

A photograph of a satellite in space, viewed from a high angle. The satellite is a rectangular, metallic object with two large, dark, solar panel arrays extending outwards. The background is a view of Earth from space, showing a blue sky, white clouds, and a brownish-yellow landmass. The satellite is positioned in the center of the frame, with the solar panels extending towards the top left and bottom right corners.

Interim Report

for 1 July – 30 September 2017

1 JULY – 30 SEPTEMBER 2017 (2016)

- Net revenues increased to T.SEK 21,697 (12,182)
- Gross margin decreased to 25% (44%)
- Operating profit (loss) decreased to a negative T.SEK 16,065 (a negative 357)
- Earnings per share were a negative SEK 0.58 (a negative 0.04)
- GomSpace and AISTECH sign a binding Framework Delivery Agreement for the supply of 100 nanosatellite platforms

Subsequent events

- Aerial & Maritime Ltd. secures additional USD 5.0 million investment
- GomSpace receives order from Sky and Space Global. This is an amendment to the original procurement contract and contains further development to increase the capabilities of the satellites
- GomSpace secures new innovation project from Innovation Fund Denmark to develop network management technology which targets operations and management of large satellite constellations

1 JANUARY - 30 SEPTEMBER 2017 (2016)

- Net revenues increased to T.SEK 66,786 (37,080)
- Gross margin decreased to 29% (58%)
- Operating profit (loss) decreased to a negative T.SEK 44,514 (a positive 2,212)
- Earnings per share were a negative SEK 1.63 (a positive 0.04)

THE THIRD QUARTER INTERIM REPORT FOR GOMSPACE GROUP AB (PUBL). THE INFORMATION IN THIS INTERIM REPORT IS SUCH THAT GOMSPACE GROUP AB IS REQUIRED TO DISCLOSE IN ACCORDANCE WITH THE EU'S MARKET ABUSE REGULATION AND THE SWEDISH SECURITIES MARKET ACT. THE INFORMATION WAS SUBMITTED FOR PUBLICATION ON NOVEMBER 27, 2017, 08.00 (CET).

N.B. THE ENGLISH TEXT IS AN UNOFFICIAL TRANSLATION AND IN THE CASE OF A DISCREPANCY BETWEEN THE SWEDISH TEXT AND THE ENGLISH TRANSLATION, THE SWEDISH TEXT SHALL PREVAIL.

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Message from the CEO

We are pleased that we have continued to receive orders for standard modules for satellites in large numbers during the past three quarters. Thereby we have continued to increase the order book throughout the period and a substantial part of turnover for 2018 has now been covered. We expect that the growth in turnover will exceed our original plans in the initial public offering.

We have received grants from Innovation Fund Denmark for two important projects, the first is the MegaMan project which aims to develop a constellation management system based on the same kind of technology used in the mobile communication industry. The second project is the MARS2 project which aims to develop new radio components that will enable us to eventually make broadband satellite constellations. This is also the first step towards synthetic aperture radars, called SAR, on nanosatellites.

This lays the foundation for a roadmap taking us through the management of large constellations of narrowband satellites, through to broadband constellations and eventually onwards to the earth observations with radio technology.

That is the backbone of our future growth.

The growth in revenue exceeds our plans, it was 78% during the third quarter and 80% in the first three quarters of 2017.

The activity level is in reality higher than the increase in revenue suggests.

Without the partial elimination of revenue from Aerial & Maritime Ltd., the growth in revenue would have been 94% in the third quarter and 95% in the first three quarters.

The result for the third quarter of 2017 was a loss of T.SEK 16,065 and the total for the first three quarters of 2017 was a loss of T.SEK 44,514. While the result is still below our target, there is now an improvement when comparing to the last quarter. This is particularly noticeable on the gross margin which was 25% in the third quarter and 29% during the first three quarters – gross margin was 19% in the second quarter of 2017. This improvement is attributable to reduced onboarding of new employees during the third quarter. The outlook is that earnings are improving – we are moving in the right direction; however, we are still influenced by the onboarding of employees.

As mentioned in our initial public offering, our strategy is to be an independent technology provider to all service providers in the nanosatellite industry. It is our aim to make access to the nanosatellite technology so attractive – when it comes to price performance – that we are chosen to supply the technology while the service providers can maintain focus on their core competencies.

On the other hand, the service providers can be assured that GomSpace will not compete with them directly by acting as a service provider for services that are already known in the industry.

For new services where GomSpace will be first mover, such as airline tracking with ADS-B transponders, where GomSpace was the first in the world, we may initiate a service in partnership with commercial partners by creating a new company that will be spun away from GomSpace over a shorter or longer time.

However, now the primary initial focus at GomSpace is to build the organizational capability in the company. Being a new company in the first place, and then growing 340% over the past two years, is a major undertaking for everybody at GomSpace from the management at all levels to the individual employees.

It must be understood that this task is not without risks. We do, however, mitigate those risks in many important ways. This goes from being aware of the magnitude of the task to having secured an experienced management team who has worked with this kind of problems or tasks for many years, to having experienced project managers as well as engineers. In addition, we also have a strong financial controlling team to follow up on the status on each individual project in the company.

Although we have many experienced employees, the organization is not yet matured. The organization will be matured by the implementation of a set of described organizational procedures in accordance with a quality management system and with training in how to use these.

This is a tenacious effort which will take about two years to go through and this means that for these couple of years we are expecting to improve the company's efficiency.

It is very critical that we succeed with this. In my view, the greatest danger for failing this is not to have understood this challenge sufficiently!

I am sure that we understand how to achieve this task just as well as anybody!

At a more specific level we are now starting to build up an assembly integration and verification manufacturing capability. This facility will be set up with the goal of manufacturing "one satellite a day" – this has not been done in the nanosatellite business segment before.

As in many other cases in our attempt to disrupt the satellite business, we will introduce industrial methods. Although we must respect the task, it is simply advanced industrial manufacturing where we are using already known methods.

Message from the CEO (continued)

Overall, we are now seeing the result of our strategy in the sense that we are experiencing the growth in revenue that we expected, we are in the midst of building the organization for delivering the orders and we are preparing for the future by working on the product roadmap for the immediate future and for the more distant future.

The possibilities in the nanosatellite segment keep materializing for us.

We remain very enthusiastic and eager to continue our venture with all our shareholders.

With the best regards



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

Niels Buus
CEO



Significant Events during the period

GomSpace and AISTECH sign a binding Framework Delivery Agreement for the supply of 100 nanosatellite platforms

September 28, 2017 - Today GomSpace A/S - a subsidiary of GomSpace Group AB (the "Company") and the Spanish company AISTECH have signed a Framework Delivery Agreement for the supply of up to 100 nanosatellite platforms for a value of up to EUR 12,500,000. Under this Agreement, AISTECH plans to procure standard platforms of different sizes that will be used to build their upcoming multipurpose constellation by 2022. The Agreement will be executed in the form of batch orders with delivery of several platforms at a time. AISTECH committed to the first of these orders today for a value of EUR 500,000 with an expected delivery in the first quarter of 2018.

GomSpace and Luxembourg Government partner to develop new space activities in the Grand Duchy

September 27, 2017 – GomSpace Group AB ("GomSpace") and The Ministry of Economy in Luxembourg signed a Memorandum of Understanding (MoU) for their cooperation to develop, through a company in the Grand Duchy and 100% owned by GomSpace. The purpose is to create a Luxembourg based business unit with focus on operations of satellite constellations as well as data processing and distribution offered as a service to an international customer base, including a support center dedicated to regulatory affairs. Within the framework of this MoU, the Ministry of the Economy will provide funding through the Luxembourg space program (LuxIMPULSE) and other types of R&D grants to the forthcoming subsidiary of GomSpace for research and development activities to take place in Luxembourg. By 2021, the company intends to employ up to 50 full time employees in the Grand Duchy.

GomSpace secures new innovation project from Innovation Fund Denmark

September 20, 2017 – GomSpace A/S - a subsidiary of GomSpace Group AB (the "Company") together with Aalborg University and Pri-Dana Electronics A/S signed a contract with the Danish Innovation Fund for the Modular Advanced Radio for Satellite Services (MARS2) project. Under this project the partners will collaborate to develop unique technology, production capability and products to enable high bandwidth communication applications of nanosatellites. Innovation Fund Denmark is supporting the project with DKK 27,000,000 whereof GomSpace's direct share is DKK 10,000,000. The project will be executed over a 4 year period.

GomSpace partners with Airbus Defence and Space to enhance space-based aircraft surveillance

September 1, 2017 – GomSpace A/S ("GomSpace") a subsidiary of GomSpace Group AB (publ) (the "Company") has entered a non-binding Memorandum of Understanding ("MoU") with Airbus Defence and Space. At Paris Airshow Airbus Defence and Space recently announced their intent to create the "Airbus Surveillance Digital Eco-System" fusing space and ground data to provide global, near real time, data to track every aircraft, anywhere, anytime. Under the MoU, Airbus and GomSpace will explore and initiate activities to allow GomSpace's unique experience and technology with nanosatellite based flight tracking to be utilised to contribute to the new Airbus Eco-System.

Extraordinary general meeting held in GomSpace Group AB (publ)

August 24, 2017 – An extraordinary general meeting was held in GomSpace Group AB (publ) (the "Company" or "GomSpace"). The general meeting resolved, in accordance with the proposal presented by the board of directors, to issue 142,536 additional warrants under the incentive programme adopted by the annual general meeting held on 24 April 2017. In total 402,424 warrants issued under the incentive programme may be exercised for subscription of a corresponding number of new shares in the Company at a subscription price of SEK 54.10 per share (assuming maximum allocation and without taking certain bad leaver provisions into account).

GomSpace closes order for a nanosatellite platform for German Aerospace Center's demonstration of the OSIRIS optical demonstration payload

August 10, 2017 – GomSpace A/S ("GomSpace") a subsidiary of GomSpace Group AB (publ) (the "Company") has closed an order for delivery of a nanosatellite platform for the German Aerospace Center's ("DLR") demonstration of the OSIRIS optical demonstration payload. In the framework of the OSIRIS program, DLR develops highly compact optical communication payloads for small LEO spacecrafts together with their cooperation partner Tesat-Spacecom GmbH & Co KG. The total order value amounts to approximately EUR 500,000.

Singapore to explore the application and deployment of space-based VHF communications for air traffic management

July 13, 2017 – GomSpace A/S ("GomSpace") a subsidiary of GomSpace Group AB (publ) (the "Company") together with The Civil Aviation Authority of Singapore (CAAS), Singapore Technologies Electronics Limited (ST Electronics) today signed a Memorandum of Understanding (MOU) to explore the application and deployment of space-based Very High Frequency (VHF) communications for air traffic management (ATM) in and around the Singapore Flight Information Region (FIR).

Significant Events after the accounting period

Aerial & Maritime Ltd. secures additional USD 5.0 million investment

November 16, 2017 – Aerial & Maritime Ltd (“A&M”) an associated company of GomSpace Group AB (“GomSpace” or the “Company”) has secured an additional investment of UDS 5.0 million from a group of investors to scale up the nanosatellite network. A&M has now secured a total funding of USD 12.2 million. A&M is the first spin-out project from GomSpace which have now attracted further investment. This is a proof that the Company can enhance the value creation of GomSpace by developing first mover service applications based on nanosatellites.

GomSpace receives order from Sky and Space Global

November 1, 2017 - GomSpace A/S - a subsidiary of GomSpace Group AB (the “Company”) and the UK company Sky and Space Global (UK) Ltd (“SAS”) have signed an amendment to the procurement contract between the parties signed on February 28, 2017. The additional order contains further development to increase the capabilities of the satellites. The total value of the new order is in the range of EUR 13 to 15 million and will be delivered according to the procurement contract. First delivery will be in 2018.

GomSpace secures new innovation project from Innovation Fund Denmark

October 9, 2017 - Innovation Fund Denmark has awarded GomSpace A/S - a subsidiary of GomSpace Group AB (the “Company”) and a consortium comprising 2operate A/S and Aarhus University an R&D contract to develop network management technology targeting operations and management of large satellite constellations. The contract value for GomSpace is DKK 2,500,000 and the project will be executed over 24 months.



Financial Performance in the third quarter of 2017 (2016)

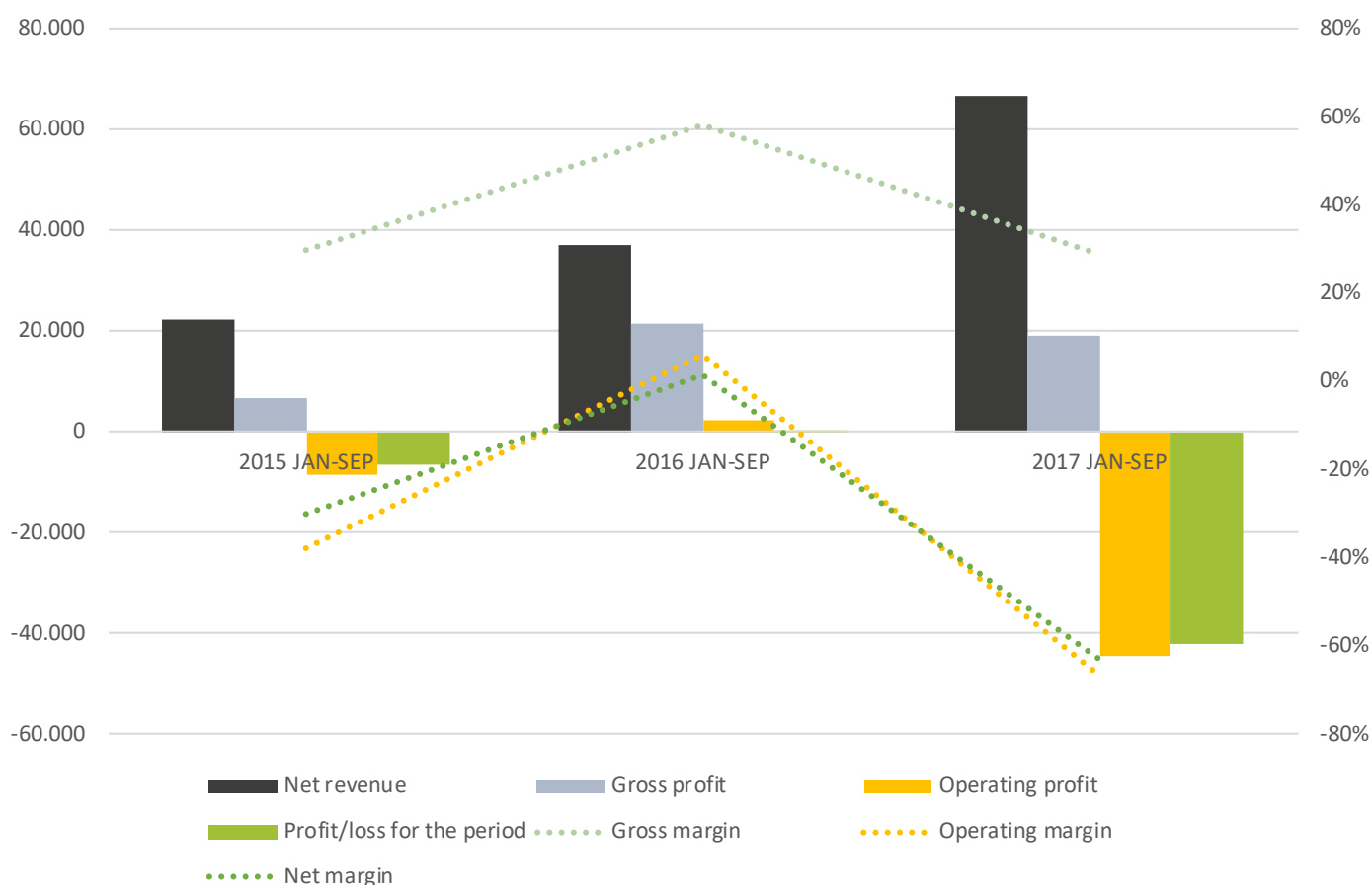
Financial Review

The Interim Report for 1 July – 30 September for GomSpace Group AB also includes the companies GomSpace A/S, GomSpace Orbital ApS, NanoSpace AB, GomSpace Asia Pte Ltd, GomSpace North America LLC as well as GomSpace Luxembourg S.A.R.L. Result for the period was a net loss of T.SEK 15,124 (a loss of 941) and a net loss of T.SEK 41,904 (a profit of 507) for the first three quarters of 2017. In the first three quarters of 2017 we had large costs for onboarding of new employees. At 30 September 2017, equity was T.SEK 198,851 (117,390).

The result after a growth in revenue at 78% for the first three quarters of 2017 is above our growth target. Gross margin at 29% is under our growth targets.

The operating loss for the third quarter was T.SEK 16,065 (a loss of 357) and the loss for the first three quarters of 2017 was T.SEK 44,514 (a profit of 2,212).

Income statement evolution



Revenue

1 JULY – 30 SEPTEMBER 2017 (2016)

Revenues for the third quarter of 2017 amounted to T.SEK 21,697 (12,182), corresponding to an increase of 78% compared with the same period in 2016. The revenue includes a correction, T.SEK 1,936, eliminating partial revenue from the associated entity, Aerial & Maritime Ltd.

Had the above adjustment not been carried out, the total underlying growth would have been 94%.

In the third quarter, sales to new customers represented 28% of revenues.

Financial Performance in the third quarter of 2017 (2016) (continued)

1 JANUARY – 30 SEPTEMBER 2017 (2016)

Revenues for the first three quarters of 2017 amounted to T.SEK 66,786 (37,080), corresponding to an increase of 80% compared with the same period in 2016. The revenue includes a correction, T.SEK 5,532, eliminating partial revenue from the associated entity, Aerial & Maritime Ltd.

Had the above adjustment not been carried out, the total underlying growth would have been 95%.

In the first three quarters of 2017, sales to new customers represented 29% of revenues.

Expenses

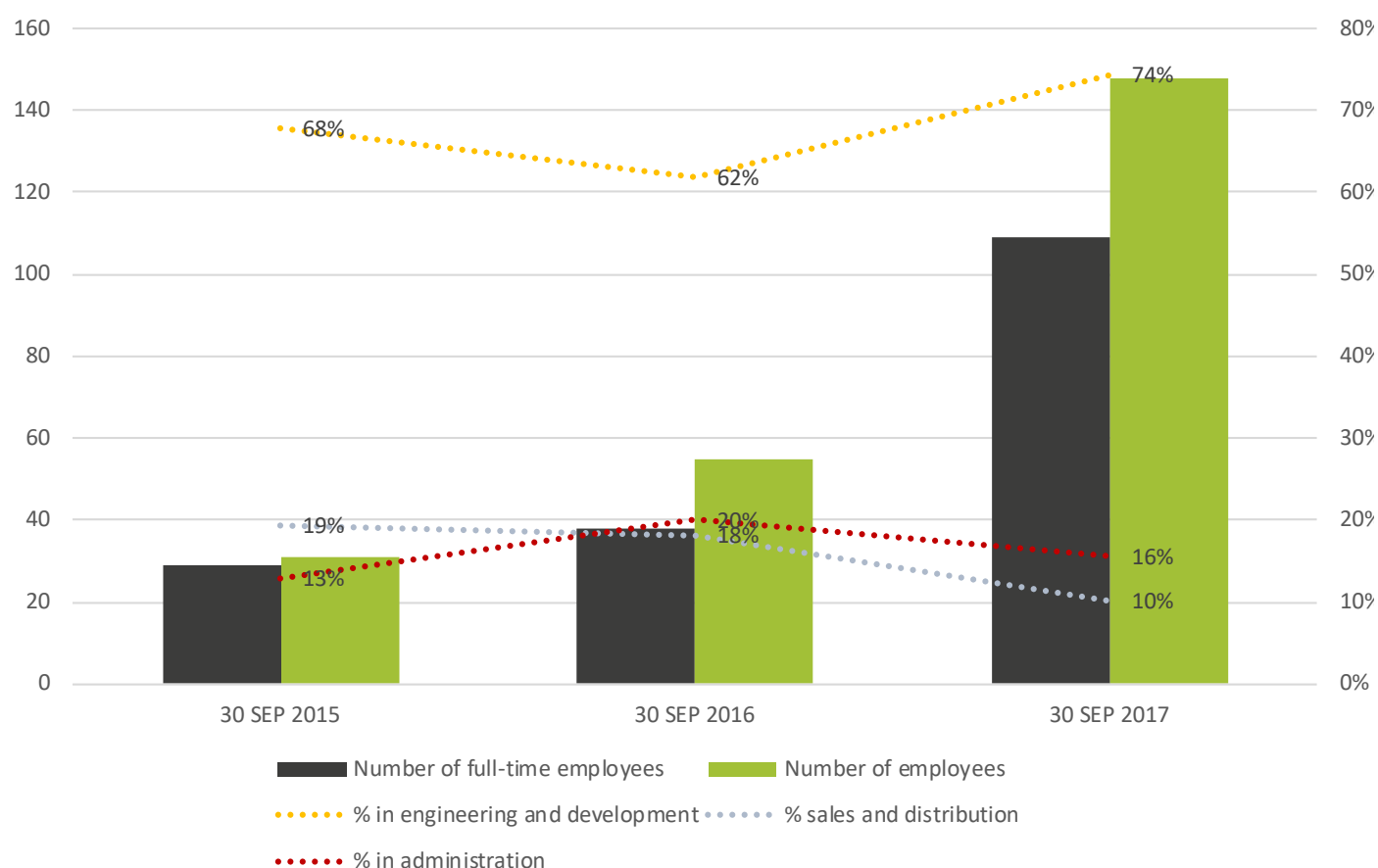
1 JULY - 30 SEPTEMBER 2017 (2016)

Operating expenses for the third quarter of 2017 amounted to T.SEK 37,762 (12,539), corresponding to an increase of 201%. Sales, distribution, development and administrative costs increased to T.SEK 21,505 (5,692), corresponding to an increase of 278%. Our sales and administrative costs have increased as expected according to our business plan, however, costs of goods sold and costs for development activities have increased significantly, primarily due to the onboarding of many new engineers in our development department.

1 JANUARY - 30 SEPTEMBER 2017 (2016)

Operating expenses for the first three quarters of 2017 amounted to T.SEK 111,300 (34,868), corresponding to an increase of 219%. Sales, distribution, development and administrative costs increased to T.SEK 63,716 (19,348), corresponding to an increase of 229%.

Employee evolution



Employees

As at 30 September, GomSpace Group AB had 148 (55) employees, corresponding to 109 (38) full-time/year employees. Employees working within cost of goods sold and in development totalled 110 (34), with sales and distribution 15 (10), and in administration there were 23 (11) employees.

Financial Performance in the third quarter of 2017 (2016) (continued)

Profitability

1 JULY - 30 SEPTEMBER 2017 (2016)

In the third quarter 2017, gross profit amounted to T.SEK 5,440 (5,335), corresponding to an increase of 2% compared with the same period in 2016. In the third quarter 2017, the gross margin is 25% compared with the same period in 2016 where the gross margin was 44%. The impact of partial elimination is a decrease of T.SEK 1,271. The underlying gross margin without partial elimination is 28%.

Revenue recognition in 2016 regarding sales of goods has changed from recognition point of time to percentage of completion. During 2016 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 591 for the third quarter of 2016. Because of the insignificant effect, the comparative figures have not been corrected.

In the third quarter 2017, operating loss amounted to T.SEK 16,065 (operating loss 357).

1 JANUARY - 30 SEPTEMBER 2017 (2016)

In the first three quarters of 2017, gross profit amounted to T.SEK 19,202 (21,560), corresponding to a decrease of 11% compared with the same period in 2016. In the first three quarters of 2017, the gross margin is 29% compared with the same period in 2016 where the gross margin was 58%. The impact of partial elimination is a decrease of T.SEK 1,803. The underlying gross margin without partial elimination is 29%.

The change in revenue recognition regarding sales of goods as explained above had a minor positive effect on revenue in the first three quarters of 2016, T.SEK 744. Because of the insignificant effect, the comparative figures have not been corrected.

In the first three quarters of 2017, operating loss amounted to T.SEK 44,514 (operating profit 2,212).

Financial income and expenses

1 JULY - 30 SEPTEMBER 2017 (2016)

Net financial items for the third quarter of 2017 had a negative effect on profit, mainly due to exchange rate adjustments. Net financial items amounted to a negative T.SEK 1,131 (a negative 348).

1 JANUARY - 30 SEPTEMBER 2017 (2016)

Net financial items for the first three quarters of 2017 had a negative effect on profit. Net financial items amounted to a negative T.SEK 3,637 (a negative 1,015).

Tax and deferred tax

1 JULY - 30 SEPTEMBER 2017 (2016)

The Group recognized a deferred tax asset at a total amount of T.SEK 3,699 relating to tax loss carry-forward. The parent company, GomSpace Group AB, recognized a deferred tax asset at a total amount of T.SEK 258 in the third quarter of 2017 relating to tax loss carry-forward.

GomSpace Group had an effective tax rate of 14.7% (33.5%) in the third quarter of 2017.

1 JANUARY - 30 SEPTEMBER 2017 (2016)

The Group recognized a deferred tax asset at a total amount of T.SEK 18,475 relating to tax loss carry-forward. The parent company, GomSpace Group AB, recognized a deferred tax asset at a total amount of T.SEK 2,384 relating to tax loss carry-forward, the main part of this amount is attributable to last year.

GomSpace Group had an effective tax rate of 14.8% (57.6%) in the first three quarters of 2017.

Shareholder's equity

As at 30 September 2017, total shareholder's equity amounted to T.SEK 198,851 (117,390). During the period, there is a retail transaction cost in relation to the initial public offering of T.SEK 550. On 5 April the Group issued 1.75 million new shares and received T.SEK 95,376. Cost in relation to increasing capital amounts to T.SEK 4,904 and is deducted in the share premium. In the third quarter 2017, an income of T.SEK 2,630 is recognized as share-based payments in relation to the warrant program established for the Group's employees and T.SEK 4,925 for the first three quarters.

Financial Performance in the third quarter of 2017 (2016) (continued)

Investments

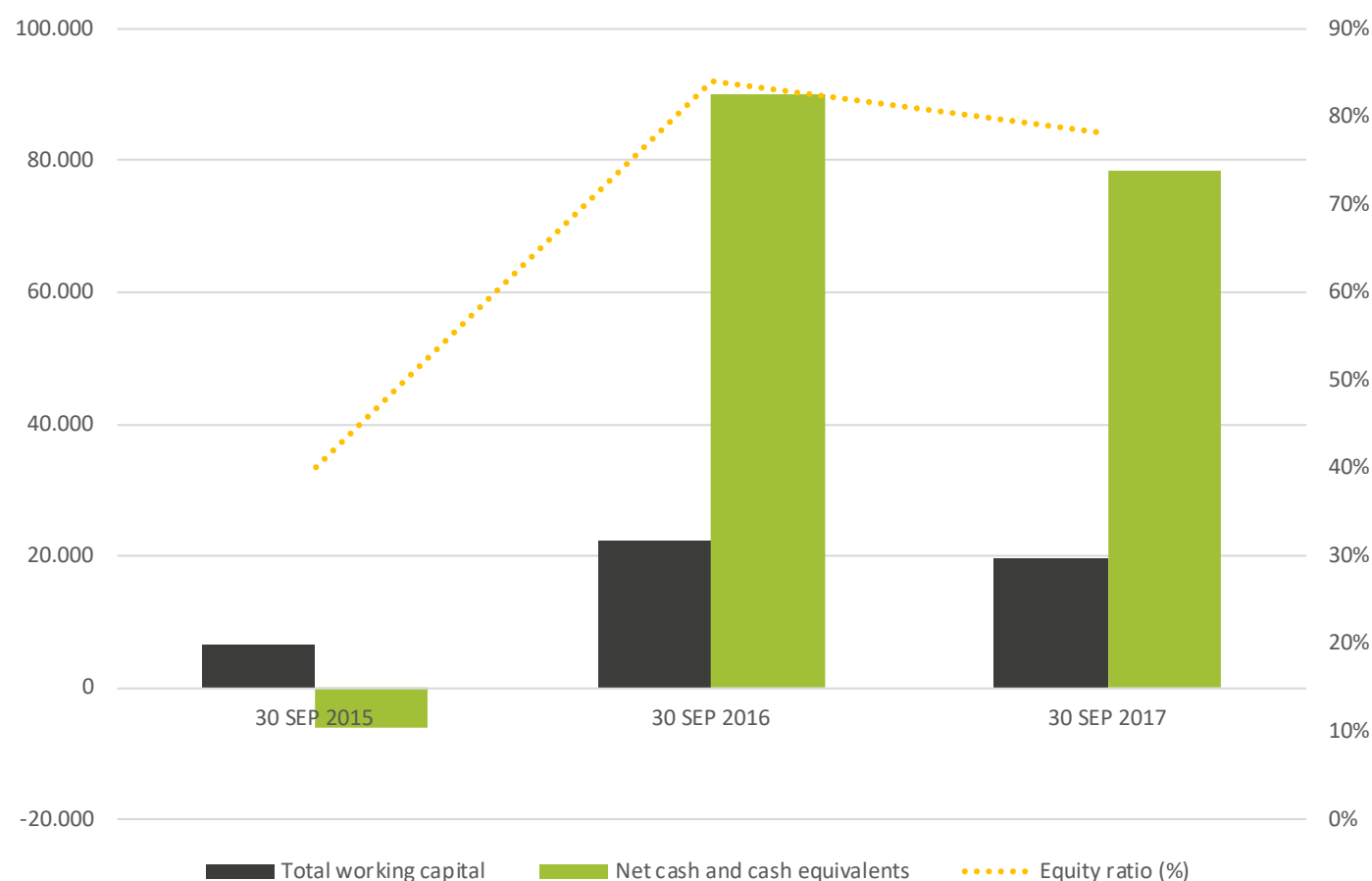
1 JULY - 30 SEPTEMBER 2017 (2016)

Investments in intangible assets amounted to T.SEK 7,754 (940) in relation to in-house development. Investments in property, plant and equipment amounted to T.SEK 2,554 (755). Major investments were made in IT and equipment.

1 JANUARY - 30 SEPTEMBER 2017 (2016)

Investments in intangible assets amounted to T.SEK 23,290 (3,218) in relation to in-house development. Investments in property, plant and equipment amounted to T.SEK 8,195 (1,939). Major investments were production equipment as well as IT equipment.

Working capital and cash evolution



Cash and cash equivalents, financing and financial position

1 JULY - 30 SEPTEMBER 2017 (2016)

Cash flow from operating activities amounted to T.SEK 6,517 (a negative 2,809) during the third quarter.

Cash flow from investing activities amounted to a negative T.SEK 10,379 (a negative 1,660). The main part of the investment activities is related to in-house development projects.

1 JANUARY - 30 SEPTEMBER 2017 (2016)

Cash flow from operating activities amounted to a negative T.SEK 24,020 (a negative 4,649) during the first three quarters of 2017. Working capital has decreased which is mainly due to the decrease in trade receivables. These receivables primarily relate to payment received from the associated company Aerial & Maritime Ltd.

Financial Performance in the third quarter of 2017 (2016) (continued)

Cash flow from investing activities amounted to a negative T.SEK 54,820 (a negative 5,122). The main part of the investment activities is related to cash contribution to the associated company Aerial & Maritime Ltd and in-house development investments.

Cash and cash equivalents amounted to T.SEK 83,325 (95,435) at the end of the third quarter. GomSpace Group's working capital totalled T.SEK 19,576 (22,204).

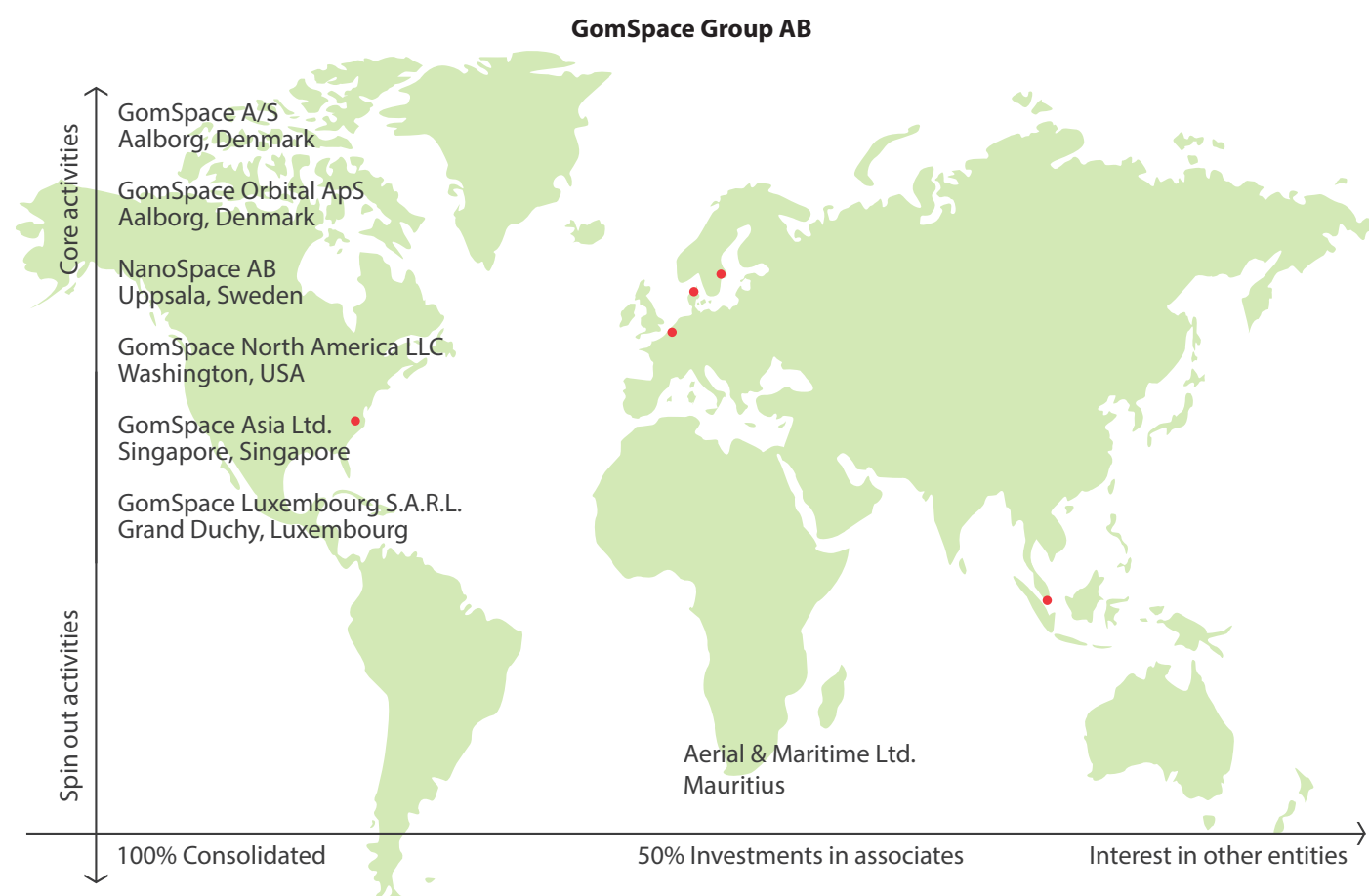
Credit risks

The Group is exposed to credit risks and other financial risks, such as market risks, including foreign exchange, interest and liquidity risks. These risks are described in the Annual Report and in the Consolidated Financial Statements for 2016.

Parent Company

The parent company had total revenues of T.SEK 5,919 (436) in the third quarter of 2017 and T.SEK 15,436 for the first three quarters of 2017. The parent company incurred total costs of T.SEK 6,955 (2,929) in the third quarter and T.SEK 25,721 (25,292) for the first three quarters of 2017. A total of T.SEK 5,454 is attributable to the capital increase and has been deducted from the share premium. The operating result for the third quarter 2017 is a negative T.SEK 1,036 (a negative 1,109) and a negative T.SEK 4,831 (a negative 1,275) for the first three quarters of 2017. The net loss for the third quarter is T.SEK 915 (a net loss of 1,116) and a net loss of T.SEK 2,535 (a net loss of 1,286) for the first three quarters of 2017.

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



Market Development

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

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

As a pioneer and innovator in the market, GomSpace is through its own actions a significant force in driving the growth in the market as our investments in satellite platforms, network technology and payload technology enable new opportunities for our customers. This has for instance been demonstrated in our activities related to space based aircraft tracking.

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

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

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

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

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

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

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

Product Development

During the third quarter, we have increased our effort developing competitive nanosatellite platforms ready for sale late in 2018.

We are currently developing an 8U platform with deployable tracking solar panels, a high-capability power-system, improved reaction-wheels and a state-of-the-art cold gas propulsion system. Like our previous platforms, this 8U platform is fully modular and in line with our continued effort to increase the capabilities of the satellites to accommodate the broad range of customer needs.

Regarding the payload, we are improving the onboard processing capability using microcontrollers which have the highest ratio of performance and at the same time low power consumption – with focus on being adaptable to customer requirements. This is driven by the need to use satellites as routing devices in the constellations as well as by the increased need for feature extraction in surveillance data to minimize the amount of information which needs to be downloaded during the time when the satellite is in reach of a ground station.

To increase the capabilities of the satellites further, we need to develop radios and antennas with higher frequencies than S-band. We are already seeing growing interest in X-band radios and from there onwards to Ka-band radios. We are therefore developing our first radio products with X-band radios and have agreed activities with external partners for developing Ka-band radios.

We are seeing the first results of a campaign we started earlier on in 2017 to improve the reliability of the satellites meeting the needs from industrial customers. We aim for an expected life time of the satellites of five years which is adequate considering the cost of the satellites and the expected technology curve – satellites will be much more capable in a five-year timeframe. A thorough qualification specification has been established to test our products based on our own experience, input from leading technology institutes and as well from established industry standards. A qualification program is currently ongoing for the present GomSpace product portfolio and for new products in development. The results look promising and ensure the high quality our customers can expect from Gomspace.

We will continue to make partnerships on technology development with universities and technology institutes when it makes strategic sense. This will reduce our own investment in research activities and we are able to get access to state-of-the-art knowledge and there by faster to the market.

Group

- Key Figures and Ratios

	2017 JAN-SEP T.SEK	2016 JAN-SEP T.SEK	2016 JAN-DEC T.SEK
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KEY FIGURES

Net revenue	66,786	37,080	54,142
Gross profit	19,202	21,560	25,201
Operating profit (loss)	-44,514	2,212	-14,510
Share of profit from associates	-1,019	0	21,386
Net financial items	-3,637	-1,015	-1,389
Profit (loss) before tax	-49,170	1,197	5,487
Profit (loss) for the period	-41,904	507	8,981
Investments in PPE	8,195	1,939	6,447
Total assets	255,324	140,575	206,048
Equity	198,851	117,390	146,106
Total liabilities	56,473	23,185	59,942

RATIOS

Gross margin	29%	58%	47%
Operating margin	-67%	6%	-27%
Net margin	-63%	1%	17%
Return on invested capital (%)	-16%	0%	4%
Return on equity (%)	-24%	1%	11%
Equity ratio (%)	78%	84%	71%
Earnings per share, basic	-1.63	0.04	0.62
Earnings per share, diluted	-1.63	0.04	0.62
Number of outstanding shares basic, average	25,652,555	11,962,598	14,592,504
Number of outstanding shares as at 30 September 2017	26,257,334	23,907,334	24,507,334

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

Consolidated Income Statement

	2017 JUL-SEP T.SEK	2016 JUL-SEP T.SEK	2017 JAN-SEP T.SEK	2016 JAN-SEP T.SEK	2016 JAN-DEC T.SEK
Net revenue	21,697	12,182	66,786	37,080	54,142
Cost of goods sold	-16,257	-6,847	-47,584	-15,520	-28,941
Gross profit	5,440	5,335	19,202	21,560	25,201
Sales and distribution costs	-7,543	-2,944	-20,505	-9,333	-15,473
Development costs	-5,598	-303	-17,671	-3,456	-6,812
Administrative costs	-8,364	-2,445	-25,540	-6,559	-17,426
Operating profit (loss)	-16,065	-357	-44,514	2,212	-14,510
Share of profit from associates	-528	0	-1,019	0	21,386
Finance income	1,169	32	1,638	281	525
Finance expenses	-2,300	-380	-5,275	-1,296	-1,914
Profit (loss) before tax	-17,724	-705	-49,170	1,197	5,487
Tax	2,600	-236	7,266	-690	3,494
Profit (loss) for the period	-15,124	-941	-41,904	507	8,981
Profit (loss) is attributable to					
Owners of GomSpace Group AB	-15,124	-941	-41,904	507	8,981
	-15,124	-941	-41,904	507	8,981
Earnings per share, basic, SEK	-0.58	-0.04	-1.63	0.04	0.62
Earnings per share, diluted, SEK	-0.57	-0.04	-1.63	0.04	0.62
Earnings per share, diluted, SEK based on the same method as in the combined financial statements 2013-2015	-	-0.04	-	0.03	-
Number of outstanding shares basic, average	26,257,334	23,907,334	25,652,555	11,962,598	14,592,504
Number of outstanding shares diluted, average	26,359,052	23,907,334	25,700,057	11,962,598	14,592,504
Number of outstanding shares, average based on the same method as in the combined financial statements 2013-2015	-	23,907,334	-	17,649,672	-

Consolidated Statement of Comprehensive Income

	2017 JUL-SEP T.SEK	2016 JUL-SEP T.SEK	2017 JAN-SEP T.SEK	2016 JAN-SEP T.SEK	2016 JAN-DEC T.SEK
Profit (loss) for the period	-15,124	-941	-41,904	507	8,981
Items which may be reclassified to the income statement:					
Foreign exchange rate adjustments	-203	697	-198	1,197	890
Other comprehensive income for the period, net of tax	-203	697	-198	1,197	890
Total comprehensive income for the period	-15,327	-244	-42,102	1,704	9,871
Total comprehensive income for the period is attributable to:					
Owners of GomSpace Group AB	-15,327	-244	-42,102	1,704	9,871
	-15,327	-244	-42,102	1,704	9,871

Consolidated Statement of Financial Position

	2017 30 SEP T.SEK	2016 30 SEP T.SEK	2016 31 DEC T.SEK
Goodwill	1,400	0	1,400
Technology	11,200	0	11,800
Completed development projects	4,675	2,890	6,033
Development projects in progress	28,780	7,462	6,197
Other intangible assets	3,138	739	3,317
Intangible assets	49,193	11,091	28,747
Property, plant and equipment	11,951	2,248	6,365
Property, plant and equipment	11,951	2,248	6,365
Investments in associates	33,548	0	36,723
Deferred tax	11,780	0	4,093
Other non-current assets	4,288	0	0
Non-current assets	16,068	0	4,093
Total non-current assets	110,760	13,339	75,928
Raw materials and consumables	7,209	3,826	4,266
Inventories	7,209	3,826	4,266
Contract work	31,014	18,285	28,237
Trade receivables	16,765	4,192	13,933
Tax receivable	1,312	1,329	2,529
Other prepayments	1,170	284	656
Other receivables	3,757	3,877	6,686
Receivables	54,018	27,967	52,041
Marketable securities	12	8	10
Cash and cash equivalents	83,325	95,435	73,803
Total current assets	144,564	127,236	130,120
Total assets	255,324	140,575	206,048

Consolidated Statement of Financial Position

	2017 30 SEP T.SEK	2016 30 SEP T.SEK	2016 31 DEC T.SEK
Share capital	1,839	1,673	1,716
Share premium	227,136	116,831	137,337
Translation reserve	887	1,392	1,085
Retained earnings	-31,011	-2,506	5,968
Total equity	198,851	117,390	146,106
Credit institutions	5,103	6,729	6,179
Deferred taxes	3,936	1,759	3,143
Total non-current liabilities	9,039	8,488	9,322
Current portion of non-current liabilities	2,093	1,018	1,534
Credit institutions	5,002	5,419	5,752
Trade payables and other payables	11,465	3,024	29,565
Contract work	6,500	720	5,089
Prepayments	13,205	1,644	1,627
Other liabilities	9,169	2,872	7,053
Total current liabilities	47,434	14,697	50,620
Total liabilities	56,473	23,185	59,942
Total equity and liabilities	255,324	140,575	206,048

Consolidated Statement of Changes in Equity

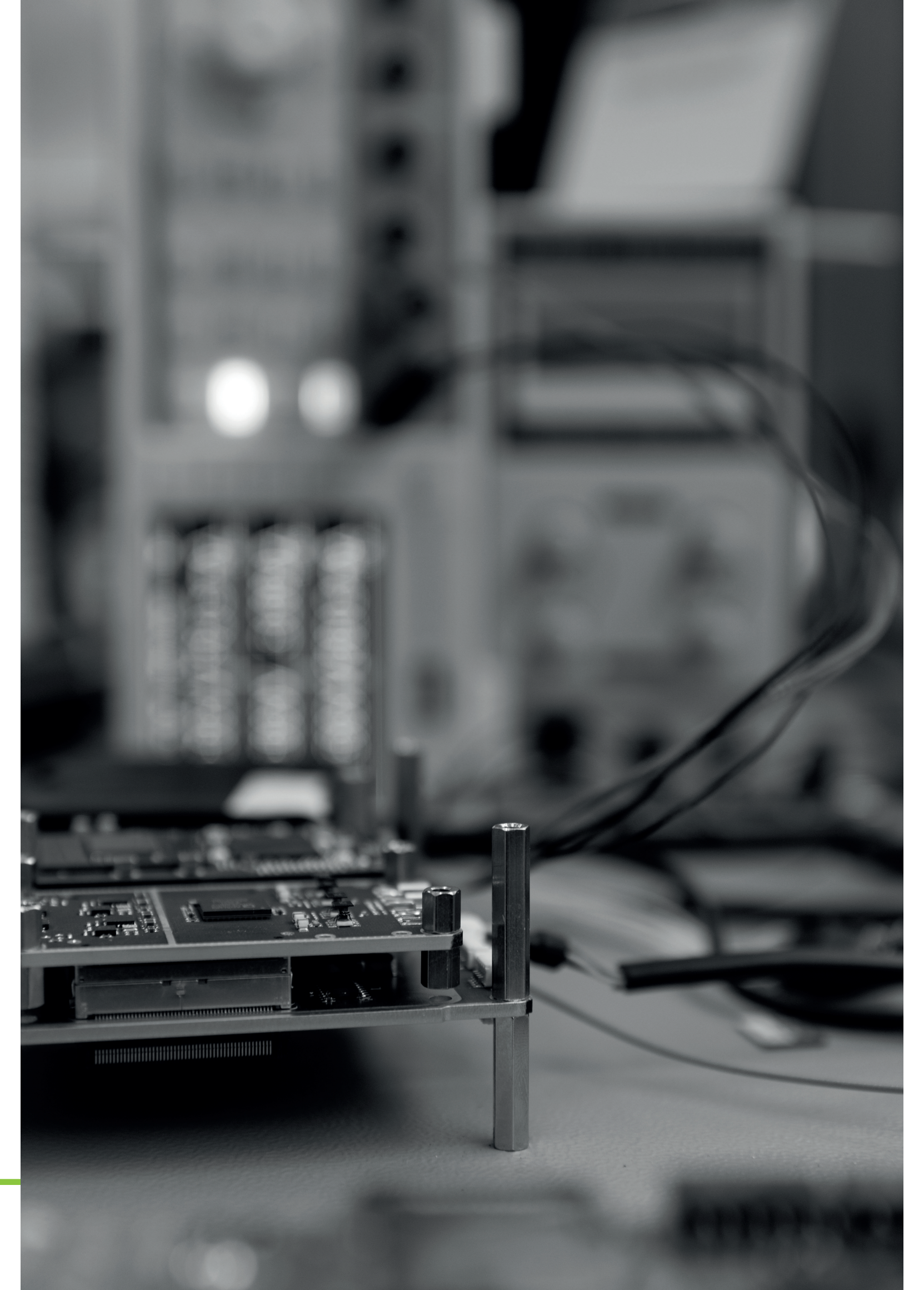
	SHARE CAPITAL T.SEK	SHARE PREMIUM T.SEK	TRANSLATION RESERVE T.SEK	RETAINED EARNINGS T.SEK	TOTAL EQUITY T.SEK
Equity 01.01.2016	973	15,661	195	-3,013	13,816
Total comprehensive income for the period	0	0	1,197	507	1,704
Total comprehensive income for the period	0	0	1,197	507	1,704
Transactions with owners in their capacity as owners					
Increase in share capital	700	124,300	0	0	125,000
Increase in share capital, costs	0	-23,130	0	0	-23,130
	700	101,170	0	0	101,870
Equity 30.09.2016	1,673	116,831	1,392	-2,506	117,390
Equity 01.10.2016	1,673	116,831	1,392	-2,506	117,390
Total comprehensive income for the period	0	0	-307	8,474	8,167
Total comprehensive income for the period	0	0	-307	8,474	8,167
Transactions with owners in their capacity as owners					
Increase in share capital	43	19,458	0	0	19,501
Increase in share capital, costs	0	1,048	0	0	1,048
	43	20,506	0	0	20,549
Equity 31.12.2016	1,716	137,337	1,085	5,968	146,106
Equity 01.01.2017	1,716	137,337	1,085	5,968	146,106
Total comprehensive income for the period	0	0	-198	-41,904	-42,102
Total comprehensive income for the period	0	0	-198	-41,904	-42,102
Transactions with owners in their capacity as owners					
IPO costs	0	-550	0	0	-550
Increase in share capital	123	95,253	0	0	95,376
Increase in share capital, costs	0	-4,904	0	0	-4,904
Share-based payments	0	0	0	4,925	4,925
	123	89,799	0	4,925	94,847
Equity 30.09.2017	1,839	227,136	887	-31,011	198,851

Consolidated Cash Flow Statement

	2017 JUL-SEP T.SEK	2016 JUL-SEP T.SEK	2017 JAN-SEP T.SEK	2016 JAN-SEP T.SEK	2016 JAN-DEC T.SEK
Profit (loss) before tax	-17,724	-705	-49,170	1,197	5,487
Reversal of financial items	1,131	348	3,637	1,015	1,389
Depreciation and amortizations	1,987	576	5,259	1,513	2,798
Non-cash items	4,011	0	6,681	0	-20,954
Changes in inventories	-1,027	-164	-2,940	-734	-1,078
Changes in trade receivables	20,803	6,234	-2,901	2,828	-4,677
Changes in other receivables	5,596	-3,171	3,666	-11,335	-12,308
Changes in trade and other payables	-7,317	-5,602	13,920	1,797	13,314
Cash flows from primary operating activities	7,460	-2,484	-21,848	-3,719	-16,029
Received interest	1,169	31	1,637	280	461
Paid interest	-2,074	-356	-5,014	-1,210	-1,800
Tax received	0	0	1,314	0	0
Tax paid	-38	0	-109	0	0
Cash flow from operating activities	6,517	-2,809	-24,020	-4,649	-17,368
Investments in non-current assets	-10,379	-1,664	-34,914	-5,126	-12,076
Proceeds from sale of property, plant and equipment	0	4	26	4	4
Investments in associates	0	0	-19,932	0	0
Acquisition of a subsidiary, net of cash acquired	0	0	0	0	-2,900
Cash flow from investing activities	-10,379	-1,660	-54,820	-5,122	-14,972
Borrowings	0	0	0	3,740	3,740
Repayment of borrowings	-376	-3,440	-1,237	-1,109	-1,383
Capital increase	0	25,000	95,375	125,000	125,000
Capital increase, costs	0	-1,374	-5,454	-22,670	-22,082
Cash flow from financing activities	-376	20,186	88,684	104,961	105,275
Net cash flow for the period	-4,238	15,717	9,844	95,190	72,935
Cash and cash equivalents, beginning of the period	87,855	79,861	73,803	661	1,268
Unrealized exchange rate gains and losses on cash	-292	-143	-322	-416	-400
Cash and cash equivalents, end of the period	83,325	95,435	83,325	95,435	73,803

Consolidated Cash Flow Statement (continued)

	2017 JUL-SEP T.SEK	2016 JUL-SEP T.SEK	2017 JAN-SEP T.SEK	2016 JAN-SEP T.SEK	2016 JAN-DEC T.SEK
Reconciliation of cash and cash equivalents					
Cash and cash equivalents according to the balance sheet	83,325	95,435	83,325	95,435	73,803
Cash and cash equivalents according to the cash flow statement	83,325	95,435	83,325	95,435	73,803



Parent Company Income Statement

	2017 JUL-SEP T.SEK	2016 JUL-SEP T.SEK	2017 JAN-SEP T.SEK	2016 JAN-SEP T.SEK	2016 JAN-DEC T.SEK
Net revenue	5,919	436	15,436	878	1,708
Gross profit	5,919	436	15,436	878	1,708
Administrative costs	-6,955	-1,545	-20,267	-2,153	-7,846
Operating profit (loss)	-1,036	-1,109	-4,831	-1,275	-6,138
Finance income	172	0	272	0	17
Finance expenses	-309	-7	-361	-11	-247
Profit (loss) before tax	-1,173	-1,116	-4,920	-1,286	-6,368
Tax	258	0	2,385	0	0
Profit (loss) for the period	-915	-1,116	-2,535	-1,286	-6,368
Profit (loss) is attributable to:					
Owners of GomSpace Group AB	-915	-1,116	-2,535	-1,286	-6,368
	-915	-1,116	-2,535	-1,286	-6,368
Earnings per share, basic, SEK	-0.03	-0.05	-0.10	-0.11	-0.44
Earnings per share, diluted, SEK	-0.03	-0.05	-0.10	-0.11	-0.44

Parent Company Statement of Other Comprehensive Income

	2017 JUL-SEP T.SEK	2016 JUL-SEP T.SEK	2017 JAN-SEP T.SEK	2016 JAN-SEP T.SEK	2016 JAN-DEC T.SEK
Profit (loss) for the period	-915	-1,116	-2,535	-1,286	-6,368
Items which may be reclassified to the income statement:					
Other comprehensive income for the period, net of tax	0	0	0	0	0
Total comprehensive income for the period	-915	-1,116	-2,535	-1,286	-6,368
Total comprehensive income for the period is attributable to:					
Owners of GomSpace Group AB	-915	-1,116	-2,535	-1,286	-6,368
	-915	-1,116	-2,535	-1,286	-6,368

Parent Company Statement of Financial Position

	2017 30 SEP T.SEK	2016 30 SEP T.SEK	2016 31 DEC T.SEK
ASSETS			
GomSpace A/S	36,891	13,766	36,891
NanoSpace AB	23,850	0	23,850
GomSpace Orbital ApS	65	0	65
GomSpace Luxembourg S.A.R.L.	115	0	0
Investments in subsidiaries	60,921	13,766	60,806
Aerial & Maritime Ltd.	19,932	0	19,932
Investments in associates	19,932	0	19,932
Fixed asset investments	80,853	13,766	80,738
Deferred tax	2,384	0	0
Other non-current assets	2,384	0	0
Total non-current assets	83,237	13,766	80,738
Trade receivables from subsidiaries	85,526	878	285
Trade receivables from associates	484	0	25
Other prepayments	151	143	90
Other receivables	268	5,693	1,879
Receivables	86,429	6,714	2,279
Cash and cash equivalents	48,336	94,419	70,434
Total current assets	134,765	101,133	72,713
Total assets	218,002	114,899	153,451

Parent Company Statement of Financial Position

	2017 30 SEP T.SEK	2016 30 SEP T.SEK	2016 31 DEC T.SEK
EQUITY AND LIABILITIES			
Share capital	1,839	1,674	1,716
Share premium	223,848	114,003	134,049
Retained earnings	-8,903	-1,286	-6,368
Total equity	216,784	114,391	129,397
Payables to subsidiaries	0	0	2,087
Payables to associates	0	0	19,932
Trade payables and other payables	949	508	2,035
Other liabilities	269	0	0
Total current liabilities	1,218	508	24,054
Total liabilities	1,218	508	24,054
Total equity and liabilities	218,002	114,899	153,451

Parent Company

Statement of Changes in Equity

	SHARE CAPITAL T.SEK	SHARE PREMIUM T.SEK	RETAINED EARNINGS T.SEK	TOTAL EQUITY T.SEK
Equity 01.01.2016	50	0	0	50
Total comprehensive income for the period	0	0	-1,286	-1,286
Total comprehensive income for the period	0	0	-1,286	-1,286
Increase in share capital	1,694	137,072	0	138,766
IPO costs	0	-23,139	0	-23,139
Decrease in share capital	-70	70	0	0
	1,624	114,003	0	115,627
Equity 30.09.2016	1,674	114,003	-1,286	114,391
Equity 01.10.2016	1,674	114,003	-1,286	114,391
Total comprehensive income for the period	0	0	-5,082	-5,082
Total comprehensive income for the period	0	0	-5,082	-5,082
Increase in share capital	42	19,458	0	19,500
IPO costs	0	588	0	588
	42	20,046	0	20,088
Equity 31.12.2016	1,716	134,049	-6,368	129,397
Equity 01.01.2017	1,716	134,049	-6,368	129,397
Total comprehensive income for the period	0	0	-2,535	-2,535
IPO costs	0	-550	0	-550
Increase in share capital	123	95,253	0	95,376
Increase in share capital, costs	0	-4,904	0	-4,904
	123	89,799	-2,535	87,387
Equity 30.09.2017	1,839	223,848	-8,903	216,784



Notes to the Interim Consolidated Financial Statements

1. Accounting policies

Basis of preparation

The establishment of GomSpace Group AB was performed in relation to listing the company at First North Premier in Stockholm and the consolidated financial statements of GomSpace Group AB will be prepared as a continuation of GomSpace A/S, as the transaction whereby GomSpace Group AB is established as the new parent company is merely a reorganization of the Group in which GomSpace A/S is the accounting parent company. Accordingly, the consolidated financial statements of GomSpace Group AB have been prepared on this basis. The consolidated financial statements of GomSpace Group AB are, in all essential aspects, consistent with the combined financial statements presented in the Prospectus /combined financial statements 2013-2015.

This implies that the predecessor values of GomSpace A/S, which have been reported internally on a consolidated basis in accordance with IFRS as adopted by the EU, have been used. No adjustments have been made to the values of the assets and liabilities compared with the historically reported values.

GomSpace Group AB applies International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting principles adopted are consistent with those described in the Annual Report (available at https://gomspace.com/UserFiles/Investor%20relations/Annual%20reports/GomSpace_Annual-Report_2016_UK.pdf).

With effect from 1 January 2017, GomSpace Group AB has implemented the following new or altered standards and contributions to the interpretation:

- Amendments to IAS 7 on disclosure requirements regarding the cash flow statement
- Amendments to IAS 12 on recognition of deferred tax assets for unrealized losses
- Part of the Annual Improvements to IFRSs 2014-2016

In the Annual Improvements to IFRSs 2014-2016 it is solely the alteration for IFRS 12 Disclosure of interest in other entities with clarification of the scope of the disclosure requirements in IFRS 12 which are effective from 1 January 2017. The remaining part of the Annual Improvements to IFRSs 2014-2016 will not apply until from 1 January 2018.

The new disclosure requirements in IAS 7 are not compulsory for interim reports and therefore this will not have effect until the Annual Report 2017.

None of the above alterations have had effect on recognition and measurement in this interim report.

This interim report has 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.

A new revenue recognition standard, 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. Early adoption is permitted. The Group plans to adopt the new standard on the required effective date and a decision on whether to apply full or modified retrospective application will be made during the course of 2017. The Group expects to have an evaluation of the effect in December.

Notes to the Interim Consolidated Financial Statements (continued)

1. Accounting policies (continued)

Key ratios definitions

Gross margin	=	$\frac{\text{gross profit}}{\text{net revenue}}$
Operating margin	=	$\frac{\text{operating profit}}{\text{net revenue}}$
Net margin	=	$\frac{\text{profit}}{\text{net revenue}}$
Return on invested capital	=	$\frac{\text{profit}}{\text{total assets}}$
Return on equity	=	$\frac{\text{profit}}{\text{average equity}}$
Equity ratio	=	$\frac{\text{equity}}{\text{total assets}}$
Earnings per share	=	$\frac{\text{profit}}{\text{number of shares}}$
Working capital	=	Inventory + Contract work + Trade receivables + Other Prepayments + Other receivables - Trade payables and Other payables - Contract work - Prepayments - Other liabilities



Notes to the Interim Consolidated Financial Statements (continued)

2. Significant accounting estimates and judgments

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

Recognized revenue on contract work is based on percentage of completion based on costs spent on the contract as a percentage of the total costs estimated to complete the project. Management estimates on an ongoing basis the costs required to complete the projects and whether the costs can be recovered through the contract.

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

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 4.

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.

3. Income tax and deferred tax

The Group has recognized deferred tax at a total amount of T.SEK 18,475 relating to loss carry-forward. The parent company, GomSpace Group AB, has tax loss carry-forward corresponding to a deferred tax asset at a total amount of T.SEK 8,545. Hereof there is a non-recognized deferred tax loss carry-forward at a total amount of T.SEK 6,161. This amount can only be used by the Swedish entities and no tax profit is expected to be generated within a foreseeable future. Once the amount is recognized, this is done over equity as it regards deferred tax concerning expenses booked on equity.

	2017 30 SEP T.SEK	2016 30 SEP T.SEK
DEFERRED TAX ASSET RELATES TO:		
Intangible assets	-5,542	0
Property, plant and equipment	-1,239	0
Short term assets	86	0
Tax loss carry-forwards	18,475	0
	11,780	0

Notes to the Interim Consolidated Financial Statements (continued)

4. Intangible assets

	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
GROUP						
Cost price at 1 January 2017	1,400	12,000	6,197	12,054	3,623	35,274
Additions during the year	0	0	22,725	0	565	23,290
Exchange rate adjustment	0	0	-142	-14	-4	-160
Cost price at 30 September 2017	1,400	12,000	28,780	12,040	4,184	58,404
Amortization at 1 January 2017	0	-200	0	-6,021	-306	-6,527
Amortization	0	-600	0	-1,351	-476	-2,427
Exchange rate adjustment	0	0	0	7	-264	-257
Amortization at 30 September 2017	0	-800	0	-7,365	-1,046	-9,211
Carrying amount at 30 September 2017	1,400	11,200	28,780	4,675	3,138	49,193
Cost price at 1 January 2016	0	0	5,970	6,784	0	12,754
Additions during the year	0	0	2,395	0	821	3,216
Reclassification	0	0	-1,253	1,253	0	0
Exchange rate adjustment	0	0	350	425	29	804
Cost price at 30 September 2016	0	0	7,462	8,462	850	16,774
Amortization at 1 January 2016	0	0	0	-4,332	0	-4,332
Amortization	0	0	0	-971	-108	-1,079
Exchange rate adjustment	0	0	0	-269	-3	-272
Amortization at 30 September 2016	0	0	0	-5,572	-111	-5,683
Carrying amount at 30 September 2016	0	0	7,462	2,890	739	11,091

Impairment test

The annual impairment test for goodwill is performed as at 31 October after completion of budgets and strategy plans for the next 5 years. As at 30 September 2017 management assesses that there is no indication of impairment regarding the net asset values for goodwill and intangible assets with an indefinite useful life and therefore no impairment test was performed regarding these assets as at 30 September 2017.

Notes to the Interim Consolidated Financial Statements (continued)

5. Classification of financial assets and liabilities

	FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS HELD FOR TRADING T.SEK	INVESTMENTS HELD TO MATURITY T.SEK	LOANS AND RECEIVABLES T.SEK	OTHER FINANCIAL LIABILITIES T.SEK	TOTAL T.SEK	CARRYING AMOUNT T.SEK	FAIR VALUE LEVEL 1 T.SEK
30 SEPTEMBER 2017							
ASSETS							
Trade and other receivables	0	0	51,536	0	51,536	51,536	0
Marketable securities	12	0	0	0	12	0	12
Cash and cash equivalents	0	0	83,325	0	83,325	83,325	0
Total assets	12	0	134,861	0	134,873	134,861	12
LIABILITIES							
Credit institutions	0	0	0	12,198	12,198	12,198	0
Trade payables and other payables	0	0	0	20,634	20,634	20,634	0
Prepayments	0	0	0	19,705	19,705	19,705	0
Total liabilities	0	0	0	52,537	52,537	52,537	0
30 SEPTEMBER 2016							
ASSETS							
Trade and other receivables	0	0	26,354	0	26,354	26,354	0
Marketable securities	8	0	0	0	8	0	8
Cash and cash equivalents	0	0	95,435	0	95,435	95,435	0
Total assets	8	0	121,789	0	121,797	121,789	8
LIABILITIES							
Credit institutions	0	0	0	13,166	13,166	13,166	0
Trade payables and other payables	0	0	0	5,896	5,896	5,896	0
Prepayments	0	0	0	2,364	2,364	2,364	0
Total liabilities	0	0	0	21,426	21,426	21,426	0

Notes to the Interim Consolidated Financial Statements (continued)

5. Classification of financial assets and liabilities (continued)

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

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

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

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

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

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

In the third quarter of 2017, no transfers between levels were made.

Notes to the Interim Consolidated Financial Statements (continued)

6. Share-based payment

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

	2017 JUL-SEP T.SEK	2016 JUL-SEP T.SEK	2017 JAN-SEP T.SEK	2016 JAN-SEP T.SEK	2016 JAN-DEC T.SEK
Outstanding warrants as at 27 April 2017	10,709	0	10,709	0	0
Granted	-2,895	0	-2,895	0	0
Exercised	0	0	0	0	0
Outstanding warrants	7,814	0	7,814	0	0

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

The fair value of the warrants, expected to be granted until April 2020, is an amount of up to T.SEK 11,577.

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

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

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

Notes to the Interim Consolidated Financial Statements (continued)

7. Related parties

Group and GomSpace Group AB

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

Related parties also comprise subsidiaries in which GomSpace Group AB has controlling influence.

The Group has the following transactions with related parties:

	2017 JAN-SEP T.SEK
Transactions with related parties	
Sale of goods and services to associates	6,687
Administration costs from Board of Directors and management team	3,278
Receivables from associates on the balance sheet date	850

Financial Calendar

Interim report,
October - December 2017
Annual general meeting

28 February 2018
26 April 2018

COMPANY INFORMATION

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Subsidiaries

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Grand-Duché de Luxembourg
Luxembourg

AUDITORS
Ernst & Young AB

CERTIFIED ADVISOR
FNCA Sweden AB

MANAGEMENT'S STATEMENT

The Board of Directors and the CEO certify that this Interim Report presents a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 30 September 2017, and of the results of the Group's and the parent company's operations and cash flow for the period 1 July - 30 September 2017.

Stockholm, 27 November 2017

Executive Board

Niels Buus
CEO

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

