

GOMSPACE

1 APRIL – 30 JUNE 2020
AND 1 JANUARY – 30 JUNE 2020

SECOND QUARTER 2020

- Order intake decreased to T.SEK 42,342 (61,719)
- Net revenues decreased to T.SEK 42,729 (52,224)
- Gross margin decreased to 11% (23%)
- Operating profit (loss) improved to a negative T.SEK 14,859 (a negative 42,328)
- Earnings per share were a negative SEK 0.47 (a negative 0.81)

FIRST HALF-YEAR 2020

- Order intake decreased to T.SEK 60,790 (76,507)
- Net revenues increased to T.SEK 83,184 (82,101)
- Gross margin increased to 18% (15%)
- Operating profit (loss) improved to a negative T.SEK 23,337 (a negative 69,958)
- Earnings per share were a negative SEK 0.61 (a negative 1.39)

OUTLOOK FOR 2020

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

EVENTS

- GomSpace A/S and Aerial & Maritime Ltd. enter settlement agreement and cancel spin-out project
- GomSpace signed a contract to develop and deliver a nanosatellite to the Norwegian Defence Research Establishment (FFI). The contract is worth SEK 19 million

FINANCIAL SUMMARY

T.SEK	Q2			H1			Full year
	2020	2019	▲%	2020	2019	▲%	2019
Orders received	42,342	61,719	-31%	60,790	76,507	-21%	192,354
Net revenue	42,729	52,224	-18%	83,184	82,101	1%	136,263
Gross profit	4,808	11,979	-60%	14,618	12,425	18%	17,994
Gross margin	11%	23%	-12 pp.	18%	15%	3 pp.	13%
Operating profit (loss)	-14,859	-42,328	65%	-23,337	-69,958	67%	-113,856
- As a percentage of revenues	-35%	-81%	46 pp.	-28%	-85%	57 pp.	-84%
Profit (loss) before tax	-25,562	-43,333	41%	-33,750	-72,918	54%	-146,531
- As a percentage of revenues	-60%	-83%	23 pp.	-41%	-89%	48 pp.	-108%
Profit (loss) for the period	-24,360	-42,260	42%	-31,850	-72,444	56%	-151,663
- As a percentage of revenues	-57%	-81%	24 pp.	-38%	-88%	50 pp.	-111%
Cost of goods sold	37,921	40,245	-6%	68,566	69,676	-2%	118,269
- As a percentage of revenues	89%	77%	12 pp.	82%	85%	-3 pp.	87%
Sales and distribution costs	9,959	23,020	-57%	15,847	32,868	-52%	43,789
- As a percentage of revenues	23%	44%	-21 pp.	19%	40%	-21 pp.	32%
Development costs	4,112	19,321	-79%	8,689	25,243	-66%	40,635
- As a percentage of revenues	10%	37%	-27 pp.	10%	31%	-21 pp.	30%
Administrative costs	6,976	12,220	-43%	14,959	24,614	-39%	45,030
- As a percentage of revenues	16%	23%	-7 pp.	18%	30%	-12 pp.	33%
Balance sheet items							
Intangible assets				119,700	122,367	-2%	120,554
Property, plant and equipment				74,661	93,617	-20%	85,603
Working capital				-8,090	-8,609	-6%	-20,522
Net cash and cash equivalents				128,734	179,275	-28%	127,160
Equity				263,962	375,789	-30%	295,682
Liabilities				139,280	145,776	-4%	141,071



Comments from

Niels Buus

CEO

The revenue for this quarter increased 79% compared to last year, it is now SEK 43 million compared to SEK 24 million last year, excluding derived effects of the settlement with Sky and Space Global. Despite of the Covid-19 pandemic, we have been able to keep the momentum in converting orderbook into revenue.

Our cash flow continues to improve. This quarter we had a positive cash flow of SEK 10 million and the cash position is now SEK 129 million.

We are approaching our target of a positive cash flow on operations. EBITDA has increased substantially to SEK -7 million this quarter from SEK -34 million last year.

The order booking in this quarter was SEK 42 million whereas it was SEK 62 million last year. We are ahead on product sales, but due to the Covid-19 pandemic, booking of project orders has been delayed. However, within the year, we will have enough orders to maintain the revenue outlook for 2020 at SEK 160-185 million, and with the expected order intake in the second half of the year we will be well positioned for 2021.

We have closed an important project order with the Norwegian Defence Research Establishment (FFI). It is a strategic and important order for us because it requires exactly the high technological solution for mission critical purpose to a demanding customer – one of our focus areas.

We have reached a settlement agreement with Aerial & Maritime Ltd. (A&M) and its shareholders. As a result of the settlement, the parties will start the process of solvent liquidation of A&M. GomSpace will have full ownership of the eight satellites which have already been built.

Our order book is now more solid, and we are progressing well with our continued cost reduction programs. Based on this as well as our financial and technological strength, we are ready for future opportunities.

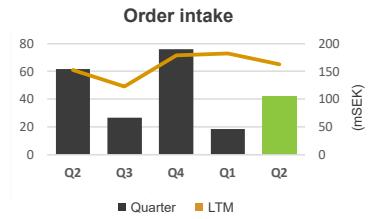
We wish you all a good and safe summer.

Niels Buus, CEO

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

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
Order backlog 31 March 2020	6,469	49,062	943	83,858	140,332
Currency adjustment	-1,363	-2,383	-574	-4,771	-9,091
Order intake	5,470	10,361	19,382	7,129	42,342
Cancelled orders	0	-9,047	0	0	-9,047
Converted to revenue	-5,408	-20,775	-1,133	-15,413	-42,729
Order backlog 30 June 2020	5,168	27,218	18,618	70,803	121,807



Order intake and backlog

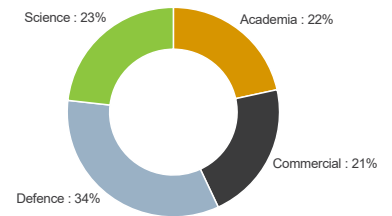
The orders received for Q2 2020 decreased with 31% to T.SEK 42,342 (61,719). The orders received for the first half of 2020 decreased with 21% to T.SEK 60,790 (76,507).

The orders received were mainly related to orders in the Defense and Commercial business areas. We have signed a contract with the Norwegian Defence Research Establishment (T.SEK 18,992) and NSSTC-UAEU (T.SEK 4,745). The total order intake for the second quarter is lower than expected as booking of project orders has been delayed due to the Covid-19 pandemic.

The outcome of our settlement agreement with Aerial & Maritime Ltd. is a negative effect at an amount of T.SEK 9,047.

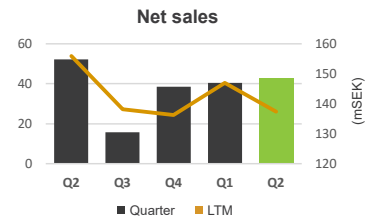
58% of the backlog is orders in the science business area which provides stability and assurance with regards to converting backlog into revenue. Therefore, our expectation for 2020 is unchanged – we still expect to convert between SEK 160-185 million into revenue from order intake and backlog.

Order intake 2020 split per segment



Revenue and operating profit (loss)

Revenue decreased 18% to T.SEK 42,729 in Q2 2020 (52,224). The revenue for the first half of 2020 increased to T.SEK 83,184 (82,101). In Q2 2020, the sales of satellite solutions decreased 20% to T.SEK 32,959 (41,129) and the sales of platforms, payloads and subsystems decreased 11% to T.SEK 9,770 (10,987). The decrease in revenue is mainly due to low sales of satellite solutions because of re-estimation of specific projects. Sales of platforms, payloads and subsystems are affected by an efficient execution of orders, and for the first half of 2020, revenues are higher than in the first half of 2019.



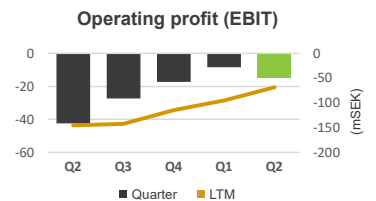
In Q2 2020, the settlement agreement with Aerial & Maritime Ltd. has a one-time effect on revenues with an amount of T.SEK 4,814 and resulted in writing down investment in associates. The write down has a negative non-cash effect on share of profit from associates with an amount of T.SEK 8,593.

Q2 2019 was affected by the cancellation of the Sky and Space Global order which had a one-time effect on revenues with an amount of T.SEK 28,520.

The largest customer in Q2 2020 was the European Space Agency (ESA) with a revenue share of 29% of the total revenue. For the first half of 2020 the ESA share is also 29%.

In Q2 2020, revenue related to new customers represented 31% compared to 9% of revenue in Q2 2019. In the first half of 2020, revenue related to new customers represented 22% compared to 8% in the first half of 2019.

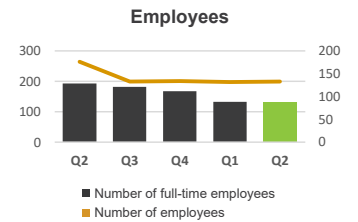
Operating loss decreased 65% to T.SEK 14,859 in Q2 2020 (42,328). The decrease is mainly a result of our increased and continued focus on reducing costs. In Q2 2020, Sales and distribution costs are affected by a provision of loss on bad debt at an amount of T.SEK 4,312 (T.SEK 13,891).



The gross margin in Q2 2020 was 11% (23%). In the first half of 2020, the gross margin was 18% (15%). In Q2 2020, the gross margin is negatively affected by re-estimation of projects, the re-estimate was in particular related to rework and time consumption on development activities. For the first half of 2020, the increased gross margin is a result of an improved utilization of the capacity.

THE GROUP

Employees	Q2 2019		Q3 2019		Q4 2019		Q1 2020		Q2 2020	
Technology	80	45%	77	58%	82	61%	80	61%	78	59%
Manufacturing	61	35%	31	23%	30	22%	30	23%	31	23%
Sales and distribution	13	7%	12	9%	11	8%	11	8%	12	9%
Administration	22	13%	13	10%	11	8%	11	8%	12	9%
Number of employees	176	100%	133	100%	134	100%	132	100%	133	100%
Number of full-time employees	193		181		168		133		131	



The number of employees in Q2 2020 was 133 (176). This corresponds to 131 full-time employees in the first half of 2020 (193).

Cash flow

Cash from operating activities in Q2 2020 increased T.SEK 49,943, from T.SEK -34,446 to T.SEK 15,497.

Working capital was positively affected with T.SEK 14,994 (6,481) from trade payables, T.SEK 10,062 (14,366) from trade receivables and T.SEK 4,671 (11,901) from inventories, but working capital was negatively affected with T.SEK 16,966 (a positive 3,112) from other receivables. Trade payables consist of a settlement payment to Aerial & Maritime Ltd. at an amount of T.SEK 16,786. As a part of the settlement agreement with Aerial & Maritime Ltd., GomSpace will claim repayment for the launch of the satellites at an amount of T.SEK 16,786 which is recorded as other receivables.

In Q2 2020, Cash from operating activities is positively affected by the aid package related to COVID-19. We have received a tax receivable at an amount of T.SEK 6,311 and postponed payroll taxes at an amount of T.SEK 8,731.

Cash and cash equivalents at the end of Q2 2020 were T.SEK 128,734 (179,275).

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.

As regards the COVID-19 pandemic, the Group's customers are mainly governmental customers, and these are not significantly affected by the COVID-19 pandemic. The COVID-19 pandemic has had a negative effect on the aviation sector and has caused uncertainty in the market as well as delays in order intake. In the long term, this may have an effect for the Group, though for the first half of 2020, the COVID-19 pandemic has had no significant effect on the financials.

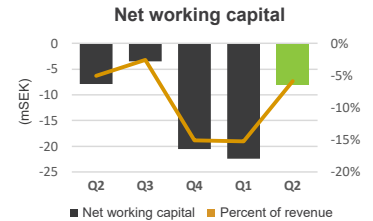
The market capitalisation as at 30 June 2020 significantly exceeds the Group's equity and therefore no impairment has been deemed necessary regarding any assets in the first half of 2020.

The Group has also considered the impact of the COVID-19 pandemic on the expected credit loss of its financial instruments (mainly trade receivables). The amount and timing of the expected credit losses, as well as the probability related thereto, were based on the available information at the end of the first half of 2020. As a result of this review, a credit loss of T.SEK 4,312 has been recorded in the first half of 2020. It is difficult to assess whether this is solely related to the COVID-19 pandemic.

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 30 June 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	H1		Full year
	2020	2019	2019
KEY FIGURES			
Net revenue	83,184	82,101	136,263
Gross profit	14,618	12,425	17,994
Operating profit (loss)	-23,337	-69,958	-113,856
Share of profit from associates	-8,922	-1,581	-25,967
Net financial items	-1,491	-1,379	-6,708
Profit (loss) before tax	-33,750	-72,918	-146,531
Profit (loss) for the period	-31,850	-72,444	-151,663
Investments in PPE	51	6,111	6,953
Total assets	403,242	521,565	436,753
Equity	263,962	375,789	295,682
Total liabilities	139,280	145,776	141,071
RATIOS			
Gross margin (%)	18%	15%	13%
Operating margin (%)	-28%	-85%	-84%
Net margin (%)	-38%	-88%	-111%
Return on invested capital (%)	-8%	-14%	-35%
Return on equity (%)	-11%	-22%	-41%
Equity ratio (%)	65%	72%	68%
Earnings per share, basic, SEK	-0.61	-1.39	-2.90
Earnings per share, diluted, SEK	-0.61	-1.39	-2.90
Number of outstanding shares basic, average	52,274,803	52,274,803	52,274,803
Number of outstanding shares as at 30 June 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	Q2		H1		Full year
		2020	2019	2020	2019	2019
Net revenue	2	42,729	52,224	83,184	82,101	136,263
Cost of goods sold		-37,921	-40,245	-68,566	-69,676	-118,269
Gross profit		4,808	11,979	14,618	12,425	17,994
Sales and distribution costs		-9,959	-23,020	-15,847	-32,868	-43,789
Development costs		-4,112	-19,321	-8,689	-25,243	-40,635
Administrative costs		-6,976	-12,220	-14,959	-24,614	-45,030
Other operating income		1,380	254	1,540	342	303
Other operating costs		0	0	0	0	-2,699
Operating profit (loss)		-14,859	-42,328	-23,337	-69,958	-113,856
Share of profit from associates		-9,277	-776	-8,922	-1,581	-25,967
Finance income		-135	793	964	1,321	485
Finance expenses		-1,291	-1,022	-2,455	-2,700	-7,193
Profit (loss) before tax		-25,562	-43,333	-33,750	-72,918	-146,531
Tax		1,202	1,073	1,900	474	-5,132
Profit (loss) for the period		-24,360	-42,260	-31,850	-72,444	-151,663
Profit (loss) is attributable to:						
Owners of GomSpace Group AB		-24,360	-42,260	-31,850	-72,444	-151,663
		-24,360	-42,260	-31,850	-72,444	-151,663
Consolidated Comprehensive Income						
Profit (loss) for the period		-24,360	-42,260	-31,850	-72,444	-151,663
Items which may be reclassified to the income statement:						
Foreign exchange rate adjustments		-8,092	3,166	-315	4,987	3,527
Other comprehensive income for the period, net of tax		-8,092	3,166	-315	4,987	3,527
Total comprehensive income for the period		-32,452	-39,094	-32,165	-67,457	-148,136
Total comprehensive income for the period is attributable to:						
Owners of GomSpace Group AB		-32,452	-39,094	-32,165	-67,457	-148,136
		-32,452	-39,094	-32,165	-67,457	-148,136
Earnings per share, basic, SEK		-0.47	-0.81	-0.61	-1.39	-2.90
Earnings per share, diluted, SEK		-0.47	-0.81	-0.61	-1.39	-2.90
Number of outstanding shares basic, average		52,274,803	52,274,803	52,274,803	52,274,803	52,274,803
Number of outstanding shares diluted, average		52,274,803	52,274,803	52,274,803	52,274,803	52,274,803

Consolidated Financial Position

T.SEK	30 June		31 Dec
	2020	2019	2019
ASSETS			
Goodwill	3,710	3,710	3,710
Technology	9,000	9,800	9,400
Completed development projects	29,504	18,400	25,761
In process development projects	69,731	78,498	71,857
Other intangible assets	7,755	11,959	9,826
Intangible assets	119,700	122,367	120,554
Property, plant and equipment	26,384	35,711	31,062
Right-of-use assets	48,277	57,906	54,541
Property, plant and equipment	74,661	93,617	85,603
Investments in associates	0	34,459	11,672
Deferred tax	927	12,941	1,173
Other non-current assets	4,050	4,237	4,071
Non-current assets	4,977	17,178	5,244
Total non-current assets	199,338	267,621	223,073
Raw materials and consumables	23,403	25,571	24,133
Inventories	23,403	25,571	24,133
Contract work	12,188	19,401	13,087
Trade receivables	13,970	17,038	37,212
Tax receivable	2,559	8,088	6,588
Other prepayments	4,878	3,587	4,125
Other receivables	18,172	984	1,375
Receivables	51,767	49,098	62,387
Cash and cash equivalents	128,734	179,275	127,160
Total current assets	203,904	253,944	213,680
Total assets	403,242	521,565	436,753

T.SEK	30 June		31 Dec
	2020	2019	2019
EQUITY AND LIABILITIES			
Share capital	3,660	3,660	3,660
Share premium	581,599	581,599	581,599
Translation reserve	7,456	9,231	7,771
Retained earnings	-328,753	-218,701	-297,348
Total equity	263,962	375,789	295,682
Credit institutions	14,940	18,941	14,874
Lease liabilities	37,756	47,878	43,956
Other liabilities	0	0	2,933
Total non-current liabilities	52,696	66,819	61,763
Current portion of non-current liabilities	21,879	20,170	19,735
Trade payables and other payables	22,789	14,147	9,621
Contract work	17,166	11,686	29,156
Prepayments	2,897	7,485	4,132
Corporation tax	184	100	163
Other liabilities	21,669	25,369	16,501
Total current liabilities	86,584	78,957	79,308
Total liabilities	139,280	145,776	141,071
Total equity and liabilities	403,242	521,565	436,753

Consolidated Changes in Equity

T.SEK	Share capital	Share premium	Translation reserve	Retained earnings	Total equity
Equity 01.01.2019	3,660	581,652	4,244	-147,713	441,843
Total comprehensive income for the period	0	0	4,987	-72,444	-67,457
Total comprehensive income for the period	0	0	4,987	-72,444	-67,457
Transactions with owners in their capacity as owners					
Increase in share capital, costs	0	-53	0	0	-53
Share-based payments	0	0	0	1,456	1,456
	0	-53	0	1,456	1,403
Equity 30.06.2019	3,660	581,599	9,231	-218,701	375,789
Equity 01.07.2019	3,660	581,599	9,231	-218,701	375,789
Total comprehensive income for the period	0	0	-1,460	-79,219	-80,679
Total comprehensive income for the period	0	0	-1,460	-79,219	-80,679
Transactions with owners in their capacity as owners					
Share-based payments	0	0	0	572	572
	0	0	0	572	572
Equity 31.12.2019	3,660	581,599	7,771	-297,348	295,682
Equity 01.01.2020	3,660	581,599	7,771	-297,348	295,682
Total comprehensive income for the period	0	0	-315	-31,850	-32,165
Total comprehensive income for the period	0	0	-315	-31,850	-32,165
Transactions with owners in their capacity as owners					
Share-based payments	0	0	0	445	445
	0	0	0	445	445
Equity 30.06.2020	3,660	581,599	7,456	-328,753	263,962

Consolidated Cash Flow

T.SEK	Q2		H1		Full year
	2020	2019	2020	2019	2019
Profit (loss) before tax	-25,562	-43,333	-33,750	-72,918	-146,531
Reversal of financial items	1,425	229	1,490	1,379	6,708
Depreciation and amortizations	8,359	7,925	16,952	15,593	32,091
Result after tax from associates	9,277	776	8,922	1,581	25,967
Non-cash items	1,587	3,910	5,455	10,504	20,589
Changes in inventories	3,509	12,297	888	5,305	-11,372
Changes in trade receivables	7,720	15,498	23,483	37,086	3,081
Changes in other receivables	-9,368	10,220	-16,978	18,963	22,663
Changes in trade and other payables	13,222	-40,805	3,651	-75,825	-48,992
Cash flow from primary operating activities	10,169	-33,283	10,113	-58,332	-95,796
Received interest financials	0	8	0	8	11
Paid interest financials cost	-879	-1,105	-1,804	-2,323	-4,554
Tax received	6,311	0	6,502	149	7,949
Tax paid	-104	-66	-199	-121	-237
Cash flow from operating activities	15,497	-34,446	14,612	-60,619	-92,627
Investments in intangible assets (before grants)	-6,597	-5,181	-10,844	-15,896	-31,513
Investments in leasehold improvement, plant and equipment	-51	-2,807	-51	-6,111	-6,953
Deposit paid	40	15	40	-277	-191
Government grants	4,714	1,954	5,587	1,954	5,979
Cash flow from investing activities	-1,894	-6,019	-5,268	-20,330	-32,678
<i>Financing from debt:</i>					
Borrowings	2,435	0	4,965	0	2,978
Repayment of borrowings	-3,027	-2,457	-5,767	-4,061	-9,002
Payment of lease liabilities	-2,713	-2,541	-5,351	-4,988	-10,441
	-3,305	-4,998	-6,153	-9,049	-16,465
<i>Financing from shareholders:</i>					
Capital increase, costs	0	0	0	-53	-53
	0	0	0	-53	-53
Cash flow from financing activities	-3,305	-4,998	-6,153	-9,102	-16,518
Net cash flow for the period	10,298	-45,463	3,191	-90,051	-141,823
Cash and cash equivalents, beginning of the period	99,202	204,207	106,227	248,754	248,754
Unrealized exchange rate gains and losses on cash	-2,415	-375	-1,617	-92	-434
Change in bank deposit for security	2,250	-18	1,534	-260	-270
Cash and cash equivalents, end of the period	109,335	158,351	109,335	158,351	106,227
<i>Reconciliation of cash and cash equivalents</i>					
Cash and cash equivalents according to the balance sheet	128,734	179,275	128,734	179,275	127,160
Bank deposit	-19,399	-20,924	-19,399	-20,924	-20,933
Cash and cash equivalents according to the cash flow statement	109,335	158,351	109,335	158,351	106,227

Parent Company Income

T.SEK	Q2		H1		Full year
	2020	2019	2020	2019	2019
Net revenue	6,710	6,419	12,921	13,019	25,676
Gross profit	6,710	6,419	12,921	13,019	25,676
Administrative costs	-6,927	-7,778	-14,503	-16,011	-33,338
Operating profit (loss)	-217	-1,359	-1,582	-2,992	-7,662
Share of profit from associates	-11,673	0	-11,673	0	-12,442
Finance income	-156	0	985	219	2,466
Finance expenses	-13	-16	-99	-110	-345
Profit (loss) before tax	-12,059	-1,375	-12,369	-2,883	-17,983
Tax	0	0	0	82	-3,520
Profit (loss) for the period	-12,059	-1,375	-12,369	-2,801	-21,503
Profit (loss) is attributable to:					
Owners of GomSpace Group AB	-12,059	-1,375	-12,369	-2,801	-21,503
	-12,059	-1,375	-12,369	-2,801	-21,503
Comprehensive Income					
Profit (loss) for the period	-12,059	-1,375	-12,369	-2,801	-21,503
Items which may be reclassified to the income statement:					
Other comprehensive income for the period, net of tax	0	0	0	0	0
Total comprehensive income for the period	-12,059	-1,375	-12,369	-2,801	-21,503

Parent Company Financial Position

T.SEK	30 June		31 Dec
	2020	2019	2019
ASSETS			
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
Investments in subsidiaries	421,012	304,692	304,692
Aerial & Maritime Ltd.	0	24,115	11,673
Investments in associates	0	24,115	11,673
Fixed asset investments	421,012	328,807	316,365
Deferred tax	0	3,602	0
Other non-current assets	0	3,602	0
Total non-current assets	421,012	332,409	316,365
Receivables from subsidiaries	69,917	82,725	133,009
Trade receivables from associates	0	78	39
Tax receivable	62	18	39
Other prepayments	634	524	434
Other receivables	4	34	108
Receivables	70,617	83,379	133,629
Cash and cash equivalents	58,349	164,016	112,508
Total current assets	128,966	247,395	246,137
Total assets	549,978	579,804	562,502
EQUITY AND LIABILITIES			
Share capital	3,660	3,660	3,660
Share premium	578,311	578,311	578,311
Retained earnings	-32,777	-2,723	-20,853
Total equity	549,194	579,248	561,118
Trade payables and other payables	380	282	1,049
Other liabilities	404	274	335
Total current liabilities	784	556	1,384
Total liabilities	784	556	1,384
Total equity and liabilities	549,978	579,804	562,502

Parent Company Changes in Equity

T.SEK	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.2019	3,660	578,364	-1,378	580,646
Total comprehensive income for the period	0	0	-2,801	-2,801
Increase in share capital, costs	0	-53	0	-53
Share-based payments	0	0	1,456	1,456
Total comprehensive income for the period	0	-53	-1,345	-1,398
Equity 30.06.2019	3,660	578,311	-2,723	579,248
Equity 01.07.2019	3,660	578,311	-2,723	579,248
Total comprehensive income for the period	0	0	-18,702	-18,702
Share-based payments	0	0	572	572
Total comprehensive income for the period	0	0	-18,130	-18,130
Equity 31.12.2019	3,660	578,311	-20,853	561,118
Equity 01.01.2020	3,660	578,311	-20,853	561,118
Total comprehensive income for the period	0	0	-12,369	-12,369
Share-based payments	0	0	445	445
Total comprehensive income for the period	0	0	-11,924	-11,924
Equity 30.06.2020	3,660	578,311	-32,777	549,194



Notes

1. Accounting policies

Basis of preparation

The interim consolidated financial statements for the second 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				
	Academia	Commercial	Defence	Science	Total
Jan-Jun 2020					
Geographical					
Sweden	0	99	0	820	919
Denmark	0	347	0	0	347
Europe (excluding Sweden and Denmark)	926	15,122	446	27,148	43,642
USA	2,783	16,525	1,379	842	21,529
Asia	3,621	1,566	0	2,803	7,990
Rest of the world	76	7,710	971	0	8,757
	7,406	41,369	2,796	31,613	83,184
Jan-Jun 2019					
Geographical					
Sweden	-65	1,698	0	433	2,066
Denmark	1,012	1,646	0	0	2,658
Europe (excluding Sweden and Denmark)	600	43,536	-50	12,274	56,360
USA	729	4,759	1,042	175	6,705
Asia	823	3,233	635	70	4,761
Rest of the world	4,867	4,260	424	0	9,551
	7,966	59,132	2,051	12,952	82,101
Jan-Jun 2020					
Major goods/service lines					
Sales of satellite solutions (over time)	2,300	32,801	0	29,605	64,706
Sales of platforms, payloads and subsystems (over time)	5,106	8,568	2,796	2,008	18,478
	7,406	41,369	2,796	31,613	83,184
Jan-Jun 2019					
Major goods/service lines					
Sales of satellite solutions (over time)	803	48,805	1,677	12,397	63,682
Sales of platforms, payloads and subsystems (over time)	7,163	10,084	374	555	18,176
Other sales (point of time)	0	243	0	0	243
	7,966	59,132	2,051	12,952	82,101
Jan-Jun 2020					
Order book					
Order backlog 1 January 2020	1,229	63,990	1,025	86,496	152,740
Currency adjustment	-1,763	579	-119	1,811	508
Order intake	13,109	13,064	20,508	14,109	60,790
Cancelled orders	0	-9,047	0	0	-9,047
Converted to revenue	-7,406	-41,369	-2,796	-31,613	-83,184
Order backlog 30 June 2020	5,169	27,217	18,618	70,803	121,807
Jan-Jun 2019					
Order book					
Order backlog 1 January 2019	3,281	685,374	1,866	24,881	715,402
Currency adjustment	1,355	21,878	-205	3,268	26,296
Order intake	5,491	13,991	1,665	55,360	76,507
Cancelled orders	0	-616,904	0	-1,094	-617,998
Converted to revenue	-7,966	-59,132	-2,051	-12,952	-82,101
Order backlog 30 June 2019	2,161	45,207	1,275	69,463	118,106

Financial Calendar

Interim report, July-September 2020

22 October 2020

COMPANY INFORMATION

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MANAGEMENT'S STATEMENT

The Board of Directors and the CEO certify that this Interim Report presents a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 30 June 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, 16 July 2020

Executive Board and Board of Directors

Niels Buus
CEO

Jukka Pekka Pertola
Chairman

Niels Jesper Jespersen Jensen

Steen Lorenz Johan Hansen

Henrik Schibler

Jens Maaløe

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

