

GOMSPACE

1 OCTOBER – 31 DECEMBER 2021
AND 1 JANUARY – 31 DECEMBER 2021

FOURTH QUARTER OF 2021

- Order intake increased to T.SEK 286,667 (73,441)
- Net revenues increased to T.SEK 81,125 (72,256)
- Gross margin increased to 38% (33%)
- Operating profit (EBIT) increased to T.SEK 3,958 i.e., 5% (310 i.e., 0%)
- Earnings per share were SEK 0.07 (negative 0.08)

FULL YEAR OF 2021

- Order intake increased to T.SEK 552,959 (270,703)
- Net revenues increased to T.SEK 213,605 (194,576)
- Gross margin was 23% (24%)
- Operating profit (EBIT) was negative T.SEK 29,524 i.e., -14% (negative 30,261 i.e., -16%)
- Earnings per share were a negative SEK 0.52 (negative 0.83)
- The Board proposes no dividend for 2021

OUTLOOK

- We almost reached our full-year outlook for 2021 of M.SEK 215-235 with full-year revenue of M.SEK 214
- In 2022, we expect to generate M.SEK 264-292 in revenue i.e., a growth of 30%
- In 2022, we expect EBIT margin to be better than -15%. Earnings next year will be impacted by increased investments in product development of standard products, which will improve margins in future projects.

EVENTS DURING THE QUARTER AND SUBSEQUENT EVENTS

- In November 2021, we signed a contract with Politecnico di Milano valued at M.SEK 5.8 to support the H.E.R.M.E.S. mission with products
- In December 2021, we signed a contract with Unseen Labs valued at M.SEK 8 to establish the next-generation satellite platform
- In December 2021, we signed a contract with the Colombian Air Force valued at M.SEK 6.1 for the continuation of the FACTSAT-2 satellite mission
- In December 2021, we signed a contract with ESA valued at M.EUR 24 to implement ESA SCOUT-1 mission for climate observation (CubeMAP)

FINANCIAL SUMMARY

T.SEK	Q4			Full year		
	2021	2020	▲%	2021	2020	▲%
Orders received	286,667	73,441	290%	552,959	270,703	104%
Net revenue	81,125	72,256	12%	213,605	194,576	10%
Gross profit	31,050	23,793	31%	49,016	47,646	3%
Gross margin	38%	33%	5 pp.	23%	24%	-1 pp.
Operating profit (EBIT)	3,958	310	1177%	-29,524	-30,261	2%
- As a percentage of revenues	5%	0%	5 pp.	-14%	-16%	2 pp.
Profit (loss) before tax	3,229	-4,631	170%	-31,191	-47,659	35%
- As a percentage of revenues	4%	-6%	10 pp.	-15%	-24%	9 pp.
Profit (loss) for the period	3,685	-4,276	186%	-27,327	-43,566	37%
- As a percentage of revenues	5%	-6%	11 pp.	-13%	-22%	9 pp.
Cost of goods sold	50,075	48,463	3%	164,589	146,930	12%
- As a percentage of revenues	62%	67%	-5 pp.	77%	76%	1 pp.
Sales and distribution costs	8,017	8,398	-5%	24,912	28,640	-13%
- As a percentage of revenues	10%	12%	-2 pp.	12%	15%	-3 pp.
Development costs	9,218	5,833	58%	22,106	20,387	8%
- As a percentage of revenues	11%	8%	3 pp.	10%	10%	0 pp.
Administrative costs	9,963	9,718	3%	31,711	30,875	3%
- As a percentage of revenues	12%	13%	-1 pp.	15%	16%	-1 pp.
Balance sheet items						
Intangible assets				131,383	117,603	12%
Property, plant and equipment				49,446	65,044	-24%
Working capital				6,551	10,682	-39%
Net cash and cash equivalents				99,271	135,502	-27%
Equity				224,890	247,421	-9%
Liabilities				179,619	155,627	15%



Comments from

Niels Buus

CEO

In the fourth quarter, the order intake was impressive M.SEK 287. As we communicated in the third quarter, we now have an even more robust and diversified order backlog with a value of M.SEK 540. Revenue increased to M.SEK 81 compared to M.SEK 72 last year. We almost reach our full-year revenue guidance of M.SEK 215-235 with full-year revenue of M.SEK 214. In the quarter, we improved cash flow from primary operating activities with M.SEK 40 through improved working capital and operational performance.

We have concluded our second consecutive year with positive cash flow from operating activities. Even though the year started with a headwind due to the global shortage of components, we have improved our profitability and ended the fourth quarter with positive operating profit.

We have set full-year revenue guidance for 2022 to M.SEK 264-292, i.e. a growth larger than 30%. Our past performance and strong order backlog substantiate our confidence in future growth. Therefore, we will also start guidance on EBIT. For 2022, we expect margin to be better than -15%. Several sizeable non-recurrent engineering projects with a lower gross margin and increased R&D activities will impact profitability negatively during 2022. To improve our profitability, we continuously focus on decreasing non-recurrent engineering and increasing the R&D investment level and strive to reach GomSpace's full operating and financial potential with a higher degree of product content in our revenue stream.

Therefore, during the first half of 2022, we will communicate medium and long-term strategy based on a five-year horizon. The strategy will have two steps. First, we will increase product content in our deliveries and become a European Nanosatellite manufacturer champion. Second, we will expand our deliveries to include data and services and become a Global satellite-as-a-service champion.

Finally, our space technology will play an important role in collecting data on the environmental state of the Earth. At GomSpace, we are proud to contribute to this through the European Space Agency SCOUT-1 mission. The objective is to collect data in the tropical upper troposphere and stratosphere to study and analyze the greenhouse effect and climate change.

A handwritten signature in blue ink, appearing to read 'Niels Buus', written over a horizontal line.

Niels Buus, CEO

Financial Performance

T.SEK	Business areas				Total
	Academia	Com-mercial	Defence	Science	
Order backlog 1 January 2021	2,329	30,757	25,558	150,937	209,581
Currency adjustment	71	4,033	1,743	-12,764	-6,917
Order intake	9,227	242,965	9,397	4,702	266,291
Cancelled orders	0	-1,511	-3,453	-405	-5,369
Converted to revenue	-4,955	-79,548	-12,491	-35,486	-132,480
Order backlog 30 September 2021	6,672	196,696	20,754	106,984	331,106
Currency adjustment	-152	-1,309	1,547	4,138	4,224
Order intake	672	31,511	6,117	248,367	286,667
Cancelled orders	0	-307	0	-600	-907
Converted to revenue	-1,979	-47,480	-8,198	-23,468	-81,125
Order backlog 31 December 2021	5,213	179,111	20,220	335,421	539,965

Order intake and backlog

In the Science business area, we have signed a contract with ESA (T.SEK 244,724) to implement ESA SCOUT-1 mission for climate observation (CubeMAP). Within the contract, the subcontractor's work consists of T.SEK 176,147.

Backlog orders in the Science business area constitute 62% (72%) but during the year, the Commercial business area with high margin projects has increased to 33% (15%) of the total order backlog.

Our order backlog mainly consists of large project orders with several years of delivery. Projects take longer to convert to revenue than our product orders that we transform into revenue within a short time.

Revenue and operating profit (EBIT)

Revenue in Q4 2021 increased 12% to T.SEK 81,125 (72,256). Satellite solutions' sales increased 19% to T.SEK 64,426 (54,262), and the sales of platforms, payloads, and subsystems decreased 7% to T.SEK 16,699 (17,993).

The increase in satellite solution sales leads to an increased workforce within Technology to meet the higher activity level. During 2021, we had relatively more revenue from non-recurrent engineering rather than recurrent engineering, resulting in a lower gross margin for the year. We aim to shift the revenue mix to contain more recurrent engineering. Therefore, we continuously focus on decreasing non-recurrent engineering and strive to reach a higher degree of standard product content in our revenue stream.

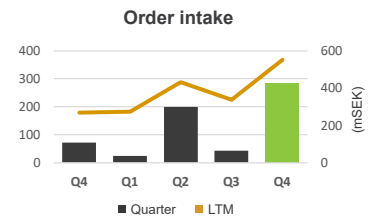
The gross margin was 38% (33%) and was impacted by high progress on projects in the Commercial business area. The largest customer was the European Space Agency (ESA), with a revenue share of 27% (52%) in Q4 and 25% (40%) in 2021. Indra Sistemas S.A. had a revenue share of 23% (0%) in Q4 and 23% (0%) in 2021.

Revenue related to new customers represented 28% compared to 11% of revenue in Q4 2020. For 2021, revenue related to new customers represented 27% (17%).

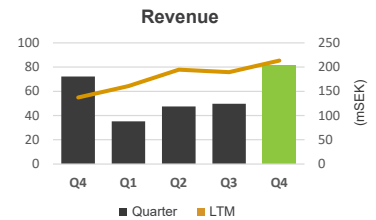
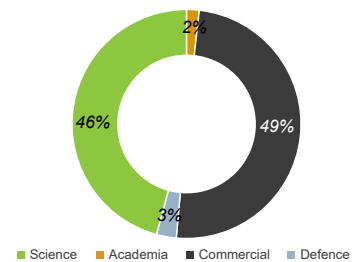
Increased activity level with stable Selling, General and Administration costs has caused increased operating profit at T.SEK 3,958 (310).

Employees	Q4 2020		Q1 2021		Q2 2021		Q3 2021		Q4 2021	
Technology	85	62%	95	64%	102	67%	120	68%	117	65%
Manufacturing	31	22%	30	20%	30	20%	33	19%	37	20%
Sales and distribution	11	8%	11	7%	11	7%	10	6%	11	6%
Administration	11	8%	12	8%	10	7%	13	7%	16	9%
Number of employees	138	100%	148	100%	153	100%	176	100%	181	100%
Number of full-time employees	134		138		142		149		155	

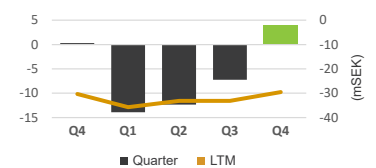
The number of employees in Q4 2021 increased to 181 (138), corresponding to 155 (133) full-time employees in 2021. The increase is mainly in the Technology department to meet the increased activity level. In Administration, we have insourced the human resource and marketing functions.



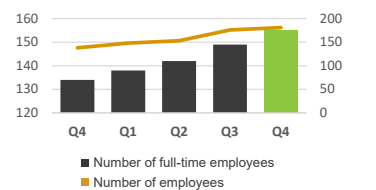
Order intake Jan-Dec 2021 split per business areas



Operating profit (EBIT)



Employees



Cash flow

Working capital fluctuates from quarter to quarter. It was negatively affected in the third quarter, but we have received significant prepayments from customer projects and subcontractor's invoices at the end of the year. Working capital was positively affected by T.SEK 23,241 (negative 8,010).

Repayment of governmental postponed payroll taxes of T.SEK 3,594 (positive 108) has negatively affected the change in cash from other payables. At the end of Q4 2021, we have an outstanding amount of T.SEK 12,167 (8,114) related to governmental postponed payroll taxes.

Cash flow from investing activities has decreased 22% to T.SEK 6,266 (T.SEK 7,984). The current investment projects are part of the deliveries in the current satellite solution project portfolio. The investment activities are related to the platform development described in the Annual Report 2020.

Cash and cash equivalents at the end of Q4 2021 were T.SEK 99,271 (135,502). We are considering various financing opportunities in the short and mid-term perspective to achieve our strategic goals.

Risks

The Group is exposed to credit risks and other financial risks, such as market risks, including foreign exchange, interest, and liquidity risks. However, regarding the COVID-19 pandemic, the Group is affected as described in risk related to suppliers.

In addition to the risks described in the Annual Report and the Consolidated Financial Statements for 2020, risk related to suppliers and key personnel has increased. To mitigate the risk scare availability of skilled employees, we have strengthened our Human Resource function.

Risk related to suppliers

Our ability to deliver according to market demands and contractual commitments depends on obtaining a timely and adequate supply of materials and components. The global and unprecedented shortage in semiconductor microchips has and continues to squeeze our supplier's capacity leading to a longer delivery time and could potentially drive up the costs of nearly all microchips. The impact could be delayed revenue, increased cost of goods sold, and inventory. Although we strive to avoid single-source supplier solutions, this is not always possible; therefore, we aim to procure microchips in advance to reduce production delays.

Parent Company and ownership

The asset's value in GomSpace Sweden AB is lower than the cost price giving an impairment of T.SEK 22,648 in GomSpace Group AB (recognized in the third quarter).

Additions in investments in subsidiaries during 2021 comprised the shareholder's contribution to subsidiaries at an amount of T.SEK 31,100 in GomSpace Sweden AB.

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

As of 31 December 2021, Hansen & Langeland ApS was the largest shareholder (10.04%), followed by Longbus Holding ApS (2.34%). The number of shareholders as of 31 December is 12,022.

Outlook

2021 expectation and realised financials

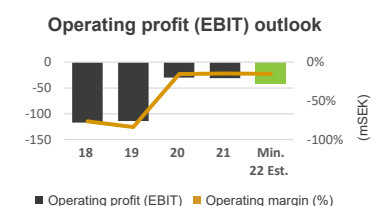
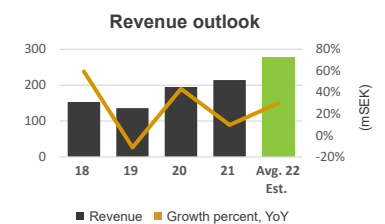
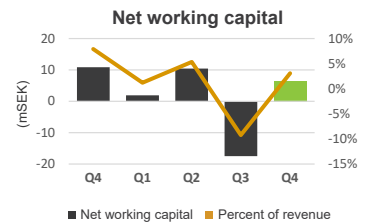
We almost reached our full-year guidance for 2021 of M.SEK 215-235 with full-year revenue of M.SEK 214. We successfully recruited highly-skilled engineers; however, ramping up has been more difficult than expected, causing lower revenue.

2022 expectations and assumptions

We expect continued revenue growth, and we expect to generate M.SEK 264-292 in revenue i.e., a growth of 30%. We expect operating profit (EBIT) to be better than -15%. Several sizeable non-recurrent engineering projects with a lower gross margin and increased R&D activities impact profitability negatively. The increased R&D investment level will facilitate us to reuse our standard platform to a higher degree and improve our profitability. We continuously focus on decreasing non-recurrent engineering and strive to reach GomSpace's full operating and financial potential with a higher degree of product content in our revenue stream.

Our working assumptions depend on recruiting highly skilled employees primarily in the Technology department and easing the challenge with the shortage of electronic components.

Earnings fluctuations are likely from quarter to quarter during 2022.



Group - Key Figures and Ratios

T.SEK	Q4		Full year	
	2021	2020	2021	2020
KEY FIGURES				
Net revenue	81,125	72,256	213,605	194,576
Gross profit	31,050	23,793	49,016	47,646
Operating profit (EBIT)	3,958	310	-29,524	-30,261
Share of profit from associates	0	-44	0	-9,029
Net financial items	-729	-4,897	-1,667	-8,369
Profit (loss) before tax	3,229	-4,631	-31,191	-47,659
Profit (loss) for the period	3,685	-4,276	-27,327	-43,566
Investments in PPE	197	747	1,962	900
Total assets	404,071	403,048	404,071	403,048
Equity	224,890	247,421	224,890	247,421
Total liabilities	179,619	155,627	179,619	155,627
RATIOS				
Gross margin (%)	38%	33%	23%	24%
Operating margin (%)	5%	0%	-14%	-16%
Net margin (%)	5%	-6%	-13%	-22%
Return on invested capital (%)	1%	-1%	-7%	-11%
Return on equity (%)	2%	-2%	-12%	-16%
Equity ratio (%)	56%	61%	56%	61%
Earnings per share, basic, SEK	0.07	-0.08	-0.52	-0.83
Earnings per share, diluted, SEK	0.07	-0.08	-0.52	-0.83
Number of outstanding shares basic, average	52,274,803	52,274,803	52,274,803	52,274,803
Number of outstanding shares as of 31 December 2021	52,274,803	52,274,803	52,274,803	52,274,803

The definition of key figures and ratios are defined in Note 1.

Consolidated Income

T.SEK	Note	Q4		Full year	
		2021	2020	2021	2020
Net revenue	3	81,125	72,256	213,605	194,576
Cost of goods sold		-50,075	-48,463	-164,589	-146,930
Gross profit		31,050	23,793	49,016	47,646
Sales and distribution costs		-8,017	-8,398	-24,912	-28,640
Development costs		-9,218	-5,833	-22,106	-20,387
Administrative costs		-9,963	-9,718	-31,711	-30,875
Other operating income		106	466	189	1,995
Operating profit (EBIT)		3,958	310	-29,524	-30,261
Share of profit from associates		0	-44	0	-9,029
Finance income		502	275	1,661	1,771
Finance expenses		-1,231	-5,172	-3,328	-10,140
Profit (loss) before tax		3,229	-4,631	-31,191	-47,659
Tax		456	355	3,864	4,093
Profit (loss) for the period		3,685	-4,276	-27,327	-43,566
Profit (loss) is attributable to:					
Owners of GomSpace Group AB		3,685	-4,276	-27,327	-43,566
		3,685	-4,276	-27,327	-43,566
Consolidated Comprehensive Income					
Profit (loss) for the period		3,685	-4,276	-27,327	-43,566
Items which may be reclassified to the income statement:					
Foreign exchange rate adjustments		1,960	-4,666	4,705	-5,188
Other comprehensive income for the period, net of tax		1,960	-4,666	4,705	-5,188
Total comprehensive income for the period		5,645	-8,942	-22,622	-48,754
Total comprehensive income for the period is attributable to:					
Owners of GomSpace Group AB		5,645	-8,942	-22,622	-48,754
		5,645	-8,942	-22,622	-48,754
Earnings per share, basic, SEK		0.07	-0.08	-0.52	-0.83
Earnings per share, diluted, SEK		0.07	-0.08	-0.52	-0.83
Number of outstanding shares basic, average		52,274,803	52,274,803	52,274,803	52,274,803
Number of outstanding shares diluted, average		52,274,803	52,274,803	52,274,803	52,274,803

Notes without reference

- Accounting policies
- Significant accounting estimates and judgments
- Events during the first nine months

Consolidated Financial Position

T.SEK	Note	31 Dec	
		2021	2020
ASSETS			
Goodwill	4	3,710	3,710
Technology		7,800	8,600
Completed development projects		21,518	26,029
In-process development projects		95,950	73,641
Other intangible assets		2,405	5,623
Intangible assets		131,383	117,603
Property, plant, and equipment		16,245	22,388
Right-of-use assets		33,201	42,656
Property, plant, and equipment		49,446	65,044
Deferred tax		356	1,541
Other non-current assets		4,156	4,069
Non-current assets		4,512	5,610
Total non-current assets		185,341	188,257
Raw materials and consumables		35,961	26,449
Inventories		35,961	26,449
Contract work		34,860	19,643
Trade receivables		36,734	21,729
Tax receivable		5,788	5,052
Other prepayments		4,173	2,348
Other receivables		2,381	4,068
Receivables		83,936	52,840
Cash and cash equivalents		99,271	135,502
Total current assets		219,168	214,791
Total assets		404,509	403,048

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments
5. Events during the first nine months

T.SEK	31 Dec	
	2021	2020
EQUITY AND LIABILITIES		
Share capital	3,660	3,660
Share premium	581,599	581,599
Translation reserve	7,289	2,583
Retained earnings	-367,658	-340,421
Total equity	224,890	247,421
Credit institutions	10,301	14,264
Lease liabilities	23,022	31,745
Other liabilities	10,638	7,752
Total non-current liabilities	43,961	53,761
Current portion of non-current liabilities	13,529	15,760
Trade payables and other payables	30,262	22,180
Contract work	68,446	44,223
Prepayments	1,559	1,820
Corporation tax	1,470	1,187
Other liabilities	20,392	16,696
Total current liabilities	135,658	101,866
Total liabilities	179,619	155,627
Total equity and liabilities	404,509	403,048

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments
5. Events during the first nine months

Consolidated Changes in Equity

T.SEK	Share capital	Share premium	Translation reserve	Retained earnings	Total equity
Equity 01.01.2020	3,660	581,599	7,771	-297,348	295,682
Total comprehensive income for the period	0	0	-522	-39,290	-39,812
Total comprehensive income for the period	0	0	-522	-39,290	-39,812
Transactions with owners in their capacity as owners					
Share-based payments	0	0	0	438	438
	0	0	0	438	438
Equity 30.09.2020	3,660	581,599	7,249	-336,200	256,308
Equity 01.10.2020	3,660	581,599	7,249	-336,200	256,308
Total comprehensive income for the period	0	0	-4,666	-4,276	-8,942
Total comprehensive income for the period	0	0	-4,666	-4,276	-8,942
Transactions with owners in their capacity as owners					
Share-based payments	0	0	0	55	55
	0	0	0	55	55
Equity 31.12.2020	3,660	581,599	2,583	-340,421	247,421
Equity 01.01.2021	3,660	581,599	2,583	-340,421	247,421
Total comprehensive income for the period	0	0	4,706	-27,327	-22,621
Total comprehensive income for the period	0	0	4,706	-27,327	-22,621
Transactions with owners in their capacity as owners					
Share-based payments	0	0	0	90	90
	0	0	0	90	90
Equity 31.12.2021	3,660	581,599	7,289	-367,658	224,890

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments
5. Events during the first nine months

Consolidated Cash Flow

T.SEK	Q4		Full year	
	2021	2020	2021	2020
Profit (loss) before tax	3,229	-4,631	-31,191	-47,659
Reversal of financial items	728	4,896	1,666	8,369
Depreciation and amortizations	7,926	8,501	32,269	33,650
Result after tax from associates	0	44	0	9,029
Non-cash items	761	-2,089	2,111	2,640
Changes in inventories	-2,662	-3,558	-8,985	-3,158
Changes in trade receivables	-13,742	-2,116	-13,683	13,131
Changes in other receivables	-9,138	-4,497	-14,835	-8,326
Changes in trade and other payables	48,782	2,161	34,186	33,136
Cash flow from primary operating activities	35,884	-1,289	1,538	40,812
Received interest financials	55	247	134	248
Paid interest financials cost	-1,123	-1,228	-3,118	-3,813
Tax received	5,078	153	5,121	6,598
Tax paid	-124	-99	-473	-401
Cash flow from operating activities	39,770	-2,216	3,202	43,444
Investments in intangible assets (before grants)	-7,746	-7,002	-25,521	-23,886
Investments in leasehold improvement, plant and equipment	-197	-747	-1,962	-900
Deposit paid	-9	1	-9	-139
Government grants	1,686	-236	1,686	8,263
Cash flow from investing activities	-6,266	-7,984	-25,806	-16,662
<i>Financing from debt:</i>				
Borrowings	0	-430	0	6,124
Repayment of borrowings	-954	866	-5,662	-5,101
Payment of lease liabilities	-2,772	-3,048	-11,270	-11,029
Cash flow from financing activities	-3,726	-2,612	-16,932	-10,006
Net cash flow for the period	29,778	-12,812	-39,536	16,776
Cash and cash equivalents, beginning of the period	66,576	134,385	133,608	106,227
Unrealized exchange rate gains and losses on cash	1,044	-5,459	3,305	-8,434
Change in bank deposit for security	-13,882	17,494	-13,861	19,039
Cash and cash equivalents, end of the period	83,516	133,608	83,516	133,608
Reconciliation of cash and cash equivalents				
Cash and cash equivalents according to the balance sheet	99,271	135,502	99,271	135,502
Bank deposit	-15,755	-1,894	-15,755	-1,894
Cash and cash equivalents according to the cash flow statement	83,516	133,608	83,516	133,608

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments
5. Events during the first nine months

Parent Company Income

T.SEK	Q4		Full year	
	2021	2020	2021	2020
Net revenue	6,873	6,460	27,494	25,841
Gross profit	6,873	6,460	27,494	25,841
Administrative costs	-8,760	-7,763	-32,551	-32,378
Other operating income	217	0	217	0
Operating profit (EBIT)	-1,670	-1,303	-4,840	-6,537
Share of profit from associates	0	0	0	-11,673
Write down of investment in subsidiaries	0	0	-22,648	-31,064
Finance income	663	893	3,066	2,421
Finance expenses	-27	-331	-52	-834
Profit (loss) before tax	-1,033	-741	-24,473	-47,687
Tax	0	0	0	0
Profit (loss) for the period	-1,033	-741	-24,473	-47,687
Profit (loss) is attributable to:				
Owners of GomSpace Group AB	-1,033	-741	-24,473	-47,687
	-1,033	-741	-24,473	-47,687
Comprehensive Income				
Profit (loss) for the period	-1,033	-741	-24,473	-47,687
Items which may be reclassified to the income statement:				
Other comprehensive income for the period, net of tax	0	0	0	0
Total comprehensive income for the period	-1,033	-741	-24,473	-47,687

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments
5. Events during the first nine months

Parent Company Financial Position

T.SEK	31 Dec	
	2021	2020
ASSETS		
GomSpace A/S	348,166	348,166
GomSpace Sweden AB	36,509	28,057
GomSpace Orbital ApS	0	0
GomSpace Luxembourg S.A.R.L.	10,478	10,478
GomSpace Asia Pte. Ltd.	2,142	2,142
GomSpace North America LLC	1,105	1,105
Investments in subsidiaries	398,400	389,948
Aerial & Maritime Ltd.	0	0
Investments in associates	0	0
Fixed asset investments	398,400	389,948
Total non-current assets	398,400	389,948
Receivables from subsidiaries	91,975	107,092
Tax receivable	55	85
Other prepayments	952	322
Other receivables	16	1
Receivables	92,998	107,500
Cash and cash equivalents	109	17,663
Total current assets	93,107	125,163
Total assets	491,507	515,111
EQUITY AND LIABILITIES		
Share capital	3,660	3,660
Share premium	578,311	578,311
Retained earnings	-92,430	-68,047
Total equity	489,541	513,924
Trade payables and other payables	1,552	714
Other liabilities	414	473
Total current liabilities	1,966	1,187
Total liabilities	1,966	1,187
Total equity and liabilities	491,507	515,111

Notes without reference

- Accounting policies
- Significant accounting estimates and judgments
- Events during the first nine months

Parent Company Changes in Equity

T.SEK	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.2020	3,660	578,311	-20,853	561,118
Total comprehensive income for the period	0	0	-47,687	-47,687
Share-based payments	0	0	493	493
Total comprehensive income for the period	0	0	-47,194	-47,194
Equity 31.12.2020	3,660	578,311	-68,047	513,924
Equity 01.01.2021	3,660	578,311	-68,047	513,924
Total comprehensive income for the period	0	0	-24,473	-24,473
Share-based payments	0	0	90	90
Total comprehensive income for the period	0	0	-24,383	-24,383
Equity 31.12.2021	3,660	578,311	-92,430	489,541

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments
5. Events during the first nine months

Notes

1. Accounting policies

Basis of preparation

The interim consolidated financial statements for the fourth quarter of 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The parent company applies the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2020. Any changes from the Annual Report 2020 are described below.

Key ratios definitions

Gross margin	=	$\frac{\text{gross profit}}{\text{net revenue}}$	The gross margin shows the amount of total sales revenue that the group retains after incurring the direct costs associated with producing.
Operating (EBIT) margin	=	$\frac{\text{operating profit}}{\text{net revenue}}$	The ratio shows the group's operational profitability after depreciation and write-downs.
Net margin	=	$\frac{\text{profit}}{\text{net revenue}}$	The net margin shows the ratio of profit (loss) the group earns to the group's total amount of revenue.
Return on invested capital	=	$\frac{\text{profit}}{\text{total assets}}$	The ratio shows how well the group is using its capital to generate profits.
Return on equity	=	$\frac{\text{profit}}{\text{average equity}^*}$	Return on equity shows how good the group is in generating returns on the investment it received from its shareholders.
Average equity for the 2021 amounts to T.SEK 236,155 (271,552)			
Equity ratio	=	$\frac{\text{equity}}{\text{total assets}}$	The ratio is used to measure the group's financial stability.
Earnings per share, basic	=	$\frac{\text{profit}}{\text{number of shares basic, average}}$	The ratio shows the profitability of the group based on outstanding shares.
Earnings per share, diluted	=	$\frac{\text{profit}}{\text{number of shares diluted, average}}$	The ratio shows the profitability of the group based on outstanding shares and expected dilutive securities.
Net working capital	=	Inventory + Contract work + Trade receivables + Other prepayments + Other receivables - Trade payables and other payables - Contract work - Prepayments - Other liabilities	Net working capital shows the group's ability to pay its current liabilities with its current assets.

New standards adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

No new amendments and interpretations apply for the first time in 2021.

2. Significant accounting estimates and judgments

In preparing the interim condensed 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.

Besides the accounting estimates and judgments presented below, the accounting estimates and judgments are the same in interim consolidated financial statements, as described in note 2 of the annual consolidated financial statements of 2020.

In addition to risks described in the Annual Report and the Consolidated Financial Statements for 2020, risk related to suppliers has increased. The risk is described in the management review.

3. Revenue

T.SEK	Business areas				
	Academia	Commercial	Defence	Science	Total
Jan-Dec 2021					
Geographical					
Sweden	36	989	0	999	2,024
Denmark	0	195	68	0	263
Europe (excluding Sweden and Denmark)	932	106,270	10,962	54,474	172,638
USA	654	15,258	706	488	17,106
Asia	4,726	2,315	0	2,993	10,034
Rest of the world	586	2,001	8,953	0	11,540
	6,934	127,028	20,689	58,954	213,605
Jan-Dec 2020					
Geographical					
Sweden	-30	264	0	1,475	1,709
Denmark	0	1,977	0	1	1,978
Europe (excluding Sweden and Denmark)	1,248	36,622	5,576	79,159	122,605
USA	3,789	24,652	2,393	1,157	31,991
Asia	6,920	3,459	0	11,873	22,252
Rest of the world	1,793	11,144	1,100	4	14,041
	13,720	78,118	9,069	93,669	194,576
Jan-Dec 2021					
Major goods/service lines					
Sales of satellite solutions (over time)	1,727	93,172	17,538	57,841	170,278
Sales of platforms, payloads and, subsystems (over time)	5,207	33,856	3,151	1,113	43,327
	6,934	127,028	20,689	58,954	213,605
Jan-Dec 2020					
Major goods/service lines					
Sales of satellite solutions (over time)	3,993	50,657	5,716	90,530	150,896
Sales of platforms, payloads, and subsystems (over time)	9,727	27,461	3,353	3,139	43,680
	13,720	78,118	9,069	93,669	194,576
Jan-Dec 2021					
Order book					
Order backlog 1 January 2021	2,329	30,757	25,558	150,937	209,581
Currency adjustment	-81	2,724	3,290	-8,626	-2,693
Order intake	9,899	274,476	15,514	253,069	552,959
Canceled orders	0	-1,818	-3,453	-1,005	-6,276
Converted to revenue	-6,934	-127,028	-20,689	-58,954	-213,605
Order backlog 31 December 2021	5,213	179,111	20,220	335,421	539,965
Jan-Dec 2020					
Order book					
Order backlog 1 January 2020	1,229	63,990	1,025	86,496	152,740
Currency adjustment	-3,110	5,409	-2,850	-8,831	-9,382
Order intake	18,463	48,713	36,452	167,075	270,703
Cancelled orders	-533	-9,237	0	-134	-9,904
Converted to revenue	-13,720	-78,118	-9,069	-93,669	-194,576
Order backlog 30 December 2020	2,329	30,757	25,558	150,937	209,581

4. Impairment test

The Group performed an impairment test on 31 December 2021. The Group, as a whole, is identified as a Cash Generating Unit (CGU). The Group's impairment test for goodwill and other assets is based on value-in-use calculations.

Based on the market value of GomSpace Group AB on NASDAQ First North Premier in Stockholm as of 31 December 2021 (M.SEK 529), management assesses there is headroom between the recoverable amount and the carrying amount of goodwill, intangible and tangible assets as of 31 December.

Furthermore, management has prepared impairment tests based on the discounted cash flow model reflecting the financial targets for the coming five-year period, market reports on future growth, and technology trends. Management applies a five-year period to reflect the long-term approach to customers' purchasing decisions. Cash flows beyond the five-year period are extrapolated using an estimated growth rate. The value-in-use assessment is based on the discounted cash flow model disclosed in the annual consolidated financial statements for the year ended 31 December 2020. There are significant changes to the key assumptions for terminal revenue, increased to M.SEK 766 (453), EBIT ratio increased to 22% (16%), and investments increased to M.SEK 46 (22). There are no significant changes to growth rate, and discounting factor (WACC).

The impairment test also shows a headroom between the recoverable amounts and the carrying amounts of goodwill and intangible and tangible assets on 31 December 2021, similar to 31 December 2020.

Impairment test of investment in subsidiaries in GomSpace Group AB

Investments in subsidiaries are measured in the parent company's financial statements at cost price. If there is an indication of impairment, the recoverable amount of the asset is calculated. The recoverable amount is the highest of the fair value or value in use.

Management has prepared impairment tests for the subsidiaries as separate assets based on the discounted cash flow model reflecting the financial targets for the coming five-year period, market reports on future growth, and technology trends. Key assumptions are based on the key assumptions for the Group adapted to the subsidiaries.

The impairment tests indicate a need for impairment in GomSpace Sweden AB. An impairment of T.SEK 22,648 is recognized as a financial cost in the income statement (Booked in Q1 and Q3).

Impairment test of investment in associates

In 2020, GomSpace Group AB has written down the investment in associates with T.SEK 11,673 (net write-down recognized under "Share of profit from associates" in the income statement). The write-down is described in note 15 in the Annual Report and the Consolidated Financial Statements for 2020.

5. Events during the first nine months

In October 2021, we signed a Preliminary Authority to Proceed with OHB to start to implement ESA HERA Inter Satellite Link.

In September 2021, we signed a contract with SpaceAble valued at M.SEK 21 to enhance the sustainability of Low Earth Orbit.

In August 2021, we entered into an Authorisation To Proceed with Unseen Labs valued at M.SEK 5 to ensure supply of critical components for future projects.

In May, we signed a contract with Indra of EUR 14.5 million for a Development and In-Orbit Demonstration project.

In April, we signed a contract with UnseenLabs in France to develop and deliver nanosatellite platforms. The contract has a value of T.SEK 35,500.

In February, we tested blockchain transactions on the GOMX-4 constellation with J.P. Morgan.

Financial Calendar

Interim report, January-March 2022
Annual Report
Annual general meeting

2 May 2022
Week 13 2022
22 April 2022

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MANAGEMENT'S STATEMENT

The Board of Directors and the CEO certify that this Interim Report presents a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2021, and of the results of the Group's and the parent company's operations and cash flow. The Interim Report also describes the significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, 1 February 2022

Executive Board and Board of Directors

Niels Buus
CEO

Jens Maaløe
Chairman

Jukka Pekka Pertola
Vice Chairman

Niels Jesper Jespersen Jensen

Steen Lorenz Johan Hansen

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

