the capacity as well as a result of the actions taken in relation to the large overcapacity in 2019.



## THE GROUP

	Q1 2019		Q2 2019		Q3 2019		Q4 2019		Q1 2020	
Technology	97	48%	80	45%	77	58%	82	61%	80	61%
Manufacturing	58	29%	61	35%	31	23%	30	22%	30	23%
Sales and distribution	19	9%	13	7%	12	9%	11	8%	11	8%
Administration	27	13%	22	13%	13	10%	11	8%	11	8%
Number of employees	201	100%	176	100%	133	100%	134	100%	132	100%
Number of full-time employees	205		193		181		168		133	



The number of employees in Q1 2020 was 132 (201). This corresponds to 133 full-time employees in Q1 2020 (205).

### Cash flow

Cash from operating activities in Q1 2020 increased by 97% to T.SEK -885 (-26,173).

Working capital was positively affected with T.SEK 13,180 (20,407) from trade receivables but negatively affected by contract work at an amount of T.SEK 11,107 (a positive 8,537) and inventories of T.SEK 3,941 (7,422). Working capital in Q1 2020 was higher than anticipated, however, we do expect an improvement of this during Q2 2020.

The main investment in intangible assets was related to in-house development projects for customer cases and included work on our project portfolio as well as work on improving constellation management. It is a continuation of ongoing investment projects. No new projects were initiated.

The financing activities were related to the repayment of borrowings and payment of lease liabilities.

Cash and cash equivalents at the end of Q1 2020 were T.SEK 120,851 (225,113).

### Risks

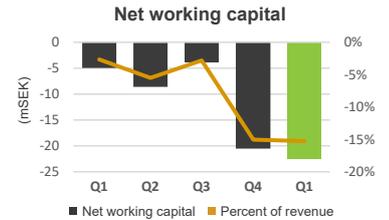
The Group is exposed to credit risks and other financial risks, such as market risks, including foreign exchange, interest and liquidity risks. No new risks have been identified during 2020, risks are described in the Annual Report and in the Consolidated Financial Statements for 2019.

We believe that the situation with Covid-19 (the Corona virus) will have a small negative impact in the short term. It is, however, difficult to assess the long-term effect as we are only in the initial phases of this situation.

### Parent Company and ownership

GomSpace Group AB has full ownership of the subsidiaries; GomSpace A/S, GomSpace Sweden AB, GomSpace Orbital ApS, GomSpace Asia Pte Ltd, GomSpace North America LLC and GomSpace Luxembourg S.A.R.L.

As at 31 March 2020, Hansen & Langeland ApS was the largest shareholder (10.0%) followed by Borean Innovation A/S (3.1%) and Longbus Holding ApS (2.3%).



## Group - Key Figures and Ratios

T.SEK	Q1		Full year
	2020	2019	2019
<b>KEY FIGURES</b>			
Net revenue	40,455	29,877	136,263
Gross profit	9,810	446	17,994
Operating profit (loss)	-8,478	-27,630	-113,856
Share of profit from associates	355	-805	-25,967
Net financial items	-65	-1,150	-6,708
Profit (loss) before tax	-8,188	-29,585	-146,531
Profit (loss) for the period	-7,490	-30,184	-151,663
Investments in PPE	0	3,304	6,953
Total assets	433,986	603,112	436,753
Equity	296,293	414,521	295,682
Total liabilities	137,693	188,591	141,071
<b>RATIOS</b>			
Gross margin (%)	24%	1%	13%
Operating margin (%)	-21%	-92%	-84%
Net margin (%)	-19%	-101%	-111%
Return on invested capital (%)	-2%	-5%	-35%
Return on equity (%)	-3%	-8%	-41%
Equity ratio (%)	68%	69%	68%
Earnings per share, basic, SEK	-0.14	-0.58	-2.90
Earnings per share, diluted, SEK	-0.14	-0.58	-2.90
Number of outstanding shares basic, average	52,274,803	52,274,803	52,274,803
Number of outstanding shares as at 31 March 2020	52,274,803	52,274,803	52,274,803

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

## Consolidated Income

T.SEK	Note	Q1		Full year
		2020	2019	2019
Net revenue	2	40,455	29,877	136,263
Cost of goods sold		-30,645	-29,431	-118,269
<b>Gross profit</b>		<b>9,810</b>	<b>446</b>	<b>17,994</b>
Sales and distribution costs		-5,888	-9,848	-43,789
Development costs		-4,577	-5,922	-40,635
Administrative costs		-7,983	-12,394	-45,030
Other operating income		160	88	303
Other operating costs		0	0	-2,699
<b>Operating profit (loss)</b>		<b>-8,478</b>	<b>-27,630</b>	<b>-113,856</b>
Share of profit from associates		355	-805	-25,967
Finance income		1,099	528	485
Finance expenses		-1,164	-1,678	-7,193
<b>Profit (loss) before tax</b>		<b>-8,188</b>	<b>-29,585</b>	<b>-146,531</b>
Tax		698	-599	-5,132
<b>Profit (loss) for the period</b>		<b>-7,490</b>	<b>-30,184</b>	<b>-151,663</b>
<b>Profit (loss) is attributable to:</b>				
Owners of GomSpace Group AB		-7,490	-30,184	-151,663
		<b>-7,490</b>	<b>-30,184</b>	<b>-151,663</b>
<b>Consolidated Comprehensive Income</b>				
Profit (loss) for the period		-7,490	-30,184	-151,663
<b>Items which may be reclassified to the income statement:</b>				
Foreign exchange rate adjustments		7,777	1,821	3,527
<b>Other comprehensive income for the period, net of tax</b>		<b>7,777</b>	<b>1,821</b>	<b>3,527</b>
<b>Total comprehensive income for the period</b>		<b>287</b>	<b>-28,363</b>	<b>-148,136</b>
<b>Total comprehensive income for the period is attributable to:</b>				
Owners of GomSpace Group AB		287	-28,363	-148,136
		<b>287</b>	<b>-28,363</b>	<b>-148,136</b>
Earnings per share, basic, SEK		-0.14	-0.58	-2.90
Earnings per share, diluted, SEK		-0.14	-0.58	-2.90
Number of outstanding shares basic, average		52,274,803	52,274,803	52,274,803
Number of outstanding shares diluted, average		52,274,803	52,274,803	52,274,803

## Consolidated Financial Position

T.SEK	31 Mar		31 Dec
	2020	2019	2019
<b>ASSETS</b>			
Goodwill	3,710	3,710	3,710
Technology	9,200	10,000	9,400
Completed development projects	25,522	19,389	25,761
In process development projects	79,349	76,555	71,857
Other intangible assets	9,178	12,966	9,826
<b>Intangible assets</b>	<b>126,959</b>	<b>122,620</b>	<b>120,554</b>
Property, plant and equipment	29,732	35,088	31,062
Right-of-use assets	52,805	59,836	54,541
<b>Property, plant and equipment</b>	<b>82,537</b>	<b>94,924</b>	<b>85,603</b>
<b>Investments in associates</b>	<b>11,672</b>	<b>33,878</b>	<b>11,672</b>
Deferred tax	1,037	11,833	1,173
Other non-current assets	4,284	4,205	4,071
<b>Non-current assets</b>	<b>5,321</b>	<b>16,038</b>	<b>5,244</b>
<b>Total non-current assets</b>	<b>226,489</b>	<b>267,460</b>	<b>223,073</b>
Raw materials and consumables	28,074	37,472	24,133
<b>Inventories</b>	<b>28,074</b>	<b>37,472</b>	<b>24,133</b>
Contract work	20,888	26,057	13,087
Trade receivables	24,032	31,404	37,212
Tax receivable	7,568	7,923	6,588
Other prepayments	4,767	4,417	4,125
Other receivables	1,317	3,266	1,375
<b>Receivables</b>	<b>58,572</b>	<b>73,067</b>	<b>62,387</b>
<b>Cash and cash equivalents</b>	<b>120,851</b>	<b>225,113</b>	<b>127,160</b>
<b>Total current assets</b>	<b>207,497</b>	<b>335,652</b>	<b>213,680</b>
<b>Total assets</b>	<b>433,986</b>	<b>603,112</b>	<b>436,753</b>

T.SEK	31 Mar		31 Dec
	2020	2019	2019
<b>EQUITY AND LIABILITIES</b>			
Share capital	3,660	3,660	3,660
Share premium	581,599	581,599	581,599
Translation reserve	15,548	6,065	7,771
Retained earnings	-304,514	-176,803	-297,348
<b>Total equity</b>	<b>296,293</b>	<b>414,521</b>	<b>295,682</b>
Credit institutions	14,784	21,936	14,874
Lease liabilities	41,795	49,240	43,956
Other liabilities	5,511	0	2,933
<b>Total non-current liabilities</b>	<b>62,090</b>	<b>71,176</b>	<b>61,763</b>
Current portion of non-current liabilities	18,907	19,693	19,735
Trade payables and other payables	7,795	7,666	9,621
Contract work	25,850	53,487	29,156
Prepayments	4,762	9,214	4,132
Corporation tax	50	130	163
Other liabilities	18,239	27,225	16,501
<b>Total current liabilities</b>	<b>75,603</b>	<b>117,415</b>	<b>79,308</b>
<b>Total liabilities</b>	<b>137,693</b>	<b>188,591</b>	<b>141,071</b>
<b>Total equity and liabilities</b>	<b>433,986</b>	<b>603,112</b>	<b>436,753</b>

## Consolidated Changes in Equity

T.SEK	Share capital	Share premium	Translation reserve	Retained earnings	Total equity
<b>Equity 01.01.2019</b>	<b>3,660</b>	<b>581,652</b>	<b>4,244</b>	<b>-147,713</b>	<b>441,843</b>
Total comprehensive income for the period	0	0	1,821	-30,184	-28,363
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>1,821</b>	<b>-30,184</b>	<b>-28,363</b>
<b>Transactions with owners in their capacity as owners</b>					
Increase in share capital, costs	0	-53	0	0	-53
Share-based payments	0	0	0	1,094	1,094
	<b>0</b>	<b>-53</b>	<b>0</b>	<b>1,094</b>	<b>1,041</b>
<b>Equity 31.03.2019</b>	<b>3,660</b>	<b>581,599</b>	<b>6,065</b>	<b>-176,803</b>	<b>414,521</b>
<b>Equity 01.04.2019</b>	<b>3,660</b>	<b>581,599</b>	<b>6,065</b>	<b>-176,803</b>	<b>414,521</b>
Total comprehensive income for the period	0	0	1,706	-121,479	-119,773
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>1,706</b>	<b>-121,479</b>	<b>-119,773</b>
<b>Transactions with owners in their capacity as owners</b>					
Share-based payments	0	0	0	934	934
	<b>0</b>	<b>0</b>	<b>0</b>	<b>934</b>	<b>934</b>
<b>Equity 31.12.2019</b>	<b>3,660</b>	<b>581,599</b>	<b>7,771</b>	<b>-297,348</b>	<b>295,682</b>
<b>Equity 01.01.2020</b>	<b>3,660</b>	<b>581,599</b>	<b>7,771</b>	<b>-297,348</b>	<b>295,682</b>
Total comprehensive income for the period	0	0	7,777	-7,490	287
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>7,777</b>	<b>-7,490</b>	<b>287</b>
<b>Transactions with owners in their capacity as owners</b>					
Share-based payments	0	0	0	324	324
	<b>0</b>	<b>0</b>	<b>0</b>	<b>324</b>	<b>324</b>
<b>Equity 31.03.2020</b>	<b>3,660</b>	<b>581,599</b>	<b>15,548</b>	<b>-304,514</b>	<b>296,293</b>

## Consolidated Cash Flow

T.SEK	Q1		Full year
	2020	2019	2019
Profit (loss) before tax	-8,188	-29,585	-146,531
Reversal of financial items	65	1,150	6,708
Depreciation and amortizations	8,593	7,668	32,091
Result after tax from associates	-355	805	25,967
Non-cash items	3,868	6,594	20,589
Changes in inventories	-2,621	-6,992	-11,372
Changes in trade receivables	15,763	21,588	3,081
Changes in other receivables	-7,610	8,743	22,663
Changes in trade and other payables	-9,571	-35,020	-48,992
<b>Cash flow from primary operating activities</b>	<b>-56</b>	<b>-25,049</b>	<b>-95,796</b>
Received interest financials	0	0	11
Paid interest financials cost	-925	-1,218	-4,554
Tax received	191	149	7,949
Tax paid	-95	-55	-237
<b>Cash flow from operating activities</b>	<b>-885</b>	<b>-26,173</b>	<b>-92,627</b>
Investments in intangible assets (before grants)	-4,247	-10,715	-31,513
Investments in leasehold improvement, plant and equipment	0	-3,304	-6,953
Deposit paid	0	-292	-191
Government grants	873	0	5,979
<b>Cash flow from investing activities</b>	<b>-3,374</b>	<b>-14,311</b>	<b>-32,678</b>
<i>Financing from debt:</i>			
Borrowings	2,530	0	2,978
Repayment of borrowings	-2,740	-1,604	-9,002
Payment of lease liabilities	-2,638	-2,447	-10,441
	<b>-2,848</b>	<b>-4,051</b>	<b>-16,465</b>
<i>Financing from shareholders:</i>			
Capital increase, costs	0	-53	-53
	<b>0</b>	<b>-53</b>	<b>-53</b>
<b>Cash flow from financing activities</b>	<b>-2,848</b>	<b>-4,104</b>	<b>-16,518</b>
<b>Net cash flow for the period</b>	<b>-7,107</b>	<b>-44,588</b>	<b>-141,823</b>
Cash and cash equivalents, beginning of the period	106,227	248,754	248,754
Unrealized exchange rate gains and losses on cash	798	283	-434
Change in bank deposit for security	-716	-242	-270
<b>Cash and cash equivalents, end of the period</b>	<b>99,202</b>	<b>204,207</b>	<b>106,227</b>
<i>Reconciliation of cash and cash equivalents</i>			
Cash and cash equivalents according to the balance sheet	120,851	225,113	127,160
Bank deposit	-21,649	-20,906	-20,933
<b>Cash and cash equivalents according to the cash flow statement</b>	<b>99,202</b>	<b>204,207</b>	<b>106,227</b>

## Parent Company Income

T.SEK	Q1		Full year
	2020	2019	2019
Net revenue	6,211	6,600	25,676
<b>Gross profit</b>	<b>6,211</b>	<b>6,600</b>	<b>25,676</b>
Administrative costs	-7,576	-8,233	-33,338
<b>Operating profit (loss)</b>	<b>-1,365</b>	<b>-1,633</b>	<b>-7,662</b>
Share of profit from associates	0	0	-12,442
Finance income	1,141	219	2,466
Finance expenses	-86	-94	-345
<b>Profit (loss) before tax</b>	<b>-310</b>	<b>-1,508</b>	<b>-17,983</b>
Tax	0	82	-3,520
<b>Profit (loss) for the period</b>	<b>-310</b>	<b>-1,426</b>	<b>-21,503</b>
<b>Profit (loss) is attributable to:</b>			
Owners of GomSpace Group AB	-310	-1,426	-21,503
	<b>-310</b>	<b>-1,426</b>	<b>-21,503</b>
<b>Comprehensive Income</b>			
<b>Profit (loss) for the period</b>	<b>-310</b>	<b>-1,426</b>	<b>-21,503</b>
<b>Items which may be reclassified to the income statement:</b>			
<b>Other comprehensive income for the period, net or tax</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>	<b>-310</b>	<b>-1,426</b>	<b>-21,503</b>

## Parent Company Financial Position

T.SEK	31 Mar		31 Dec
	2020	2019	2019
<b>ASSETS</b>			
GomSpace A/S	348,166	245,846	245,846
GomSpace Sweden AB	59,056	45,056	45,056
GomSpace Orbital ApS	65	65	65
GomSpace Luxembourg S.A.R.L.	10,478	10,478	10,478
GomSpace Asia Pte. Ltd.	2,142	2,142	2,142
GomSpace North America LLC	1,105	1,105	1,105
<b>Investments in subsidiaries</b>	<b>421,012</b>	<b>304,692</b>	<b>304,692</b>
Aerial & Maritime Ltd.	11,673	24,115	11,673
<b>Investments in associates</b>	<b>11,673</b>	<b>24,115</b>	<b>11,673</b>
<b>Fixed asset investments</b>	<b>432,685</b>	<b>328,807</b>	<b>316,365</b>
Deferred tax	0	3,602	0
<b>Other non-current assets</b>	<b>0</b>	<b>3,602</b>	<b>0</b>
<b>Total non-current assets</b>	<b>432,685</b>	<b>332,409</b>	<b>316,365</b>
Receivables from subsidiaries	26,402	44,911	133,009
Trade receivables from associates	0	241	39
Tax receivable	50	0	39
Other prepayments	803	310	434
Other receivables	1	728	108
<b>Receivables</b>	<b>27,256</b>	<b>46,190</b>	<b>133,629</b>
<b>Cash and cash equivalents</b>	<b>102,505</b>	<b>202,609</b>	<b>112,508</b>
<b>Total current assets</b>	<b>129,761</b>	<b>248,799</b>	<b>246,137</b>
<b>Total assets</b>	<b>562,446</b>	<b>581,208</b>	<b>562,502</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	3,660	3,660	3,660
Share premium	578,311	578,311	578,311
Retained earnings	-20,839	-1,710	-20,853
<b>Total equity</b>	<b>561,132</b>	<b>580,261</b>	<b>561,118</b>
Trade payables and other payables	1,036	561	1,049
Other liabilities	278	386	335
<b>Total current liabilities</b>	<b>1,314</b>	<b>947</b>	<b>1,384</b>
<b>Total liabilities</b>	<b>1,314</b>	<b>947</b>	<b>1,384</b>
<b>Total equity and liabilities</b>	<b>562,446</b>	<b>581,208</b>	<b>562,502</b>

## Parent Company Changes in Equity

T.SEK	Share capital	Share premium	Retained earnings	Total equity
<b>Equity 01.01.2019</b>	<b>3,660</b>	<b>578,364</b>	<b>-1,378</b>	<b>580,646</b>
Total comprehensive income for the period	0	0	-1,426	-1,426
Increase in share capital, costs	0	-53	0	-53
Share-based payments	0	0	1,094	1,094
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>-53</b>	<b>-332</b>	<b>-385</b>
<b>Equity 31.03.2019</b>	<b>3,660</b>	<b>578,311</b>	<b>-1,710</b>	<b>580,261</b>
<b>Equity 01.04.2019</b>	<b>3,660</b>	<b>578,311</b>	<b>-1,710</b>	<b>580,261</b>
Total comprehensive income for the period	0	0	-20,077	-20,077
Share-based payments	0	0	934	934
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-19,143</b>	<b>-19,143</b>
<b>Equity 31.12.2019</b>	<b>3,660</b>	<b>578,311</b>	<b>-20,853</b>	<b>561,118</b>
<b>Equity 01.01.2020</b>	<b>3,660</b>	<b>578,311</b>	<b>-20,853</b>	<b>561,118</b>
Total comprehensive income for the period	0	0	-310	-310
Share-based payments	0	0	324	324
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>14</b>
<b>Equity 31.03.2020</b>	<b>3,660</b>	<b>578,311</b>	<b>-20,839</b>	<b>561,132</b>



## Notes

## 1. Accounting policies

**Basis of preparation**

The interim consolidated financial statements for the first quarter of 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The parent company applies the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2019. Any changes from the Annual Report 2019 are described below.

**Key ratios definitions**

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

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

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

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

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

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

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

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

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

**New standards adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group.

## 2. Revenue

T.SEK	Business segments				Total
	Academia	Commercial	Defence	Science	
<b>Jan-Mar 2020</b>					
<b>Geographical</b>					
Sweden	0	4	0	559	563
Denmark	0	-1	0	0	-1
Europe (excluding Sweden and Denmark)	-22	12,272	464	13,731	26,445
USA	386	7,310	342	595	8,633
Asia	1,634	369	0	1,315	3,318
Rest of the world	0	640	857	0	1,497
	<b>1,998</b>	<b>20,594</b>	<b>1,663</b>	<b>16,200</b>	<b>40,455</b>
<b>Jan-Mar 2019</b>					
<b>Geographical</b>					
Sweden	-78	1,191	0	298	1,411
Denmark	569	801	0	0	1,370
Europe (excluding Sweden and Denmark)	448	12,817	0	3,573	16,838
USA	0	2,924	501	0	3,425
Asia	544	2,589	631	126	3,890
Rest of the world	1,100	1,716	127	0	2,943
	<b>2,583</b>	<b>22,038</b>	<b>1,259</b>	<b>3,997</b>	<b>29,877</b>
<b>Jan-Mar 2020</b>					
<b>Major goods/service lines</b>					
Sales of satellite solutions (over time)	195	16,616	0	14,936	31,747
Sales of platforms, payloads and subsystems (over time)	1,803	3,978	1,663	1,264	8,708
	<b>1,998</b>	<b>20,594</b>	<b>1,663</b>	<b>16,200</b>	<b>40,455</b>
<b>Jan-Mar 2019</b>					
<b>Major goods/service lines</b>					
Sales of satellite solutions (over time)	448	17,120	1,132	3,853	22,553
Sales of platforms, payloads and subsystems (over time)	2,135	4,783	127	144	7,189
Other sales (point of time)	0	135	0	0	135
	<b>2,583</b>	<b>22,038</b>	<b>1,259</b>	<b>3,997</b>	<b>29,877</b>
<b>Jan-Mar 2020</b>					
<b>Order book</b>					
Order backlog 1 January 2020	1,229	63,990	1,025	86,496	152,740
Currency adjustment	-401	2,963	455	6,582	9,599
Order intake	7,639	2,703	1,126	6,980	18,448
Converted to revenue	-1,998	-20,594	-1,663	-16,200	-40,455
<b>Order backlog 31 March 2020</b>	<b>6,469</b>	<b>49,062</b>	<b>943</b>	<b>83,858</b>	<b>140,332</b>
<b>Jan-Mar 2019</b>					
<b>Order book</b>					
Order backlog 1 January 2019	3,281	685,374	1,866	24,881	715,402
Currency adjustment	1,270	9,362	28	3,070	13,730
Order intake	2,970	5,909	833	5,076	14,788
Cancelled orders	0	0	0	-1,094	-1,094
Converted to revenue	-2,583	-22,038	-1,259	-3,997	-29,877
<b>Order backlog 31 March 2019*</b>	<b>4,938</b>	<b>678,607</b>	<b>1,468</b>	<b>27,936</b>	<b>712,949</b>

\* In the commercial segment, our customer Sky and Space Global has a value of T.SEK 629,690.

## Financial Calendar

Interim report, April-June 2020

16 July 2020

## COMPANY INFORMATION

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## 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 2020, and of the results of the Group's and the parent company's operations and cash flow. The Interim Report also describes the significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, 23 April 2020

## Executive Board

Niels Buus  
CEO

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

