GS Sweden AB (publ)

Org.nr. 559026-1888

Consolidated Financial Statements for

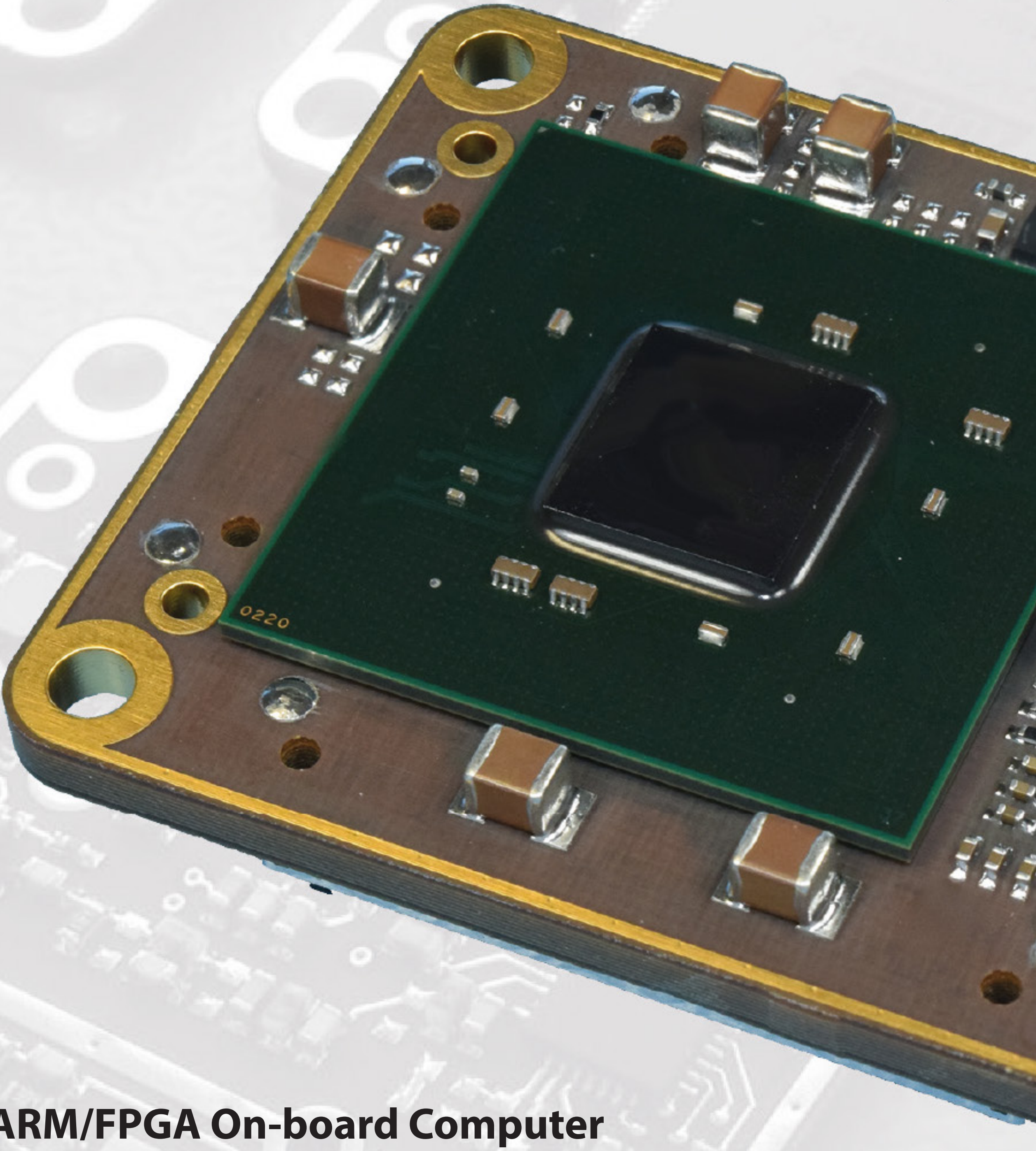
January 1 - December 31, 2016

N.B. The English text is an unofficial translation and in case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

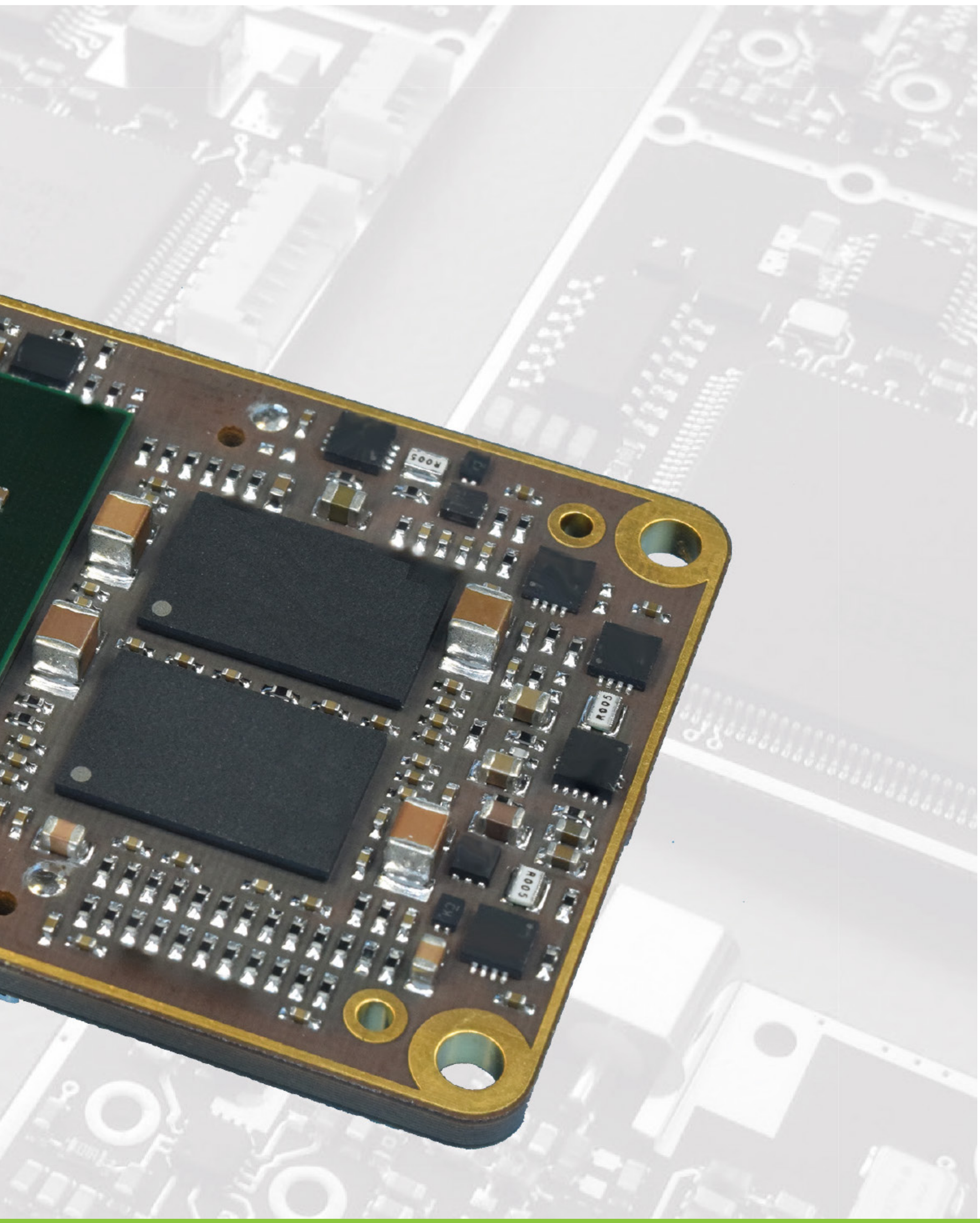
Table of contents

7	Message from the CEO
8-15	Management's Review
16	Consolidated Income Statement
17	Consolidated Statement of Other Comprehensive Income
18-19	Consolidated Statement of Financial Position
20	Consolidated Statement of Changes in Equity
21	Consolidated Cash Flow Statement
23	Parent Company Income Statement
24	Parent Company Statement of Other Comprehensive Income
25	Parent Company Statement of Financial Position
26	Parent Company Statement of Changes in Equity
27	Parent Company Cash Flow Statement
29	Index of Notes
30-61	Notes
63	Management's Statement
64-66	Auditor's Report
67	Financial Calendar

NanoMind
Z7000



Powerful ARM/FPGA On-board Computer for Demanding Applications



CEO
Niels Buus

Message from the CEO

This is our first annual report since our IPO on 16 June 2016.

The result after a growth in revenue at 59% and a gross margin at 47% is slightly under our growth targets. The revenue and gross profit have been adjusted due to changes in revenue recognition and due to elimination of partial revenue and profit from Aerial & Maritime Ltd. The underlying performance, without adjustments, are however better than our growth plan. The operating loss is T.SEK 14,510 and the profit for the year is T.SEK 8,981. The extraordinary positive result is due to a non-cash financial income at T.SEK 21,386 from the establishment of Aerial & Maritime Ltd.

We are very proud that we have been able to carry out all of the planned elements which we announced in the prospectus for the IPO. In fact, we exceeded the plan by acquiring Nano-Space AB in Uppsala from the Swedish Space Corporation during the autumn.

The first months of 2017 have also been very favorable for us. We were able to close the world's largest nanosatellite order. This order is for a constellation of many nanosatellites for narrow band communication for the equatorial region and the value of this order is between EUR 35.0 and 55.0 million.

This order marks the first step for us and for the nanosatellite business in general. Nanosatellites are more and more establishing themselves as a key technology for making a number of new and now possible services from space in the low earth sphere. This is due to the fact that it is possible to cover the total globe with satellite coverage at a very affordable cost.

At GomSpace we expect that the market for nanosatellites will go through a long period of sustained growth and that the space industry segment is going to have very sizable companies build up during the next decade.

To be able to follow up on the very high current growth and also future growth, we are at GomSpace building up an international organization. The announced subsidiaries in USA and Singapore will commence operations during the next few weeks. These subsidiaries will not only handle sales, we will also build up these organizations to handle customer delivery as well as integration and test of satellites. In this way, we are well prepared to support the customers in these countries.

With Aerial & Maritime we have proven that we can spin-off companies in cooperation with partners in new business areas where we have pioneered the technology. In this specific case, it regards the ADS-B based Airline Tracking, where GomSpace was the first commercial company to prove the technology.

We will continue to make use of new spin-off companies in selected areas where we have developed a new combination of technology and opportunities for services which no other potential customers are currently working with.

Due to the planned future investments in growth, in operations as well as in assets, we do not expect to generate profit in the next couple of years. It is, however, very important to note that our gross margins are at a very reasonable level which proves that GomSpace basically is a very sound business.

GomSpace is an independent supplier of technology to our customers, with the mission of supplying nanosatellites to any provider services in the low earth sphere.

We are very excited that we in this way can contribute to making it possible for an increasing share of the world's population to benefit from the technological development.

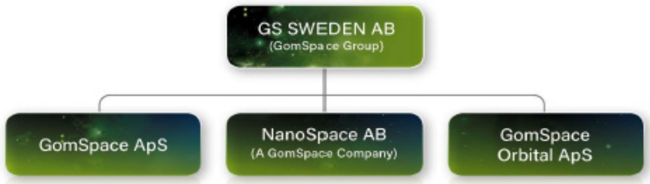
With the very best regards

Niels Buus
CEO

Management's Review

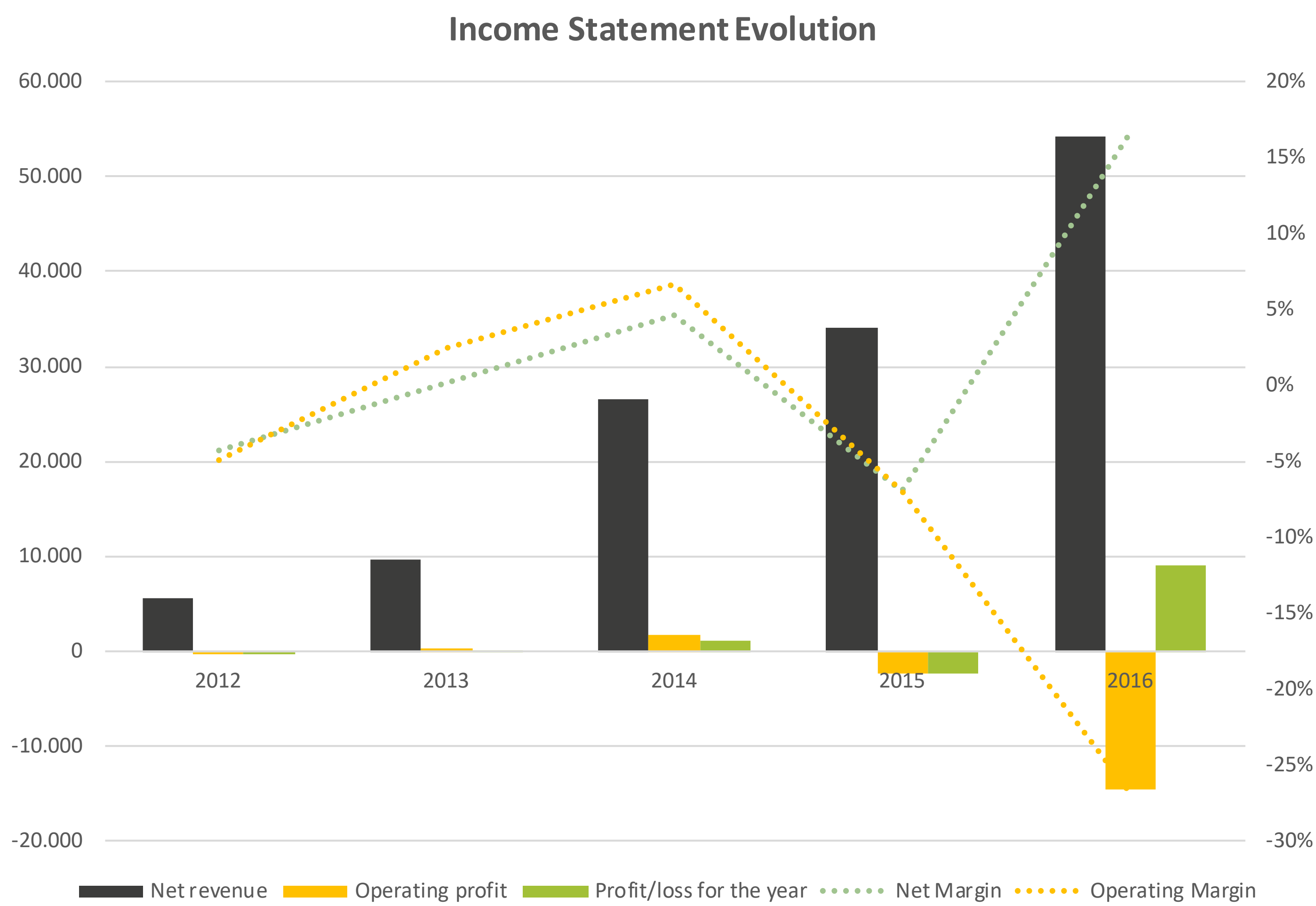
The Board of Directors and Chief Executive Officer of GS Sweden AB (publ), corporate ID no. 559026-1888, with registered office in Stockholm, Sweden, hereby present the annual accounts of the parent company and group for the financial year 2016. Numerical information stated in brackets in these annual accounts are comparative figures with the financial year 2015 or the reporting date of 31 December 2015. Rounding deviations may occur in these annual accounts.

Ownership
GomSpace ApS, NanoSpace AB and GomSpace Orbital ApS are the operating companies of the GomSpace Group, GS Sweden AB is the holding company and listed on Nasdaq First North Premier in Stockholm.



Information concerning operations
It is our vision "to make nanosatellites the preferred choice for customers who have demands for professional mission critical radio based surveillance and communications solutions".

Our mission is to help teams across the globe achieve their goals in space. We want to proactively participate in creating the future of nanosatellites and not only react when opportunities become obvious in the market.



Management's Review (continued)

Multi-year overview

	2016	2015	2014	2013	2012
THE GROUP					
Net revenue	54,142	34,087	26,645	9,720	5,676
Gross profit	25,201	17,195	11,029	3,647	3,322
Operating profit	-14,510	-2,357	1,762	242	-279
Share of profit from associates	21,386	-	-	-	-
Net financial items	-1,389	-766	-178	-200	-40
Profit/loss after financial items	5,487	-3,123	1,584	42	-318
Profit/loss for the year	8,981	-2,369	1,224	16	-245
Investments in intangible assets	21,848	5,489	747	1,329	2,237
Investments in PPE	6,447	543	528	173	-
Total assets	206,048	30,067	19,051	10,372	7,607
Equity	146,106	13,816	7,721	6,038	5,804
Total liabilities	59,942	16,251	11,330	4,334	1,803
Cash flow from operating activities	-17,368	-11,228	-1,128	2,495	-658
Cash flow from investing activities	-14,972	-6,062	-1,275	-1,502	-2,237
Cash and cash equivalents	73,803	1,268	1,539	1,806	736
Working capital	10,444	13,821	4,580	-26	1,195
Gross margin (%)	47%	50%	41%	38%	59%
Operating margin (%)	-27%	-7%	7%	2%	-5%
Net margin (%)	17%	-7%	5%	0%	-4%
Return on invested capital	4%	-8%	6%	0%	-3%
Return on equity	11%	-22%	18%	0%	-9%
Equity ratio (%)	71%	46%	41%	58%	76%
Earnings per share, basic and diluted	0.62	-	-	-	-
Earning per share, basic and diluted based on the same method as in the combined financial statements 2013-2015	-	-0.17	0.09	0.00	-0.02
Average number of employees	45	30	16	8	7
Number of outstanding shares, average	14,592,504	-	-	-	-
Number of outstanding shares, average based on same method as in the combined financial statements 2013-2015	-	13,907,334	13,907,334	13,907,334	13,907,334

Management's Review (continued)

Multi-year overview (continued)

	2016	2015	2014	2013	2012
THE PARENT COMPANY					
Net revenue	1,708	-	-	-	-
Operating profit	-6,138	-	-	-	-
Net financial items	-230	-	-	-	-
Profit/loss for the year	-6,368	-	-	-	-
Total assets	153,451	-	-	-	-
Equity	129,397	-	-	-	-
Total liabilities	24,054	-	-	-	-
Operating margin (%)	-359%	-	-	-	-
Net margin (%)	-373%	-	-	-	-
Return on invested capital	-4%	-	-	-	-
Return on equity	14%	-	-	-	-
Equity ratio (%)	85%	-	-	-	-
Earnings per share, basic and diluted	-0.44	-	-	-	-

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

Management's Review (continued)

The financial year 2016 was a very interesting year in which we were listed on Nasdaq First North Premier in Stockholm in the month of June. Moreover, we acquired 100% of the voting shares of NanoSpace AB, an unlisted company based in Sweden. NanoSpace AB develops and provides propulsion technology and products for nanosatellites. The subsidiary, GomSpace Orbital ApS signed its first launch contact with LandSpace in China, the purpose of this is to facilitate the necessary launches of the satellites for our own activities.

At group level, the status of the activities is as follows:

- The product development programs have been initiated and the development of the product portfolio is in progress.

- The new production facilities, including a new clean room, have been established and will be used for the assembly and testing of nanosatellites.

- The planning and requirement phase for the ERP system has been carried out. The system has been chosen and implementation has started.

- We are investing in recruiting and training personnel for our project organisation, production, R&D, sales and administration. To keep up with these demands, a HR recruitment function has been established.

- The preparation phase for the establishment of subsidiaries in Singapore and North America has been concluded and they will begin operation in the beginning of the second quarter of 2017.

- We have launched our new homepage that now provides the complete story of where GomSpace is today and explains how we can serve our customers ranging from providing individual products, to complete nanosatellite based business solutions, as well as explaining how we will keep our shareholders informed.

GomSpace is very active with regards to press coverage and relationships with governmental authorities. We have been featured in a large number of newspaper articles in Denmark, as well as we were featured on national television a number of times.

Major events in 2016

Initial Public Offering in June

In June, GS Sweden AB was listed at Nasdaq First North Premier in Stockholm. The listing was performed in order to provide the Company with additional capital and thereby to place the Company in a strong position on the nanosatellites market, which is experiencing great growth potential. The first trading day was 16 June 2016.

Surveillance demonstration for the Arctic

GomSpace has entered an agreement with the Danish Defence for delivery of their own satellite which can contribute to their surveillance of the Arctic. The satellite will have radio receivers able to track and locate all traffic of ships and airplanes within the area. The demonstration is part of an analysis seeking to identify best-practice and future efforts reinforcing the Danish Defence's surveillance of the Arctic within the kingdom.

Satellite project in Africa

GomSpace and IFU will collaborate on a satellite project in Africa, designated Aeriel & Maritime Ltd., this project commenced in Q3 2016, and it will result in the launch of a constellation of nanosatellites into a near Equatorial orbit. GomSpace will design and manufacture the satellites and when implemented it will be possible to monitor Automatic Dependent Surveillance – Broadcast (ADS-B) signals from aircraft and Automatic Identification System (AIS) signals from ships within a coverage area spanning approximately 37 degrees North and South of the Equator covering 112 countries and territories either in part or full. The satellites are expected to be launched into orbit in Q1 2018 and to be in full revenue service by Q2 2018.

The above is an example of how GomSpace initiates projects based on the company's knowhow and business expertise. GomSpace contributes with its technology and knowledge of the industry and is rewarded through fair value adjustment based on the spin out company's increasing share premium.

Pathfinder Mission Payload

GomSpace will use its proven expertise in small-satellite radio and antenna technology in relation to the HawkEye 360's Pathfinder mission, which is scheduled for launch and testing in late 2017.

GomSpace is providing its flight-proven software-defined radio platforms and antennas to serve as the payload for HE360's Pathfinder mission. HawkEye 360 plans to utilize GomSpace's expertise and product line in small-satellite radio and antenna technology, whereby HawkEye 360 will move quickly to develop one of the world's first privately funded space-based global wireless monitoring systems.

Management's Review (continued)

Delivery of Full Platform and Payload

GomSpace will deliver one satellite to AISTECH. AISTECH intends to set up a nanosatellite network consisting of 25 nanosatellites. Focus will be on three business areas: Asset tracking and bidirectional communication, thermal imaging from space and aviation tracking and position management. AISTECH plans to have the first satellite, delivered by GomSpace, in orbit and by 2020, there will be a full constellation capturing data in real time.

Acquisition of NanoSpace AB

GomSpace acquired NanoSpace AB to have satellite propulsion products in its portfolio alongside the activities already in GomSpace and to strengthen our market position in Sweden. The two companies already collaborated closely in multiple customer projects on integrating NanoSpace propulsion technology into GomSpace satellite platforms.

NanoSpace AB develops and provides propulsion technology and products for nanosatellites as well as the company participates in space technology projects funded by the European Space Agency (ESA) and Swedish national funding programs. NanoSpace's propulsion technology and products are based on the company's leading expertise in applying MEMS (Micro Electronic Mechanical Systems) technology to space propulsion – providing unique advantages in miniaturization and precise thrust control.

New Danish subsidiary

On 11 November 2016 GS Sweden AB registered a new Danish subsidiary - GomSpace Orbital ApS.

GomSpace Orbital ApS is to develop projects and establish partnerships to help facilitate access to launch services to all GomSpace customers within the group. The establishment of the new Danish subsidiary does not entail any direct costs for the Company other than contribution of the share capital. GomSpace Orbital ApS is expected to contribute to the turnover and results of operations of GomSpace on a long term basis.

Turn-key contract with Aerial & Maritime Ltd.

GomSpace ApS, a subsidiary, and Aerial & Maritime Ltd., an associated company of GS Sweden AB, have both entered into a turn-key delivery contract. GomSpace ApS will design, deliver, launch and commission a constellation of satellites into a low-inclination Equatorial orbit. The delivery of the satellites and launch will take place in 2018. The contract has a value of approximately USD 6.0 million.

Development

GomSpace invests in R&D with the purpose of offering the best nanosatellite solutions on the market with focus on radio applications. This includes investments in new products where we add capabilities and improve performance of our nanosatellite platforms, new products which enable constellations of nanosatellites to work together in a network. Furthermore we develop new radio payloads to support application areas.

We are working to improve the life-time of our satellites in order to offer our customers superior space infrastructure cost of ownership, considering the price of manufacturing the satellites versus expected life-time, launch costs and loss of value due to technological advances within the life-time.

R&D is performed either independently through our own investments or with external partners and this is sponsored by institutional programs. The "GOMX" series of flight demonstration satellites serve to demonstrate new products in space to customers and to gain operational experience feedback into further developments.

Future developments

We expect to invest in target areas where we will be able to create greater advantages for GomSpace. The capability of tracking airlines with the Automatic Dependent Surveillance – Broadcast (ADS-B) technology is one example of such an activity, and here we have secured a world leading position. Our investment program is expected to cause increased expenses and negative profit over the next years, however the underlying profitability seen in the obtained gross margin for GomSpace will stay strong.

It is our belief that in a few decades from now we may come to see some hundred thousand nanosatellites, of which 20% will be replaced every year as a consequence of a 5-year lifetime, operating in the low earth orbit sphere providing critical infrastructures supporting our economy. Consequently, the space business will come to be dominated by the nanosatellite manufacturers who can continue to offer improved performance as new generations of satellites are put into operation.

Financial Review

The Consolidated Financial Statements for 2016 are GomSpace's first Consolidated Financial Statements as a listed company on Nasdaq First North Premier in Stockholm. Our new subsidiary, NanoSpace AB in Uppsala is included in our Consolidated Financial Statements for 2016.

Management's Review (continued)

The result for 2016 was a profit of T.SEK 8,981 compared to a loss of T.SEK 2,369 in 2015 and as at 31 December 2016 equity was T.SEK 146,106 compared to T.SEK 13,816 last year.

The result after a growth in revenue at 59% and a gross margin at 47% is slightly under our growth targets. The revenue and gross profit have been adjusted due to changes in revenue recognition and due to elimination of partial revenue and profit from Aerial & Maritime Ltd. The underlying performance, without adjustments, are however better than our growth plan. The operating loss is T.SEK 14,510 and the profit for the year is T.SEK 8,981. The extraordinary positive result is due to a non-cash financial income at T.SEK 21,386 from the establishment of Aerial & Maritime Ltd.

Revenues

Revenues for the year amounted to T.SEK 54,142 (34,087), corresponding to an increase of 59% compared with 2015. The growth is composed of the acquisition of NanoSpace, 7%, and of organic growth, 52%.

The revenue includes a one time correction, T.SEK 4,902, eliminating partial revenue from the associated entity, Aerial & Maritime.

Furthermore, revenue recognition regarding sales of goods has changed from recognition point of time to percentage of completion. The reason why we change this is that we have undertaken an assessment of impact of the new IFRS 15 standard. This assessment concluded that the underlying conditions for delivering products is shifting towards customization and, therefore, in an accounting perspective should be recognized as contract work. The change has a minor decreasing effect on revenue in 2015, T.SEK 158. Because of the insignificant effect, the comparative figures have not been corrected.

Had the above adjustments not been carried out, the total underlying growth from acquisitions and organic growth would have been 82%.

Sales to new customers in 2016 represented the equivalent of 47% of revenues.

Expenses

Operating expenses for the year amounted to T.SEK 68,652 (36,444), corresponding to an increase of 88%. In 2016, the selling general administrative costs, excluding cost of goods sold, increased to T.SEK 39,711 (19,552), corresponding to an increase of 103%.

Profitability

For 2016, gross profit amounted to T.SEK 25,201 (17,195), corresponding to an increase of 47% compared with the same period in 2015.

The gross margin is 47% (50%).

The impact of the partial elimination and changed recognition of revenue on gross profit year to date is a decrease of T.SEK 7,554. The underlying gross margin without partial elimination and changed revenue recognition is 53%.

Share of profit from associates

Share of profit from associates amounts to T.SEK 21,348 which is a fair value adjustment of Aerial & Maritime Ltd. The value adjustment does not have an effect on cash flow.

Income tax and deferred tax

The Group had an effective tax rate of a negative 63.7% (positive 24.1%) in 2016. The low effective tax rate is due to the non-taxable fair value adjustment in the associate, Aerial & Maritime Ltd.

The Parent Company, GS Sweden AB, had a non-recognized deferred tax loss carry-forward at a total amount of T.SEK 6,362. The subsidiaries had a recognized deferred tax loss carry-forward at a total amount of T.SEK 3,085.

Shareholder's equity and issue of shares in connection with listing

As at 31 December 2016, total shareholders' equity amounted to T.SEK 146,106 against T.SEK 13,816 at 31 December 2015. This increase mainly reflects net proceeds from the initial public offering of shares in GS Sweden AB in connection with the listing on Nasdaq First North Premier.

The company issued 10,600,000 new shares. 8,000,000 shares issued in the initial public offering in connection with the listing on Nasdaq First North Premier, 2,000,000 issued for a group of private investors and 600,000 in relation to the acquisition of NanoSpace AB. At 31 December 2016 the total number of outstanding shares is 24,507,334.

The proceeds from the initial public offering amounted to T.SEK 100,000, whereof T.SEK 21,421 related to transaction costs which have been deducted from share premium. Proceeds from the directed share issue amounted to T.SEK 25,000, whereof T.SEK 661 related to transaction costs deducted from the share premium. The acquisition of NanoSpace AB did not result in any proceeds for the Company as the shares were issued to the seller.

Management's Review (continued)

Investments
Investments in intangible assets amounted to T.SEK 21,848 (5,489) for 2016. Investments in plant and equipment amounted to T.SEK 6,447. Investments in intangible assets refer to the development of new products, acquired technology and goodwill from the acquisition of NanoSpace AB. Investments in plant and equipment refer to a new clean room and computer equipment undertaken in order to maintain capacity and performance in pace with the growth of GS Sweden AB.

Cash and cash equivalents, financing and financial position
Cash flow from operating activities amounted to a negative T.SEK 17,368 (negative 11,228) during the year. Cash flow from investing activities was negative in an amount of T.SEK 14,972 (negative 6,062). Cash and cash equivalents amounted to T.SEK 73,803 (1,268) at the end of the year. GS Sweden AB's working capital totalled T.SEK 10,444 (13,821).

In working capital there is a one time liability of T.SEK 19,932 regarding Aerial & Maritime Ltd. Adjusted working capital amounts to T.SEK 30,376.

The increase in working capital is mainly due to the increase in contract work, totalling T.SEK 23,148 (6,739), which is the equivalent to an increase of T.SEK 16,409. Contract work is comprised of major projects, 26 (12), and minor projects, 28 (0), where the value of governmental and institutional contracts is more than 64% of the total value of contract work. The average value of each individual major project has increased significantly compared with the same period in 2015.

Receivables amount to T.SEK 21,275 (8,484), corresponding to an increase of T.SEK 12,791.

The total amount of contract work and receivables is unexpectedly high due to governmental and institutional customers. We consider the solvency of our customers to be at a high level and have no indication of doubtful receivables.

Employees
As at 31 December 2016, GS Sweden AB had 77 (30) employees, corresponding to 45 (30) full-time/year employees. Employees working with the cost of goods sold and in development, totalled 52 (20), with sales and distribution, 12 (6), and in the administration there were 13 (4) employees.

Risk Management
Due to its activities, the Group is exposed to various financial risks, including changes in foreign currency, interest, liquidity and credit risks. The Group manages the risks centrally and follows the policies approved by the Board of Directors. For further information, please see note 21 Financial risks.

Given the circumstances that the Company is a newly established company with no history of conducting any business operations, the risk factors set forth below are primarily associated with the subsidiaries GomSpace ApS, Nanospace AB, GomSpace Orbital ApS and Aerial & Maritime Ltd. and their currently conducted business operations. Notwithstanding, it is expected that the Company will be subject to the same risks as GomSpace Aps historically has been subject to. The described risks are not stated in any priority or other particular order, and are not described in detail; however, they are assessed to comprise the principal risks for the Company's future development. Some of the below described factors are not possible for the Company to control, either in part, or at all, however, all of the below described risks may, if occurring, have an adverse impact on the Group´s business, financial position and profits in the future. Moreover, there are risks currently unknown to the Company that may have an adverse impact on the Group.

New and emerging market
The nanosatellite market is complex, relatively new and growing. Even though the Group has experienced an increasing demand the market may stagnate, or even cease to exist. Moreover, the market could develop in a way that the Company is not able to adapt to and the Company may face competition or not be able to ensure the right positioning on the market.

Risks relating to early stage of development and future funding
Historically, the Group has not been able to generate sufficient cash flow to satisfy its working capital requirements and has been reliant on external financing. There is a risk that the Company will record operating losses, or at least not be able to generate enough profits to finance its activities. As a result, the Group would continue to be dependent on financing from external sources. Financing concerning 2017 is in place.

Key personnel
The Company is largely dependent on its ability to retain and attract skilled personnel with relevant expertise and knowledge. There is a risk that the Group could lose or not be able to attract skilled personnel.

Risks relating to the quality of the product
The Company is reliant on its ability to develop and deliver products of a certain quality and there is a risk that the Company will be unable to meet the demands of its customers in relation to quality and expectation. As of today, the Group is performing service and maintenance in small scale but is planning to expand its operations within these areas and there is a risk that such expansion will not be successful.

Management's Review (continued)

Competition
Only limited information relevant to assess competitors is publicly available and therefore the Company cannot be certain of its market share or the position of its competitors in terms of technology and products. Competitors may be ahead of the Company and may have greater financial resources compared to the Company.

Risks relating to suppliers
Typically, the Company does not enter into written framework agreements with its suppliers, but is rather relying on historic relationships which is a risk should relationships change going forward and the Company be forced to change suppliers.

Risks relating to customers
The Group´s customers are both public and private enterprises. Customer agreements are mainly entered into for specific and isolated orders and there are no framework agreements or the like that would ensure repeated orders and future sales.

Future expansion through acquisitions or new subsidiaries
The Company is investigating possible acquisitions and may in the future, as part of its business strategy, make acquisitions and/or investments in companies as well as establish new companies in order to, inter alia, expand its business operations and enter into new markets. There is a risk that such strategy does not have the desired effect.

Risks relating to intellectual property rights and trade secrets
The Group is not dependent on any registered intellectual property rights. Intellectual property rights are developed by employees or in cooperation with third parties. There is a risk for miscalculating the importance of intellectual property rights and thereby not securing such rights. In addition, the right to certain intellectual property rights might be uncertain or contested. There is also a risk that trade secrets which are not covered by intellectual property rights cannot be protected.

Subsequent events
No events materially affecting the assessment of the Consolidated Financial Statements have occurred after the balance sheet date.

Parent Company
The Parent Company, GS Sweden AB, was founded on 11 September 2015 through the registration of share capital totaling SEK 50,000. The Parent Company had total revenues of T.SEK 1,708 for the year. The Parent Company incurred total costs of T.SEK 30,397 in 2016, primarily attributable to the initial public offering. A total of T.SEK 22,551 has been deducted from the share premium. The operating results for the year are negative with T.SEK 6,138. The net loss is T.SEK 6,368 for 2016. The Parent Company's cash and net cash amounted to T.SEK 70,434 as at 31 December 2016. Equity amounted to T.SEK 129,397 as at 31 December 2016.

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

GS Sweden AB incorporated GomSpace ApS through a non-cash issue on 28 April 2016, NanoSpace AB through an acquisition on 16 October 2016 and GomSpace Orbital ApS was established on 11 November 2016.

The Board of Directors' decision on items for the Annual General Meeting
Distribution of profit/loss for the year
The following funds are at the disposal of the parent company (SEK):

2016	
Share premium	134,048,983
Profit/loss for the year	-6,367,623
	127,681,360

The Board of Directors recommends the
following distribution of profit/loss for the year (SEK):

Paid out as dividend	0
Carried forward	127,681,360
	127,681,360

The Board of Directors is proposing to the Annual General Meeting that no dividend is paid for the financial year 2016.

Consolidated Income Statement

	Note	2016 T.SEK	2015 T.SEK
Net revenue	3	54,142	34,087
Cost of goods sold	5,6	-28,941	-16,892
Gross profit		**25,201**	**17,195**
Sales and distribution costs	5,6	-15,473	-7,213
Development costs	5,6	-6,812	-7,847
Administrative costs	5,6,7	-17,426	-4,492
Operating profit		**-14,510**	**-2,357**
Share of profit from associates	14	21,386	-
Financial income	8	525	163
Financial expenses	9	-1,914	-929
Profit (loss) before income tax		**5,487**	**-3,123**
Income tax	10	3,494	754
Profit (loss) for the year		**8,981**	**-2,369**
Profit (loss) is attributable to			
Owners of GS Sweden AB (publ)		8,981	-2,369
		8,981	**-2,369**
Earning per share, basic and diluted	19	0.62	-
Earning per share, basic and diluted based on the same method as in the combined financial statements 2013-2015	19	-	-0.17

Consolidated Statement of Other Comprehensive Income

	Note	2016 T.SEK	2015 T.SEK
Profit (loss) for the period		8,981	-2,369
Items which may be reclassified to the income statement:			
Foreign exchange rate adjustments		890	-482
Other comprehensive income for the period, net of tax		**890**	**-482**
Total comprehensive income for the period		**9,871**	**-2,851**
Total comprehensive income for the period is attributable to:			
Owners of GS Sweden AB (publ)		9,871	-2,851
		9,871	**-2,851**

Consolidated Statement of Financial Position

	Note	31 DEC 2016 T.SEK	31 DEC 2015 T.SEK
Goodwill	11	1,400	0
Other intangible assets	11	27,347	8,422
Intangible assets		**28,747**	**8,422**
Property, plant and equipment	12	6,365	697
Investments in associates	14	36,723	0
Deferred tax	15	4,093	0
Total non-current assets		**75,928**	**9,119**
Raw materials and consumables	16	4,266	2,907
Contract work	17	28,237	7,024
Trade receivables	18	13,933	6,587
Income tax receivables		2,529	1,258
Prepayments		656	0
Other receivables		6,686	1,897
Marketable securities		10	7
Cash and cash equivalents		73,803	1,268
Total current assets		**130,120**	**20,948**
Total assets		**206,048**	**30,067**

Consolidated Statement of Financial Position

	Note	31 DEC 2016 T.SEK	31 DEC 2015 T.SEK
Share capital	19	1,716	973
Share premium		137,337	15,661
Translation reserve		1,085	195
Retained earnings		5,968	-3,013
Total equity		**146,106**	**13,816**
Credit institutions	21	6,179	3,672
Deferred tax	15	3,143	889
Total non-current liabilities		**9,322**	**4,561**
Credit institutions	21	5,752	6,359
Other borrowings	21	1,534	737
Trade payables and other payables	21	29,565	2,063
Contract work	17	5,089	285
Prepayments		1,627	0
Other liabilities	21	7,053	2,246
Total current liabilities		**50,620**	**11,690**
Total liabilities		**59,942**	**16,251**
Total equity and liabilities		**206,048**	**30,067**

Commitments and contingent liabilities	20
Government grants	24
Related parties	25
Business combinations	26
Events after the balance sheet date	27

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 01.01.2016	973	15,661	195	-3,013	13,816
Profit/loss for the year	0	0	0	8,981	8,981
Other comprehensive income	0	0	890	0	890
Total comprehensive income for the year	**0**	**0**	**890**	**8,981**	**9,871**
Transactions with owners in their capacity as owner					
Increase in share capital	743	143,758	0	0	144,501
Increase in share capital, costs	0	-22,082	0	0	-22,082
	743	**121,676**	**0**	**0**	**122,419**
Equity 31.12.2016	**1,716**	**137,337**	**1,085**	**5,968**	**146,106**
Equity 01.01.2015	**973**	**6,785**	**677**	**-714**	**7,721**
Profit/loss for the year	0	0	0	-2,369	-2,369
Other comprehensive income	0	0	-482	0	-482
Total comprehensive income for the year	**0**	**0**	**-482**	**-2,369**	**-2,851**
Transactions with owners in their capacity as owners					
Increase in share capital	0	8,946	0	0	8,946
Decrease in share capital	0	-70	0	70	0
	0	**8,876**	**0**	**70**	**8,946**
Equity 31.12.2015	**973**	**15,661**	**195**	**-3,013**	**13,816**

Consolidated Cash Flow Statement

	Note	2016 T.SEK	2015 T.SEK
Profit (loss) before tax		5,487	-3,123
Reversal of financial items		1,389	766
Depreciation and amortizations		2,798	1,528
Non-cash items		-20,954	0
Change in net working capital	23	-4,749	-9,667
Cash flows from primary operating activities		**-16,029**	**-10,496**
Received interest		461	161
Paid interest		-1,800	-893
Cash flow from operating activities		**-17,368**	**-11,228**
Proceeds from sale of property, plant and equipment		4	0
Purchase of property, plant and equipment		-6,028	-573
Purchase of intangible assets		-6,048	-5,489
Acquisition of a subsidiary	26	-2,900	0
Cash flow from investing activities		**-14,972**	**-6,062**
Borrowings		3,740	7,968
Repayment of borrowings		-1,383	0
Capital increase		125,000	8,946
Capital increase, costs		-22,082	0
Cash flow from financing activities		**105,275**	**16,914**
Net cash flow for the year		**72,935**	**-376**
Cash and cash equivalents, beginning of the year		1,268	1,539
Unrealized exchange rate gains and losses on cash		-400	105
Cash and cash equivalents, end of the year		**73,803**	**1,268**

Reconciliation of cash and cash equivalents

Cash and cash equivalents according to the balance sheet	73,803	1,268
Cash and cash equivalents according to the cash flow statement	**73,803**	**1,268**

NanoProp
CGP3

Flightproven propulsion system for 3U satellites

Parent Company Income Statement

	NOTE	11 SEPTEMBER 2015 - 31 DECEMBER 2016 T.SEK
Net revenue	3	1,708
Gross profit		**1,708**
Administrative costs	4	-7,846
Operating profit		**-6,138**
Financial income	8	17
Financial expenses	9	-247
Profit (loss) before income tax		**-6,368**
Profit (loss) for the year		**-6,368**
Earnings per share, basic and diluted, SEK		-0.44

Parent Company Statement of Other Comprehensive Income

	11 SEPTEMBER 2015 - 31 DECEMBER 2016 T.SEK
Profit (loss) for the period	-6,368
Items which may be reclassified to the income statement:	
Share of other comprehensive income from associates	0
Other comprehensive income for the period, net of tax	**0**
Total comprehensive income for the period	**-6,368**

Parent Company Statement of Financial Position

	Note	2016 T.SEK
ASSETS		
Investments in subsidiaries	13	60,806
Investments in associates	14	19,932
Total financial fixed assets		**80,738**
Total non-current assets		**80,738**
Trade receivables		310
Other prepayments		90
Other receivables		1,879
Receivables		**2,279**
Cash and cash equivalents		**70,434**
Total current assets		**72,713**
Total assets		**153,451**
EQUITY AND LIABILITIES		
Share capital		1,716
Share premium		134,049
Retained earnings		-6,368
Total equity		**129,397**
Payables to subsidiaries		2,087
Payables to associates		19,932
Trade payables and other payables		2,035
Total current liabilities		**24,054**
Total liabilities		**24,054**
Total equity and liabilities		**153,451**
Commitments and contingent liabilities	20	
Related parties	25	
Events after the balance sheet date	27	
Proposed distribution of profit/loss	28	

Parent Company Statement of Changes in Equity

	SHARE CAPITAL T.SEK	SHARE PREMIUM T.SEK	RETAINED EARNINGS T.SEK	TOTAL EQUITY T.SEK
Equity 11.09.2015	**50**	**0**	**0**	**50**
Profit/loss for the year	0	0	-6,368	-6,368
Total comprehensive income for the year	**0**	**0**	**-6,368**	**-6,368**
Transactions with owners in their capacity as owners				
Increase in share capital	1,736	156,530	0	158,266
Increase in share capital, costs	0	-22,551	0	-22,551
Decrease in share capital	-70	70	0	0
	1,666	**134,049**	**0**	**135,715**
Equity 31.12.2016	**1,716**	**134,049**	**-6,368**	**129,397**

Parent Company Cash Flow Statement

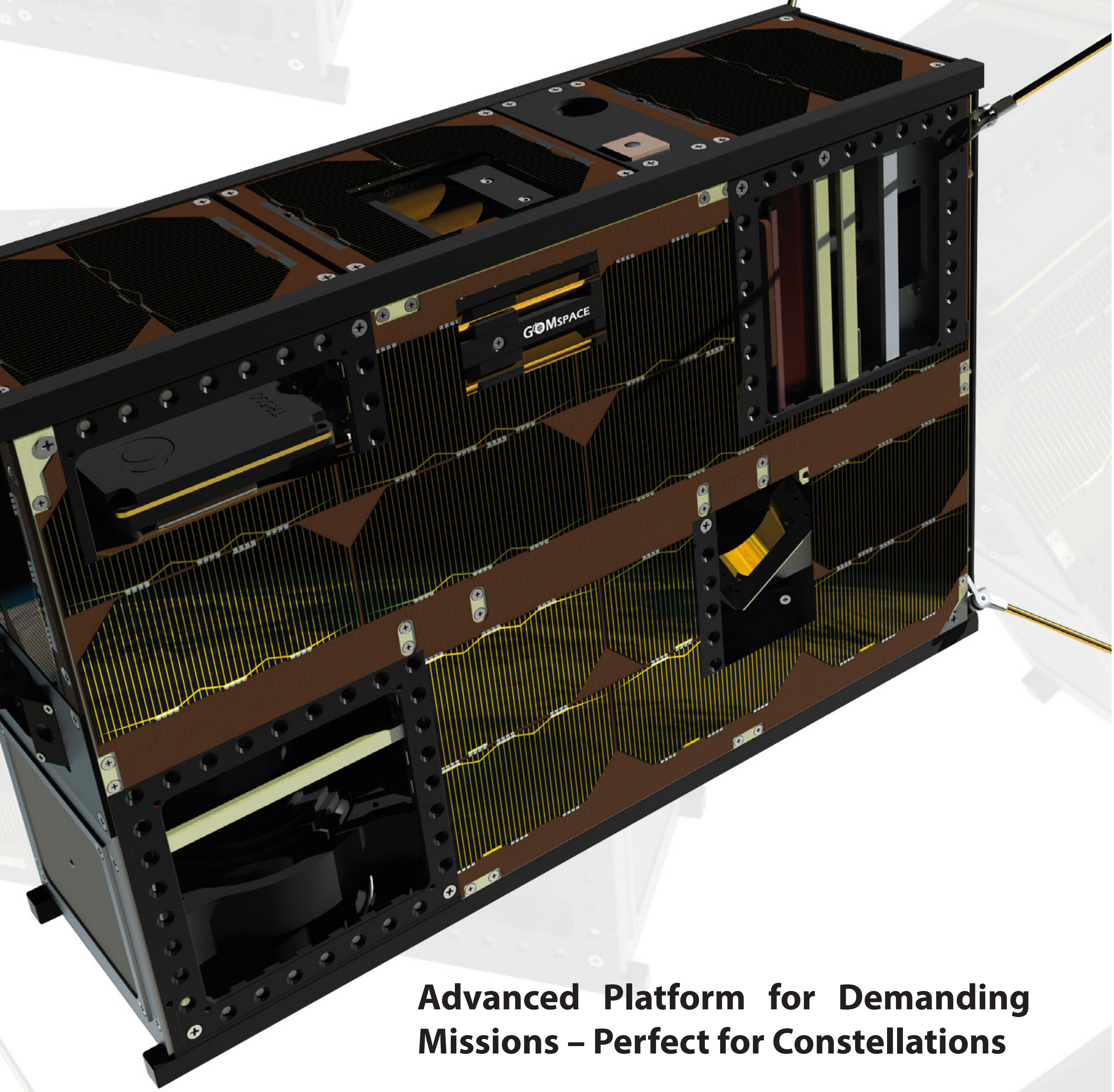
	NOTE	11 SEPTEMBER 2015 - 31 DECEMBER 2016 T.SEK
Profit before tax		-6,368
Reversal of financial items		230
Change in net working capital	23	1,843
Cash flows from primary operating activities		**-4,295**
Received interest		17
Paid interest		-247
Cash flow from operating activities		**-4,525**
Investments in fixed asset investments		-24,540
Acquisition of a subsidiary	26	-3,000
Cash flow from investing activities		**-27,540**
Capital increase		125,050
Capital increase, costs		-22,551
Cash flow from financing activities		**102,499**
Net cash flow for the year		**70,434**
Cash and cash equivalents, beginning of the year		0
Unrealized exchange rate gains and losses on cash		0
Cash and cash equivalents, end of the year		**70,434**

Reconciliation of cash and cash equivalents

Cash and cash equivalents according to the balance sheet	70,434
Cash and cash equivalents according to the cash flow statement	**70,434**

Advanced 6U

Advanced 6U Platform



Advanced Platform for Demanding Missions – Perfect for Constellations

Index of Notes

Note 1. Accounting policies
Note 2. Significant accounting estimates and judgments
Note 3. Net revenue
Note 4. Administative costs
Note 5. Staff costs
Note 6. Depreciation and amortizations
Note 7. Remuneration to auditors
Note 8. Financial income
Note 9. Financial expenses
Note 10. Tax on profit/loss for the year
Note 11. Intangible assets
Note 12. Property, plant and equipment
Note 13. Investments in subsidiaries
Note 14. Investments in associates
Note 15. Deferred tax
Note 16. Inventories
Note 17. Contract work
Note 18. Trade receivables
Note 19. Share capital
Note 20. Commitments and contingent liabilities
Note 21. Financial risks
Note 22. Classification of financial assets and liabilities
Note 23. Changes in net working capital
Note 24. Government grants
Note 25. Related parties
Note 26. Business combinations
Note 27. Events after the balance sheet date
Note 28. Proposed distribution of profit/loss

Notes

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years, unless otherwise stated. The financial statements for the group consist of GS Sweden AB and its subsidiaries.

1. Accounting policies

Basis of preparation

The consolidated financial statements of GS Sweden AB (publ) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the Annual Accounts Act. IFRS includes interpretations issued by the IFRS Interpretations Committee (IFRS IC). In addition to the Annual Accounts Act and IFRS, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, has also been applied.

The transaction under which GS Sweden AB became the holding company of GomSpace ApS was a group reorganisation with no changes in the ultimate ownership of the group and all the shareholdings in GomSpace ApS were exchanged via a share-for-share exchange. GS Sweden AB did not actively trade at that time. The Group reorganisation took place on 28 April 2016. The consolidated financial statements have therefore been presented as a continuation of GomSpace ApS' business.

The principal steps of the Group reorganisation were as follows:

- Upon incorporation, the share capital of GS Sweden AB was T.SEK 50 divided into ordinary shares of SEK 1 each.

- GS Sweden AB became the holding company of the Group, immediately following determination of the Offer Price amounting to T.SEK 13,766, through a share-for-share exchange.

Evaluation and adjustment of contract work

We identified certain small projects which are recognized as point in time, however these were to be recognized as contract work. The revenue effect before tax is T.SEK 2,959 in 2016 and the effect in 2015 is T.SEK 158. The amount regarding 2015 is insignificant and comparative figures have not been corrected.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

New and amended standards adopted by the group

The group has applied the following standards and amendments for their annual reporting period commencing 1 January 2016:

- Annual improvements to IFRS's 2012 – 2014 cycle, and
- Disclosure initiative – amendments to IAS 1.

The adoption of these amendments did not have any impact on the current period or any prior periods and is not likely to affect future periods.

New standards and interpretations not yet adopted

The IASB has issued a number of new or amended standards and interpretations effective for financial years beginning after 1 January 2016. Some of these have not yet been endorsed by the EU. Most relevant to the Group is the following:

Endorsed by the EU:

- IFRS 9 "Financial Instruments".

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.The standard will replace IAS 39 Financial Instruments.

While the group has yet to undertake a detailed assessment of the classification and measurement of financial assets, debt instruments currently classified as available-for-sale (AfS) financial assets would appear to satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) and hence there will be no change to the accounting for these assets.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities.

The standard must be applied for financial years commencing on or after 1 January 2018.

- IFRS 15 "Revenue Recognition".

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised 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 new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018.

Notes

1. Accounting policies (continued)

During 2016, GomSpace / the Group performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. Furthermore, the Group is considering the clarifications issued by the IASB in April 2016 and will monitor any further developments.

The standard must be applied for financial years commencing on or after 1 January 2018.

Not yet endorsed by the EU:

- IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The standard will primarily affect the accounting for the group's operating leases. As at the reporting date, the group has non-cancellable operating lease commitments at an amount of T.SEK 3,524, see note 20. However, the group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The standard must be applied for financial years commencing on or after 1 January 2019.

In 2017, the Group plans to assess the potential effect of IFRS 16 on its consolidated financial statements.

The Group is currently analysing the potential impact from the adoption of these new standards. The Group expects to adopt the standards and interpretations when they become effective.

Consolidation of subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to or has the right to variable return from its holding in the entity and is able to affect this return through its influence in the entity. Subsidiaries are included in the financial statements as of the date when control passes to the Group. They are deconsolidated from the date on which the control ceases.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or a liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement are measured at fair value with the changes in fair value recognised in the income statement.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is in-

Notes

1. Accounting policies (continued)

cluded in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Associates

An associate is an entity over which GomSpace has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The income statement reflects the Group's share of profit or loss after tax from the associates. Any change in Other Comprehensive Income ('OCI') of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Translation of foreign currency

(i) Functional currency and reporting currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Swedish kronor (SEK) which is the functional currency of the Parent Company. The functional currency of the operating companies GomSpace ApS and GomSpace Orbital ApS is DKK and in NanoSpace AB it is SEK.

(ii) Transactions and balance-sheet items

Transactions in foreign currencies are translated to the functional currency at the exchange rate applicable on the transaction date. Exchange gains and losses arising in the payment of such transactions and in the translation of monetary assets and liabilities in foreign currencies at the rate prevailing on the reporting date are recognised in the income statement under the item Net financials.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

Segments report

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Management that makes strategic decisions. The business of GS Sweden AB (publ) only includes one segment and the consolidated financial statements of comprehensive income, the consolidated statements of financial position, the consolidated statements of cash flows, the consolidated statements of changes in equity and notes represent this segment.

Revenue from sale of goods

Revenue from the sale of goods is recognized in the income statement if risk and rewards as well as control over the goods have been transferred to the customer at the balance sheet date, the income can be measured reliably, and expenses incurred or expected to be incurred in connection with the transaction can be measured reliably. Revenue is measured at the fair value of the consideration received, excluding VAT and less discounts granted in connection with the sales.

Contract work

Contracts for the construction of an individually negotiated asset and related services is recognized under the percentage of completion method.

The proportion of net revenue to be recognized in a particular period is calculated according to the stage of completion of the project. For most contracts this is measured by reference to the time spent on the contract up to the relevant balance sheet date as a percentage of the total estimated time of com-

Notes

1. Accounting policies (continued)

pleting the contract. Consideration agreed in the contract is recognized over the contract period using this method.

If the expected total costs are expected to exceed the consideration agreed, a provision is recognized for the expected loss.

Contracts for which the recognized net revenue from the work performed exceeds progress billings are recognized in the balance sheet as receivables.

Contracts for which progress billings exceed the net revenue are recognized as liabilities. Prepayments from customers are recognized under liabilities.

Cost of goods sold

Cost of sales comprise the cost of products and projects sold. Cost comprises the purchase price of raw materials, consumables and goods for resale, direct labour costs and a share of indirect production costs, including costs of operation and depreciation of production facilities as well as operation, administration and management of production sites.

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Variable salary

Provisions for variable salary are expensed on an ongoing basis in accordance with the economic substance of current agreements.

Pension obligations

The company only has defined contribution pension plans. The contributions are recognized as employee benefit expense when they are due. The group has no further payment obligations once the contributions have been paid.

Termination benefits

A provision for costs in connection with termination of personnel is recognized only if the company is obligated to end employment before the normal retirement date or when benefits are provided as an incentive to encourage voluntary termination. Estimated termination benefits are recognized as a provision when a detailed plan for the measure is presented.

Leases

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Other operating income and expenses

Other operating income and expenses comprise income that is not related to the principal activities. This includes government grants, rent as well as gains and losses on the disposal of intangible assets and property, plant and equipment as well as other income of a secondary nature in relation to the main activities of the Group.

Financial income and expenses

Financial income and expenses comprise interest receivable and interest payable and value adjustments of financial assets and items denominated in a foreign currency.

Notes

1. Accounting policies (continued)

Income tax and deferred tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Intangible assets

Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Technology

Separately acquired licences are shown at historical cost. Technologies acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Amortization is based on the straight-line method over the expected useful lives of the assets:

Technology: 15 years

Development costs

Costs associated with maintaining software and products are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique development projects controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the development project so that it will be available for use
- management intends to complete the development project and use or sell it
- there is an ability to use or sell the development project
- it can be demonstrated how the development project will generate probable future economic benefits

Notes

1. Accounting policies (continued)

- adequate technical, financial and other resources to complete the development and to use or sell the development project are available, and

- the expenditure attributable to the development project during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the development project include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortization is based on the straight-line method over the expected useful lives of the assets:
- Development projects: 5 years
- Other intangible assets: 3-5 years

Amortization of a development project begins when the development project is at a stage where its commercial potential can be utilized in the manner intended by Management.

Intangible assets not yet available for use are not subject to amortisation but are tested annually for impairment, irrespective of whether there is any indication that they may be impaired.

Government grants
Government grants comprise grants for investments, development projects, etc. Grants are recognized when there is reasonable certainty that they will be received. Grants for investments and capitalized development projects are set off against the cost of the assets to which the grants relate. Other grants are recognized in development costs in the income statement to offset the expenses for which they compensate.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment charges. Property, plant and equipment in progress are measured at cost. Cost comprises expenses for materials, other expenses directly related to making the asset ready for use, and reestablishment expenses, provided that a corresponding provision is made at the same time.

The useful lives of the individual groups of assets are estimated as follows:
- Other fixtures and fittings, tools and equipment: 2 - 5 years

Depreciation is based on a straight-line basis.

Gains and losses on the disposal of property, plant and equipment are recognized in the income statement under other operating income and other operating expenses.

Impairment
Non-financial assets are tested for impairment when facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the non-financial assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the non-financial assets' fair value less costs to sell and their value in use.

Inventories
Inventories are measured at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

The cost of goods for resale and raw materials and consumables comprises purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising costs incurred to bring the product to the current completion rate and location. Costs include the cost of raw materials, consumables, direct wages and salaries, and indirect production overheads. Indirect production overheads comprise indirect materials, wages and salaries, maintenance and depreciation of production machinery and equipment, as well as production administration and management.

Trade receivables
Receivables are initially recognized at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortized cost less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable taking into consideration the period overdue and the expected likelihood of receiving payment.

Provisions
Provisions are recognized when, as a consequence of an event occurring on or before the balance sheet date, the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation. The obligation is measured on the basis of Management's best estimate of the discounted amount at which the obligation is expected to be met.

Notes

1. Accounting policies (continued)

Financial assets and liabilities
Cash and cash equivalents comprise cash balances and unrestricted deposits with banks.

Marketable securities recognized as current assets are measured at fair value on the balance sheet date. Changes to fair value is recognized in the income statement.

Financial liabilities are initially measured at fair value less transaction costs incurred. Subsequently, the loans are measured at amortized cost. Amortized cost is calculated as original cost less instalments plus/less the accumulated amortization of the difference between cost and nominal value. Losses and gains on loans are thus allocated over the term so that the effective interest rate is recognized in the income statement over the loan period. Financial liabilities are derecognized when settled.

Contributed equity
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Cash flow statement
The cash flow statement has been prepared under the indirect method and shows the Group's cash flows from operating, investing and financing activities for the year. Cash flows from operating activities comprise profit or loss before tax adjusted for non-cash operating items, changes in working capital, financial items received and paid and income tax paid. Cash flows from investing activities comprise payments made in connection with the acquisition and divestment of companies and activities, as well as investment, development, sale and improvements of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise capital increases and costs incidental thereto as well as the arrangement of loans, the repayment of interest-bearing debt, shares and the payment of dividend to the Group's shareholders.

Cash and cash equivalents comprise cash balances and unrestricted deposits in banks.

Key ratios definitions
Gross margin (gross profit * 100 / net revenue)
Operating margin (operating profit * 100 / net revenue)
Net margin (profit for the the year * 100 / net revenue)
Return on invested capital (profit for the year * 100 / total assets)
Return on equity (profit for the year * 100 / average equity)
Equity ratio (equity * 100 / total assets)
Earning per share (profit for the year / average number of shares)

Parent Company
Basis of preparation
These are the first financial statements prepared by the Company. These financial statements cover a period of 16 months (11 September 2015 - 31 December 2016).

GS Sweden AB (publ) is a newly established company and was registered at the Swedish Companies Registration Office on 11 September 2015. The financial statements for the parent company have been prepared in accordance with the Annual Accounts Act and the recommendation RFR 2 Accounting for legal entities.

The differences between the Group's and the Parent's accounting principles are described below. The below stated accounting principles for the parent company have been applied consistently to all periods presented in the Parent's financial statements, if not otherwise described.

Investment in subsidiaries
Investments in subsidiaries are recognised at cost. This comprises the purchase price at fair value plus direct acquisition costs. If there is indication of impairment, an impairment test is conducted. Where the carrying value exceeds the recoverable amount, the investment is written down to this lower amount.

Notes

2. Significant accounting estimates and judgments

In preparing the consolidated Financial Statements, Management makes various accounting estimates and assumptions which form the basis of presentation, recognition and measurement of the Group's assets and liabilities. 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 consolidated Financial Statements. 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.

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 11.

Recognized revenue on contract work is based on percentage of completion based on time spent on the contract as a percentage of the total time estimated to complete the project. Management estimates on an ongoing basis the time 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 note 17.

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

3. Net revenue

	GROUP		GS SWEDEN AB
	2016 T.SEK	2015 T.SEK	11 SEPTEMBER 2015 - 31 DECEMBER 2016 T.SEK
Sales of satellite solutions, platforms, payloads and subsystems	54,142	34,087	0
	54,142	**34,087**	**0**

Net revenue is distributed to the following geographical markets, based on where the customer reside.

Geographic distribution			
Denmark	5,090	3,386	1,683
Sweden	2,127	0	0
Europe (excluding Denmark and Sweden)	22,914	14,384	0
USA	3,564	2,201	0
Asia	12,784	9,624	0
Rest of the world	7,663	4,492	25
	54,142	**34,087**	**1,708**

Revenue from Holland accounts for 21% of the total net revenue (30% in 2015).
Revenue from China accounts for 14% of the total net revenue (12% in 2015).
Revenue from United Kingdom accounts for 11% of the total net revenue (2% in 2015).
Revenue from Mauritius accounts for 10% of the total net revenue (0% in 2015).
Revenue from Denmark accounts for 9% of the total net revenue (10% in 2015).

Revenue from one (one in 2015) customer accounts for 10% (17%) of the total revenue.

Property, plant and equipment have a carrying amount of T.SEK 420 (T.SEK 0 in 2015) in Sweden and a carrying amount of T.SEK 5,945 (T.SEK 697 in 2015) in Denmark. GS Sweden AB's property, plant and equipment are located in both Sweden and Denmark.

Intangible assets have a carrying amount of T.SEK 15,472 (T.SEK 0 in 2015) in Sweden and a carrying amount of T.SEK 13,275 (T.SEK 8,422 in 2015) in Denmark.

Notes

4. Administrative costs

	11 SEPTEMBER 2015 - 31 DECEMBER 2016 T.SEK
GS Sweden AB	
Staff costs	267
Management fee	2,650
Consultancy service	3,349
Other costs	1,580
	7,846

Notes

5. Staff costs

	BASIC SALARY, BOARD FEE* T.SEK	BONUS T.SEK	PENSION COSTS T.SEK	OTHER REMUNERATION T.SEK	TOTAL T.SEK
2016					
Chairman of the board					
Jukka Pekka Pertola	129	0	0	0	129
Board members					
Niels Jesper Jespersen Jensen	124	0	0	0	124
Lars Alminde	0	0	0	0	0
Carl-Erik Jørgensen	84	0	0	0	84
Jens Langeland-Knudsen	84	0	0	0	84
	421	**0**	**0**	**0**	**421**
Key management personnel					
CEO, Niels Buus	1,114	639	501	29	2,283
Other key management personnel (6 persons)	4,671	1,004	665	0	6,340
	5,785	1,643	1,166	29	8,623
Total	**6,206**	**1,643**	**1,166**	**29**	**9,044**
The subsidiaries' share of this amount is	5,785	1,643	1,166	29	8,623

*Members of the Board of Directors who are employed in the group do not receive a director's fee.

	BASIC SALARY, BOARD FEE* T.SEK	BONUS T.SEK	PENSION COSTS T.SEK	OTHER REMUNERATION T.SEK	TOTAL T.SEK
2015					
Chairman of the board					
Niels Jesper Jespersen Jensen	50	0	0	0	50
Board members					
Lars Alminde	0	0	0	0	0
Carl-Erik Jørgensen	0	0	0	0	0
Jens Langeland-Knudsen	0	0	0	0	0
	50	**0**	**0**	**0**	**50**
Key management personnel					
CEO, Niels Buus	894	0	287	0	1,181
Other key management personnel (4 persons)	2,603	0	282	0	2,885
	3,497	0	569	0	4,066
Total	**3,547**	**0**	**569**	**0**	**4,116**
The subsidiaries' share of this amount is	3,547	0	569	0	4,116

Notes

5. Staff costs (continued)

	2016 T.SEK	2015 T.SEK
GS Sweden AB		
Board of directors and other key management personnel*		
Wages and salaries	0	0
Social security contributions	0	0
Pension costs	0	0
	0	**0**

*Management in GS Sweden is hired in GomSpace ApS. GomSpace ApS invoices
management fee to GS Sweden AB and GS Sweden AB invoices management fee to the subsidiaries.

Other employees		
Wages and salaries	202	0
Social security contributions	57	0
Pension costs	9	0
	268	**0**
Subsidiaries		
Wages and salaries	33,434	13,852
Social security contributions	777	187
Pension costs	2,864	1,639
	37,075	**15,678**
Group total		
Wages and salaries	33,636	13,852
Social security contributions	834	187
Pension costs	2,873	1,639
	37,343	**15,678**
Other employee cost	1,041	414
Total staff costs	**38,384**	**16,092**

Notes

5. Staff costs (continued)

	2016 T.SEK	2015 T.SEK
Staff costs are included in:		
Costs of goods sold	15,490	8,329
Sales and distribution costs	8,134	3,830
Development costs	6,988	1,780
Administrative costs	7,772	2,153
Total staff costs	**38,384**	**16,092**

In 2016 wages and salaries of T.SEK 4,540 have been capitalized as development projects (T.SEK 5,342 in 2015)

Average number of full time employees per country		
Parent company		
Sweden (of which women, %)	0 (0%)	0 (0%)
	0 (0%)	**0 (0%)**
Subsidiaries		
Sweden (of which women, %)	2 (50%)	0 (0%)
Denmark (of which women, %)	43 (19%)	30 (9%)
	45 (19%)	30 (9%)
Group total	**45 (19%)**	**30 (9%)**
Number of employees per country as at 31 december		
Parent company		
Sweden (of which women, %)	1 (0%)	0 (0%)
	1 (0%)	0 (0%)
Subsidiaries		
Sweden (of which women, %)	9 (33%)	0 (0%)
Denmark (of which women, %)	67 (16%)	30 (10%)
	76 (18%)	30 (10%)
Group total	**77 (18%)**	**30 (10%)**
Share of women on the board of directors	0%	0%
Share of men on the board of directors	100%	100%
Share of women amongst key management personnel	0%	0%
Share of men amongst key management personnel	100%	100%

Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. CEO has a retirement period of 6-12 months and key mangement personnel has a retirement period of 1-6 month(s) and retirement remuneration of 0-2 month(s) salary.

Notes

6. Depreciation and amortizations

	GROUP		GS SWEDEN AB
	2016 T.SEK	2015 T.SEK	11 SEPTEMBER 2015 - 31 DECEMBER 2016 T.SEK
Costs of goods sold	382	151	0
Sales and distribution costs	141	61	0
Development costs	166	107	0
Administrative costs	148	43	0
Total depreciation	**837**	**362**	**0**
Costs of goods sold	920	485	0
Sales and distribution costs	324	199	0
Development costs	389	344	0
Administrative costs	328	138	0
Total amortizations	**1,961**	**1,166**	**0**

7. Remuneration to auditors

	GROUP		GS SWEDEN AB
	2016 T.SEK	2015 T.SEK	11 SEPTEMBER 2015 - 31 DECEMBER 2016 T.SEK
PricewaterhouseCoopers			
Audit service	630	112	220
Other services	985	94	416
Tax advise services	56	36	56
Other non-audit services	69	0	0
Total	**1,740**	**242**	**692**

Notes

8. Financial income

	GROUP		GS SWEDEN AB
	2016 T.SEK	2015 T.SEK	11 SEPTEMBER 2015 - 31 DECEMBER 2016 T.SEK
Interest income	10	4	0
Exchange rate adjustments	512	159	17
Fair value gains on securities	3	0	0
Other financial income	0	0	0
	525	**163**	**17**

9. Financial expenses

	GROUP		GS SWEDEN AB
	2016 T.SEK	2015 T.SEK	11 SEPTEMBER 2015 - 31 DECEMBER 2016 T.SEK
Interest expenses	707	470	4
Exchange rate adjustments	834	172	183
Other financial expenses, including bank fees	373	287	60
	1,914	**929**	**247**

Notes

10. Tax on profit/loss for the year

	GROUP		GS SWEDEN AB
	2016 T.SEK	2015 T.SEK	11 SEPTEMBER 2015 - 31 DECEMBER 2016 T.SEK
Tax on profit (loss) for the year comprises			
Current tax on profit for the year 1)	-1,144	-1,290	0
Changes in deferred tax	-1,775	536	0
Adjustments to previous years	-575	0	0
Tax on profit (loss) for the year	**-3,494**	**-754**	**0**
Profit/loss before tax	5,487	-3,123	-6,368
Swedish tax rate for GS Sweden AB (publ)	22.0%	22.0%	22.0%
Tax	1,207	-687	-1,401
Non-taxable income	-4,705	0	0
Non-deductible expenses	34	16	0
Non-capitalized tax concerning loss carry-forward	1,176	0	1,401
Changes to the Danish tax rate	0	-36	0
Effect of foreign tax rates	0	-47	0
Adjustments to previous years	-1,206	0	0
Tax on profit (loss) for the year	**-3,494**	**-754**	**0**
Effective tax rate	-64%	25%	0%
Income tax expense reported in the income statement	-3,494	-754	0
	-3,494	**-754**	**0**

1) Income tax benefit related to development costs incurred.

Tax loss carry-forward	42,942	4,188	28,919
Unrecognized as deferred tax asset	-28,919	0	-28,919
Tax loss carry-forward recognized as deferred tax asset	**14,023**	**4,188**	**0**

Notes

11. Intangible assets

GROUP	GOODWILL T.SEK	TECHNOLOGY T.SEK	DEVELOPMENT PROJECTS IN PROGRESS T.SEK	FINISHED DEVELOPMENT PROJECTS T.SEK	OTHER INTANGIBLE ASSETS T.SEK	TOTAL T.SEK
Cost price at 1 January 2016	0	0	5,970	6,784	0	12,754
Additions during the year	0	0	4,839	0	1,209	6,048
Acquired in a business combination	1,400	12,000	0	0	2,400	15,800
Reclassification	0	0	-4,922	4,922	0	0
Exchange rate adjustment	0	0	310	348	14	672
Cost price at 31 December 2016	1,400	12,000	6,197	12,054	3,623	35,274
Amortization at 1 January 2016	0	0	0	-4,332	0	-4,332
Amortization	0	-200	0	-1,460	-301	-1,961
Exchange rate adjustment	0	0	0	-229	-5	-234
Amortization at 31 December 2016	0	-200	0	-6,021	-306	-6,527
Carrying amount 31 December 2016	**1,400**	**11,800**	**6,197**	**6,033**	**3,317**	**28,747**
Cost price at 1 January 2015	0	0	782	6,941	0	7,723
Additions during the year	0	0	5,489	0	0	5,489
Reclassification	0	0	-139	139	0	0
Exchange rate adjustment	0	0	-162	-296	0	-458
Cost price at 31 December 2015	0	0	5,970	6,784	0	12,754
Amortization at 1 January 2015	0	0	0	-3,335	0	-3,335
Amortization	0	0	0	-1,167	0	-1,167
Exchange rate adjustment	0	0	0	170	0	170
Amortization at 31 December 2015	0	0	0	-4,332	0	-4,332
Carrying amount 31 December 2015	**0**	**0**	**5,970**	**2,452**	**0**	**8,422**

Goodwill and other Intangible assets with indefinite life have been tested for impairment. Goodwill of T.SEK 1,400 and technology of T.SEK 11,800 arose on the acquisition of NanoSpace AB in October 2016. The recoverable amount of the group's cash-generating unit (CGU) was set based on computations of value in use. These computations proceed from estimated future cash flows based on financial forecasts and strategies approved by management that cover a five-year period. These assumptions reflect financial targets set by the Board of Directors, market reports on future growth and technology trends. From time to time, the company applies a five-year period to reflect the longterm approach to customers' purchasing decisions. Cash flows beyond the five-year period are extrapolate using an estimated growth rate. The perpetuity growth rate applied was 2% (2% in 2015). The growth rate does not exceed a long-term growth rate of the nanosatellite market where the relevant CGU operates. The discount rate before tax applied for Sweden and Denmark is 31% (31% in 2015). This reflects the specific risks that apply to the segment in which the company is active. Nevertheless, return requirements can change and testing for this variable shows no impairment when increasing the WACC by ten percentage points. The impairment test shows no impairment need even if EBITDA margin were to drop by ten percentage points.

Market data from SpaceWorks Commercial Inc. shows that nano- and micro-satellite technology has gained foothold in the satellite market and is expected to grow more than the conventional satellite market. The Group is one of the leading companies in the rapidly growing nanosatellite market. The business plans for Denmark and Sweden are following the expected expansions and new applications as informed by the Initial Public Offer to meet the increasing demand for nanosatellites.

Based on the above, no impairment is considered necessary.

Development costs incurred in the income statement during the year amount to T.SEK 6,812 (T.SEK 7,847 in 2015).

Notes

12. Property, plant and equipment

	OTHER FIXTURES, FITTINGS TOOLS AND EQUIPMENT T.SEK
GROUP	
Cost price at 1 January 2016	1,414
Additions during the year	6,027
Acquired in a business combination	420
Disposals during the year	-4
Reclassification	0
Exchange rate adjustment	41
Cost price at 31 December 2016	7,898
Depreciation at 1 January 2016	-717
Depreciation	-837
Exchange rate adjustment	21
Depreciation at 31 December 2016	-1,533
Carrying amount 31 December 2016	**6,365**
Cost price at 1 January 2015	892
Additions during the year	573
Disposals during the year	0
Reclassification	0
Exchange rate adjustment	-51
Cost price at 31 December 2015	1,414
Depreciation at 1 January 2015	-381
Depreciation	-361
Reversal of depreciation, assets sold	0
Exchange rate adjustment	25
Depreciation at 31 December 2015	-717
Carrying amount 31 December 2015	**697**

Notes

13. Investments in subsidiaries

	2016 T.SEK
GS SWEDEN AB	
Cost price at 11 September 2015	0
Additions during the year	60,806
Sales	0
Cost price at 31 December 2016	**60,806**

Company	GomSpace ApS	NanoSpace AB	GomSpace Orbital ApS
Corporate ID	30899849	556643-0475	38173561
Domicile	Aalborg, Denmark	Uppsala, Sweden	Aalborg, Denmark
Result	-2,297	-1,347	-285
Equity	35,487	8,360	-223
Proportion of shares	100%	100%	100%
Carrying amount of equity 2016	35,487	8,360	-223
Carrying amount of equity 2015	13,765	2,000	0

Notes

14. Investment in associates

	GROUP 2016 T.SEK	GS SWEDEN AB 2016 T.SEK
Cost at 1 January 2016	0	0
Additions	19,932	19,932
Cost at 31 December 2016	19,932	19,932
Value adjustments at 1 January 2016	0	0
Share of profit (loss)	-43	0
Gain on partial disposal of the interests*	21,348	0
Eliminations**	-4,595	0
Foreign exchange adjustments	81	0
Value adjustments 31 December 2016	16,791	0
Carrying amount at 31 December 2016	**36,723**	**19,932**

*The Group's gain on partial disposal of the interests.

During 2016, the Group initiated the Global Satellite Service project based on the Group's knowhow and business expertise. The project was organized in the subsidiary Aerial & Maritime Ltd. The Group contributes to Aerial & Maritime Ltd. with its technology and knowledge of the industry. In December 2016, two partners obtained a part of Aerial & Maritime Ltd. by increase of share capital, following this the Group's ownership was 47.3%. Aerial & Maritime Ltd. became an associated company and the Group recognized the 47.3% ownership at fair value following the transaction with the two partners. The fair value was T.SEK 41,318 and a gain of T.SEK 21,348 was recognized in the consolidated income statement.

**Elimination of gain on contract work for the associated company.

Aggregated financial information for associates:

Revenue	0
Profit (loss) for the year after tax	-92
Current assets	75,704
Current liabilities	10,297

Company	Aerial & Maritime Ltd.
Corporate ID	142963
Domicile	Mauritius
Result	-92
Equity	65,407
Proportion of shares	47.3%
Fair value 31 December 2016	87,332

The fair value of the associate was determined using the rate applied upon the capital increase received from external parties at the end of 2016. This is a level 2 measurement as per the fair value hierarchy set out in note 22.

Regarding the cooperation with Aerial & Maritime Ltd., a business plan has been entered between the owners. The Shareholder Agreement contains further requirements regarding financing. The Group has a limited commitment to invest additional cash for newly issued shares this commitment only applies to the Company's pro-rata share of any project overrun. This commitment expires in November 2019.

Notes

15. Deferred tax

	GROUP		GS SWEDEN AB
	2016	2015	2016
	T.SEK	T.SEK	T.SEK
Deferred tax at 1 January	889	382	0
Adjustments regarding previous years	-575	0	0
Business combination	500	0	0
Deferred tax recognized in the income statement	-1,774	536	0
Deferred tax recognized in other comprehensive income	0	0	0
Exchange rate adjustment	10	-29	0
Deferred tax at 31 December	**-950**	**889**	**0**
Deferred tax relates to:			
Intangible assets	2,844	1,852	0
Property, plant and equipment	317	1	0
Short term assets	40	-44	0
Provisions	0	0	0
Tax loss carry-forwards	-4,151	-920	0
Other liabilities	0	0	0
	-950	**889**	**0**
Deferred tax assets	-4,093	0	0
Deferred tax liabilities	3,143	889	0
Deferred tax assets, net	**-950**	**889**	**0**

No part of the deferred tax liability is expected to be settled within 1 year.

The deferred tax assets include an amount of T.SEK 4,151 (T.SEK 920 in 2015) which relates to the subsidiaries' tax losses carry-forward. The subsidiaries have incurred the losses over the last years following developing activities. The group has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiaries.

Unrecognized tax assets regarding tax losses carry-forward amount to: T.SEK 6,034 for the Group and T.SEK 6,362 for GS Sweden AB.

16. Inventories

Group

T.SEK 12,835 of inventories was recognized as expenses during 2016 (T.SEK 12,949 in 2015). Write-downs of inventories in 2016 amounted to T.SEK 217 (T.SEK 0 in 2015).

Notes

17. Contract work

	GROUP 2016 T.SEK	2015 T.SEK
Revenue from contract work	76,755	18,625
Less progress billings	-53,837	-11,720
Exchange rate adjustment	230	-166
	23,148	**6,739**
Recognized in the balance sheet as:		
Amounts due from customers for contract work	28,237	7,024
Amounts due to customers for contract work	-5,089	-285
	23,148	**6,739**

18. Trade receivables

	GROUP 2016 T.SEK	2015 T.SEK
Trade receivables, gross	13,933	6,587
Write-downs	0	0
	13,933	**6,587**
Ageing of receivables		
Not due	5,705	4,413
0 - 30 days overdue	1,821	1,227
31 - 90 days overdue	5,500	168
>120 days overdue	907	779
	13,933	**6,587**
Movement in allowance for doubtful trade receivables		
Carrying amount at the beginning of the year	0	0
Allowances for losses during the year	0	-301
Confirmed losses	0	301
	0	**0**

As at 31 December 2016, trade receivables at an amount of T.SEK 8,228 (T.SEK 2,174 in 2015) were past due but not impaired. These relate to a number of independent customers where there is no recent history of non-payment. Regarding the amount receivable due for payment, 77% (32%) are from the public sector.

The remaining trade and other receivables do not contain impaired assets as these are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The group does not hold any collateral in relation to these receivables.

Notes

19. Share capital

The share capital comprises 24,507,334 shares of a nominal value of SEK 0.07 each. The nominal value of each share is changed from SEK 1 to SEK 0.98 in accordance with an exchange of shares and to SEK 0.07 in accordance with the share split. No shares carry any special rights.

	Number of shares
Changes in share capital:	
Share capital at 1 January 2016	13,907,334
Capital increase 2016	8,000,000
Capital increase 2016	2,000,000
Capital increase 2016	600,000
Share capital at 31 December 2016 fully paid	**24,507,334**

Capital management

The Group is primarily financed through equity, but will use debt financing when this can be achieved at attractive conditions. Management evaluates the need for capital on an ongoing basis. The objectives when maintaining capital are to maintain sufficient capital in order to meet short-term obligations and at the same time maintain investor's confidence required to sustain future development of the business.

The group is not exposed to any externally imposed capital requirements.

	2016	**2015**
	T.SEK	**T.SEK**
Earning per share, basic and diluted (profit for the year / average number of shares ratified for split)	0.62	-
Earning per share, basic and diluted based on the same method as in the combined financial statements 2013-2015 (profit for the year / average number of shares ratified for split)	-	-0.17
Average number of shares ratified for split (in 1,000)	14,593	-
Average number of shares ratified for split based on the same method as in the combined financial statements 2013-2015 (in 1,000)	-	13,907

Notes

20. Commitments and contingent liabilities

	2016 T.SEK	2015 T.SEK
GROUP AND GS SWEDEN AB		
Operating leases		
Operating lease commitments:		
Due within 1 year	2,162	163
Due between 1 and 5 years	1,362	0
Due after 5 years	0	0
	3,524	**163**
Lease payments recognised as an expense amount to	2,229	654

Lease commitments primarily relate to office rental.

There are no pending court and arbitration cases.

Guarantees
The Group has provided the following guarantees as at 31 December 2016:

- Guarantees to unrelated parties for the performance in contracts. No liability is expected to arise.

For debt to credit institutions the Group has provided security in company assets representing a nominal value of T.SEK 14,799. The carrying amount of the Group assets amounts to T.SEK 36,286. This security comprises the below assets:

- Intangible assets
- Property, plant and equipment
- Inventories
- Trade receivables

Notes

21. Financial risks

General risk management
Due to its activities, the Group is exposed to various financial risks, including changes in foreign currency, interest, liquidity and credit risks. The Group manages the risks centrally and follows the policies approved by the Board of Directors. The Group does not actively engage in speculation of financial risks.

Credit risks
The Group's credit risks mainly relate to contract work in progress, trade receivables and other receivables. Maximum exposure corresponds to the carrying amount. For sale of products an advance payment is received from the customer.

The Group assesses the risks of losses on an ongoing basis and, if necessary, write-downs are made according to the Group's policies. Excess cash is placed with banks with ratings A or above. The Group does not have any material risks related to individual customers.

Foreign exchange risks
The Group's sales, cost of goods sold and expenses are mainly incurred in DKK, USD or EUR. The Group has transactions in other currencies, but exposure in those currencies is not significant.

There is no foreign currency hedging regarding transactions in foreign currency.

- A change in foreign exchange rates of +/- 10% in the subsidiaries in DKK will have an effect on other comprehensive income and equity before tax on T.SEK 3,527.

- A change in foreign exchange rates of +/- 10% in the associates in USD will have an effect on result and equity before tax on T.SEK 4,132.

- A change in foreign exchange rates of +/- 10% concerning assets and liabilities in DKK will have an effect on result and equity before tax on T.SEK 1,524.

- A change in foreign exchange rates of +/- 10% concerning assets and liabilities in EUR will have an effect on result and equity before tax on T.SEK 1,258.

- A change in foreign exchange rates of +/- 10% concerning assets and liabilities in USD will have an effect on result and equity before tax on T.SEK 4.

Interest rate risk
The Group's loans are carried at variable interest rates. A change in the interest level will have limited effect on the result or equity.

- A change in the interest of +/- 1% will have an effect on result and equity before tax on T.SEK 129.

Liquidity risk
Funding and adequate liquidity are fundamental factors in driving an expanding business, and management of both is an integrated part of the Group's continuous budget and forecasting process. To ensure focus on managing the risks related to funding and liquidity, the Group manages and monitors funding and liquidity and ensures the availability of required liquidity through cash management and borrowing facilities.

By constantly maintaining cash assets or unused credit facilities, the Group ensures it has sound payment capacity, thereby reducing the liquidity risk. Payment capacity, i.e. cash from the IPO and cash equivalents as well as unused credit facilities as at 31 December 2016 was T.SEK 73,803 (T.SEK 1,268 in 2015).

Notes

21. Financial risks (continued)

	0-1 YEAR T.SEK	1-5 YEARS T.SEK	>5 YEARS T.SEK	TOTAL T.SEK	CARRYING AMOUNT T.SEK
GROUP					
31 December 2016					
Bank borrowings	7,766	6,793	0	14,559	13,465
Trade and other payables	36,618	0	0	36,618	36,618
	44,384	**6,793**	**0**	**51,177**	**50,083**
31 December 2015					
Bank borrowings	6,627	4,457	0	11,084	10,031
Trade and other payables	5,084	0	0	5,084	4,309
	11,711	**4,457**	**0**	**16,168**	**14,340**

Fair value of the loan from Vækstfonden is determined to be equal to its carrying amount (level 2 in the fair value hierarchy). Fair value of short term liabilities is determined to equal their carrying amount.

The analysis is based on all undiscounted cash flows, including estimated interest payments and expected instalments on loans. The estimates on interest are based on current market conditions.

The payment obligations are expected to be settled through cash inflows from operating activities and through proceeds from capital injections.

Notes

22. Classification of financial assets and liabilities

	Financial instruments carried at fair value through profit or loss held for trading							
	HELD FOR TRADING T.SEK	DESIGNATED AT INITIAL RECOGNITION 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 DECEMBER 2016								
ASSETS								
Trade and other receivables	0	0	0	48,856	0	48,856	48,856	0
Marketable securities	10	0	0	0	0	10	0	10
Cash and cash equivalents	0	0	0	73,803	0	73,803	73,803	0
Total Assets	**10**	**0**	**0**	**122,659**	**0**	**122,669**	**122,659**	**10**
LIABILLITIES								
Credit institutions	0	0	0	0	13,465	13,465	13,465	0
Trade payables and other payables	0	0	0	0	36,618	36,618	36,618	0
Prepayments	0	0	0	0	6,716	6,716	6,716	0
Total liabilities	**0**	**0**	**0**	**0**	**56,799**	**56,799**	**56,799**	**0**
31 December 2015								
ASSETS								
Trade and other receivables	0	0	0	15,508	0	15,508	15,508	0
Marketable securities	7	0	0	0	0	7	0	7
Cash and cash equivalents	0	0	0	1,268	0	1,268	1,268	0
Total Assets	**7**	**0**	**0**	**16,776**	**0**	**16,783**	**16,776**	**7**
LIABILLITIES								
Credit institutions	0	0	0	0	10,768	10,768	10,768	0
Trade payables and other payables	0	0	0	0	4,309	4,309	4,309	0
Prepayments	0	0	0	0	285	285	285	0
Total liabilities	**0**	**0**	**0**	**0**	**15,362**	**15,362**	**15,362**	**0**

Notes

22. Classification of financial assets and liabilities (continued)

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

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

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

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

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

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

In 2016, no transfers between levels were made.

23. Changes in net working capital

	GROUP		GS SWEDEN AB
	2016 T.SEK	2015 T.SEK	2016 T.SEK
Changes in inventories	-1,078	429	0
Changes in trade receivables	-4,677	-945	-310
Changes in other receivables	-12,308	-5,982	-1,969
Changes in trade and other payables	13,314	-3,169	4,122
	-4,749	**-9,667**	**1,843**

24. Government grants

Group

During 2016 the Group received T.SEK 0 in public grants for development purposes (2015: T.SEK 349) which was recognized in the income statement as an offset against development costs. The Group has furthermore received T.SEK 2,247 in public grants for investments (2015: T.SEK 849) which are set off against the cost of the assets to which the grants relate.

Notes

25. Related parties

Group and GS Sweden AB

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

Related parties also comprise subsidiaries in which GS Sweden AB has controlling influence.

The Group had expenses for office rental, accounting and legal assistance and interest on loans to shareholders (with significant influence over the company) at a total amount of T.SEK 1,908 (T.SEK 1,193 in 2015), apart from management costs in note 5. Payables to shareholders amount to T.SEK 0 as at 31 December 2016 (T.SEK 755 as at 31 December 2015).

GS Sweden has the following transactions with subsidiaries and associates

	11 SEPTEMBER 2015 - 31 DECEMBER 2016 T.SEK
Transactions with subsidiaries	
Sale of goods and services	1,683
Purchase of goods and services	2,650
Receivables on the balance sheet date	285
Liability on the balance sheet date	2,087
Transactions with associates	
Sale of goods and services	25
Receivables on the balance sheet date	25

Notes

26. Business combinations

Acquisitions in 2016

On 16 October 2016, the Group acquired 100% of the voting shares of NanoSpace AB, an unlisted company based in Sweden. NanoSpace AB develops and provides propulsion technology and products for nanosatellites. The Group acquired NanoSpace AB because it will build up more Swedish activities and have satellite propulsion products in its portfolio alongside the activities already in Gomspace ApS.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of NanoSpace AB as at the date of acquisition was:

	2016 T.SEK
ASSETS	
Technology	12,000
Customer relationships	1,900
Order backlog	500
Property, plant and equipment	500
Tax assets	2,900
Non-current assets	**17,800**
Inventory	100
Accounts receivables	1,500
Other receivables	7,900
Current assets	**9,500**
Cash and cash equivalents	**100**
	27,400
LIABILITIES	
Deferred tax	3,200
Non-current liabilities	3,200
Advance payments	800
Accounts payable	400
Other liabilities	1,900
Current liabilities	3,100
	6,300
Total identifiable net assets at fair value	**21,100**
Goodwill arising on acquisition	1,400
Purchase consideration transferred	**22,500**

Goodwill is attributable to the workforce and the future profitability of the acquired business. It will not be deductible for tax purposes.

Notes

26. Business combinations (continued)

	2016 T.SEK
Purchase consideration	
Ordinary shares issued	19,500
Cash paid	3,000
Total purchase consideration	**22,500**

The fair value of the 600,000 shares issued as part of the consideration paid for NanoSpace AB (T.SEK 19,500) was based on the published share price on 17 October 2016 of SEK 32.5 per share.

Costs related to the acquisition amount to T.SEK 1,233.

	2016 T.SEK
Cash flow from investing activities	
Cash	3,000
Cash and cash equivalents in NanoSpace AB	-100
Cash flow from business combinations	**2,900**

The recognised fair value of identified net assets is based on available information at the acquisition date. In the event of new information, the recognition is subject to change within a one-year measurement period.

The Group's share of revenue from the acquisition date amounts to T.SEK 2,414 and a profit of T.SEK 450. Had NanoSpace AB been owned throughout the year, the revenue would amount to T.SEK 9,589 and a loss of T.SEK 1,712.

Notes

27. Events after the balance sheet date

No events materially affecting the assessment of the Consolidated Financial Statements have occurred after the balance sheet date.

28. Proposed distribution of profit/loss

GS Sweden AB

The Board of Directors recommends the following distribution of profit/loss for the year (SEK):

	2016
Share premium	134,048,983
Profit/loss for the year	-6,367,623
	127,681,360
To be distributed as follows:	
Paid out as dividend	0
Carried forward	127,681,360
	127,681,360

NanoMind
A712D

On-board Computer System for mission critical space application with limited resources

Management's Statement

The Board of Directors and Chief Executive Officer declare that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU, and give a true and fair view of the group's financial position and results of operations.

The annual accounts have been prepared in accordance with generally accepted accounting policies and give a true and fair view of the parent company's financial position and results of operations.

The Administration Report for the group and parent company gives a true and fair view of the progress of the group's and parent company's operations, financial position and results of operations, and state the significant risks and uncertainties factors facing the parent company and companies in the group.

The Consolidated Income Statement and Consolidated Balance Sheet will be submitted to the Annual General Meeting on 27 April 2017 for adoption.

Stockholm, 4 April 2017

EXECUTIVE BOARD

Niels Buus

BOARD OF DIRECTORS

Jukka Pekka Pertola Chairman	Niels Jesper Jespersen Jensen Member
Lars Alminde Member	Carl-Erik Jørgensen Member
Jens Langeland-Knudsen Member	

Auditor's Report

Auditor's report
To the general meeting of the shareholders of GS Sweden AB (publ), corporate identity number 559026-1888.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts for the financial year 11 September 2015 - 31 December 2016 and the consolidated accounts for the financial year 2016 of GS Sweden AB (publ). The annual accounts and consolidated accounts of the company are included on pages 8-66 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2016 and its financial performance and cash flow for the financial year 11 September 2015 - 31 December 2016 in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2016 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other matter

The audit of the annual accounts for 2015 for GomSpace ApS was performed by PwC Statsautoriseret Revisionspartnerselskab (Denmark) who submitted an auditor´s report dated 28 April 2016, with unmodified opinions in the Report on the annual accounts for 2015 for GomSpace ApS (refer to Note 1).

Other Information than the annual accounts and consolidated accounts

The other information comprises page 1-7 and 67-68 but does not include the annual accounts, consolidated accounts and our auditor's report. The Board of Directors and the CEO are responsible for the other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the CEO are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the CEO intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's Report (continued)

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsnämnden's website: www.revisorsinspektionen.se/rn/showdocument/documents/re_dok/revisors_ansvar.pdf. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the CEO of GS Sweden AB (publ) for the financial year 11 September 2015 - 31 December 2016 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company,

or

- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

Auditor’s Report (continued)

A further description of our responsibility for the audit of the administration is available on Revisorsnämnden’s website: www.revisorsinspektionen.se/rn/showdocument/documents/re_dok/revisors_ansvar.pdf. This description is part of the auditor’s report.

Stockholm 4 April 2017

Öhrlings PricewaterhouseCoopers AB

Kennet Nissen
Authorized Public Accountant
Auditor in charge

Martin Johansson
Authorized Public Accountant

Financial Calendar

Annual general meeting	27 April 2017
Interim report, January-March 2017	31 May 2017

COMPANY INFORMATION

GS Sweden AB (publ)
Stureplan 4 C
SE-114 35, Stockholm

Org.nr.	559026-1888
Municipality of reg. office	Stockholm
Telephone	+45 9635 4500
Website	www.gomspace.com
E-mail	info@gomspace.com
Subsidiaries	GomSpace ApS, 100% Denmark
	NanoSpace AB, 100% Sweden
	GomSpace Orbital ApS, 100% Denmark

AUDITORS

Öhrlings PricewaterhouseCoopers AB

CERTIFIED ADVISOR

FNCA Sweden AB