

GOMSPACE

1 JULY – 30 SEPTEMBER 2021
AND 1 JANUARY – 30 SEPTEMBER 2021

THIRD QUARTER OF 2021

- Order intake decreased to T.SEK 43,034 (136,472)
- Net revenues increased to T.SEK 49,700 (39,136)
- Gross margin decreased to 20% (24%)
- Operating profit (loss) were a negative T.SEK 7,240 (a negative 7,234)
- Earnings per share were a negative SEK 0.14 (a negative 0.14)

FIRST THREE QUARTERS OF 2021

- Order intake increased to T.SEK 266,291 (197,262)
- Net revenues increased to T.SEK 132,480 (122,320)
- Gross margin decreased to 14% (20%)
- Operating profit (loss) decreased to a negative T.SEK 33,482 (a negative 30,571)
- Earnings per share were a negative SEK 0.59 (a negative 0.75)

OUTLOOK FOR 2021

- We lower revenue outlook for 2021 to M.SEK 215 to 235 from previous guidance of M.SEK 245 to 270

EVENTS DURING THE QUARTER AND SUBSEQUENT EVENTS

- In August 2021, GomSpace and Unseen Labs enter into an Authorisation To Proceed valued at M.SEK 5 to ensure supply of critical components for future projects
- In September 2021, GomSpace signs a contract with SpaceAble valued at M.SEK 21 to enhance the sustainability of Low Earth Orbit
- In October 2021, GomSpace and OHB sign Preliminary Authority to Proceed to start implement ESA HERA Inter Satellite Link

FINANCIAL SUMMARY

T.SEK	Q3			Q1-Q3			Full year
	2021	2020	▲%	2021	2020	▲%	2020
Orders received	43,034	136,472	-68%	266,291	197,262	35%	270,703
Net revenue	49,700	39,136	27%	132,480	122,320	8%	194,576
Gross profit	10,158	9,235	10%	17,966	23,853	-25%	47,646
Gross margin	20%	24%	-4 pp.	14%	20%	-6 pp.	24%
Operating profit (loss)	-7,240	-7,234	0%	-33,482	-30,571	-10%	-30,261
- As a percentage of revenues	-15%	-18%	3 pp.	-25%	-25%	0 pp.	-16%
Profit (loss) before tax	-7,774	-9,278	16%	-34,420	-43,028	20%	-47,659
- As a percentage of revenues	-16%	-24%	8 pp.	-27%	-35%	9 pp.	-24%
Profit (loss) for the period	-7,264	-7,440	2%	-31,012	-39,290	21%	-43,566
- As a percentage of revenues	-15%	-19%	4 pp.	-24%	-32%	9 pp.	-22%
Cost of goods sold	39,542	29,901	32%	114,514	98,467	16%	146,930
- As a percentage of revenues	80%	76%	4 pp.	86%	80%	6 pp.	76%
Sales and distribution costs	4,914	4,395	12%	16,895	20,242	-17%	28,640
- As a percentage of revenues	10%	11%	-1 pp.	13%	17%	-4 pp.	15%
Development costs	5,378	5,865	-8%	12,888	14,554	-11%	20,387
- As a percentage of revenues	11%	15%	-4 pp.	10%	12%	-2 pp.	10%
Administrative costs	7,155	6,198	15%	21,748	21,157	3%	30,875
- As a percentage of revenues	14%	16%	-2 pp.	16%	17%	-1 pp.	16%
Balance sheet items							
Intangible assets				127,135	119,428	6%	117,603
Property, plant and equipment				53,463	69,868	-23%	65,044
Working capital				-17,517	22,922	-176%	10,682
Net cash and cash equivalents				68,490	153,777	-55%	135,502
Equity				219,244	256,308	-14%	199,160
Liabilities				131,123	164,058	-20%	155,627



Comments from

Niels Buus

CEO

In the third quarter, order intake was M.SEK 43, and we maintained our robust and diversified backlog with a value of M.SEK 331. We expect to grow the backlog even further in the remaining part of 2021.

Revenue increased to M.SEK 50 compared to M.SEK 39 last year. We were focusing on ramping up our organization during the quarter, and we have managed to recruit highly skilled engineers. However, ramping up and focusing on efficiencies is a complex task. Therefore, we prioritize getting a job done right higher than a shortsighted revenue boost. As a result, we did not meet our expectations for specific customers milestones, negatively impacting revenue and cash flow from operating activities. Therefore we have lowered our full-year revenue guidance to M.SEK 215 to M.SEK 235 from M.SEK 245 to M.SEK 270 due to the continued challenge in the supply of electronic components and a slower increase than expected in the on-boarding of employees required for converting backlog into revenue.

To increase our profitability, we continuously focus on decreasing non-recurrent engineering and reusing our standard platform to a higher degree. We strive to reach GomSpace's full operating and financial potential with a higher degree of product content in our revenue stream.

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

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	201	-13,062	1,263	3,796	-7,802
Order intake	7,752	206,676	4,290	4,539	223,257
Cancelled orders	0	-505	-3,453	-405	-4,363
Converted to revenue	-3,142	-34,314	-10,329	-34,995	-82,780
Order backlog 30 June 2021	7,140	189,552	17,329	123,872	337,893
Currency adjustment	-130	17,095	480	-16,560	885
Order intake	1,475	36,289	5,107	163	43,034
Cancelled orders	0	-1,006	0	0	-1,006
Converted to revenue	-1,813	-45,234	-2,162	-491	-49,700
Order backlog 30 September 2021	6,672	196,696	20,754	106,984	331,106



Order intake and backlog

In the Commercial business area, we have signed a contract with SpaceAble (T.SEK 20,869) to enhance the sustainability of Low Earth Orbit (LEO).

Backlog orders in the Commercial business area increased to 59% (13%).

We lower our full-year revenue guidance to M.SEK 215 to 235 due to the continued challenge in the supply of electronic components and a slower increase than expected in the on-boarding of employees required for converting backlog into revenue.

Revenue and operating profit (loss)

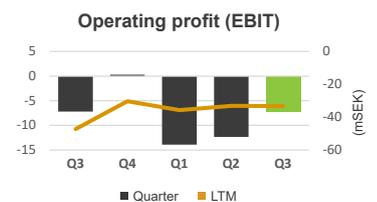
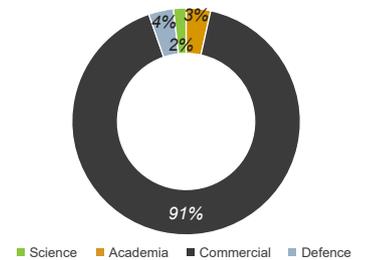
Satellite solutions' sales increased 23% to T.SEK 39,354 (31,927), and the sales of platforms, payloads, and subsystems increased 44% to T.SEK 10,346 (7,209). The revenue is increased compared to Q3 2020 but not as much as expected.

The increase in satellite solution sales lead to increased workforce within Technology to meet the higher activity level. However, re-work have caused re-assessment of specific projects and restrain revenue growth.

The gross margin was 20% (24%) and is still affected by low-margin projects in the Science business area. The largest customer was Indra Sistemas S.A., with a revenue share of 49% (0%) in Q3 and 23% (0%) in the first three quarters of 2021.

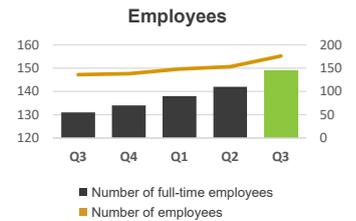
Revenue related to new customers represented 3% compared to 15% of revenue in Q3 2020. For the first three quarters of 2021, revenue related to new customers represented 3% (20%).

Order intake Q1-Q3 2021 split per business areas



THE GROUP

Employees	Q3 2020		Q4 2020		Q1 2021		Q2 2021		Q3 2021	
Technology	82	60%	85	62%	95	64%	102	67%	120	68%
Manufacturing	31	23%	31	22%	30	20%	30	20%	33	19%
Sales and distribution	12	9%	11	8%	11	7%	11	7%	10	6%
Administration	11	8%	11	8%	12	8%	10	7%	13	7%
Number of employees	136	100%	138	100%	148	100%	153	100%	176	100%
Number of full-time employees	131		134		138		142		149	



The number of employees in Q3 2021 increased to 176 (136), corresponding to 149 (131) full-time employees in the first three quarters of 2021. The increase is mainly in the Technology department to meet the deliveries in our customer projects.

Cash flow

We continue to focus on our working capital. Still, since most of our operations are project-driven and depend on reaching milestones, this will fluctuate from quarter to quarter. This quarter, fewer milestone payments from customer projects have negatively affected working capital given a decrease in contract work of T.SEK 15,783 (a positive 24,416) and trade receivables of T.SEK 8,281 (7,412). The negative impact within this quarter is expected to be improved during next quarter, leading to an improved cash position at the end of the year.

Governmental postponed payroll taxes of T.SEK 2,771 (5,591) have positively affected the change in cash from other payables. At the end of Q3 2021, we have an outstanding amount of T.SEK 15,684 (8,347) related to governmental postponed payroll taxes.

Cash flow from investing activities has increased 64% to T.SEK 5,606 (3,410). 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 Q3 2021 were T.SEK 68,490 (153,777).

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 by the COVID-19 pandemic as described in risk related to suppliers.

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

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 continue 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, we aim to procure microchips in advance to reduce production delays.

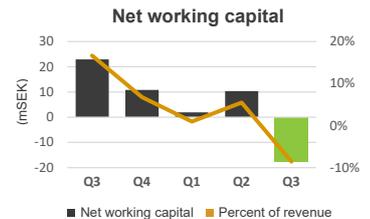
Parent Company and ownership

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.

Additions in investments in subsidiaries during 2021 comprise 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 30 September 2021, Hansen & Langeland ApS was the largest shareholder (10.04%), followed by Longbus Holding ApS (2.34%). The number of shareholders as of 30 September is 12.523.



Group - Key Figures and Ratios

T.SEK	Q3		Q1-Q3		Full year
	2021	2020	2021	2020	2020
KEY FIGURES					
Net revenue	49,700	39,136	132,480	83,184	194,576
Gross profit	10,158	9,235	17,966	14,618	47,646
Operating profit (loss)	-7,240	-7,234	-33,482	-23,337	-30,261
Share of profit from associates	0	-63	0	-8,922	-9,029
Net financial items	-534	-1,981	-938	-1,491	-8,369
Profit (loss) before tax	-7,774	-9,278	-34,420	-33,750	-47,659
Profit (loss) for the period	-7,264	-7,440	-31,012	-31,850	-43,566
Investments in PPE	487	102	1,765	51	6,953
Total assets	350,367	420,366	350,367	403,242	403,048
Equity	219,244	256,308	219,244	263,962	295,682
Total liabilities	131,123	164,058	131,123	139,280	155,627
RATIOS					
Gross margin (%)	20%	24%	14%	20%	13%
Operating margin (%)	-15%	-18%	-25%	-25%	-84%
Net margin (%)	-15%	-19%	-23%	-32%	-111%
Return on invested capital (%)	-2%	-2%	-9%	-9%	-35%
Return on equity (%)	-3%	-3%	-12%	-14%	-41%
Equity ratio (%)	63%	61%	63%	61%	68%
Earnings per share, basic, SEK	-0.14	-0.14	-0.59	-0.75	-0.83
Earnings per share, diluted, SEK	-0.14	-0.14	-0.59	-0.75	-0.83
Number of outstanding shares basic, average	52,274,803	52,274,803	52,274,803	52,274,803	52,274,803
Number of outstanding shares as of 30 September 2021	52,274,803	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	Q3		Q1-Q3		Full year
		2021	2020	2021	2020	2020
Net revenue	3	49,700	39,136	132,480	122,320	194,576
Cost of goods sold		-39,542	-29,901	-114,514	-98,467	-146,930
Gross profit		10,158	9,235	17,966	23,853	47,646
Sales and distribution costs		-4,914	-4,395	-16,895	-20,242	-28,640
Development costs		-5,378	-5,865	-12,888	-14,554	-20,387
Administrative costs		-7,155	-6,198	-21,748	-21,157	-30,875
Other operating income		49	-11	83	1,529	1,995
Operating profit (loss)		-7,240	-7,234	-33,482	-30,571	-30,261
Share of profit from associates		0	-63	0	-8,985	-9,029
Finance income		47	532	1,159	1,496	1,771
Finance expenses		-581	-2,513	-2,097	-4,968	-10,140
Profit (loss) before tax		-7,774	-9,278	-34,420	-43,028	-47,659
Tax		510	1,838	3,408	3,738	4,093
Profit (loss) for the period		-7,264	-7,440	-31,012	-39,290	-43,566
Profit (loss) is attributable to:						
Owners of GomSpace Group AB		-7,264	-7,440	-31,012	-39,290	-43,566
		-7,264	-7,440	-31,012	-39,290	-43,566
Consolidated Comprehensive Income						
Profit (loss) for the period		-7,264	-7,440	-31,012	-39,290	-43,566
Items which may be reclassified to the income statement:						
Foreign exchange rate adjustments		776	-207	2,745	-522	-5,188
Other comprehensive income for the period, net of tax		776	-207	2,745	-522	-5,188
Total comprehensive income for the period		-6,488	-7,647	-28,267	-39,812	-48,754
Total comprehensive income for the period is attributable to:						
Owners of GomSpace Group AB		-6,488	-7,647	-28,267	-39,812	-48,754
		-6,488	-7,647	-28,267	-39,812	-48,754
Earnings per share, basic, SEK		-0.14	-0.14	-0.59	-0.75	-0.83
Earnings per share, diluted, SEK		-0.14	-0.14	-0.59	-0.75	-0.83
Number of outstanding shares basic, average		52,274,803	52,274,803	52,274,803	52,274,803	52,274,803
Number of outstanding shares diluted, average		52,274,803	52,274,803	52,274,803	52,274,803	52,274,803

Notes without reference

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

Consolidated Financial Position

T.SEK	Note	30 Sep		31 Dec
		2021	2020	2020
ASSETS				
Goodwill	4	3,710	3,710	3,710
Technology		8,000	8,800	8,600
Completed development projects		21,665	27,143	26,029
In-process development projects		90,396	73,066	73,641
Other intangible assets		3,364	6,709	5,623
Intangible assets		127,135	119,428	117,603
Property, plant, and equipment		17,753	24,186	22,388
Right-of-use assets		35,710	45,682	42,656
Property, plant, and equipment		53,463	69,868	65,044
Deferred tax		477	1,554	1,541
Other non-current assets		4,116	4,228	4,069
Non-current assets		4,593	5,782	5,610
Total non-current assets		185,191	195,078	188,257
Raw materials and consumables		33,051	23,866	26,449
Inventories		33,051	23,866	26,449
Contract work		22,093	15,035	19,643
Trade receivables		22,398	21,382	21,729
Tax receivable		9,230	3,874	5,052
Other prepayments		5,037	3,862	2,348
Other receivables		4,877	3,492	4,068
Receivables		63,635	47,645	52,840
Cash and cash equivalents		68,490	153,777	135,502
Total current assets		165,176	225,288	214,791
Total assets		350,367	420,366	403,048

Notes without reference

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

T.SEK	30 Sep		31 Dec
	2021	2020	2020
EQUITY AND LIABILITIES			
Share capital	3,660	3,660	3,660
Share premium	581,599	581,599	581,599
Translation reserve	5,328	7,249	2,583
Retained earnings	-371,343	-336,200	-340,421
Total equity	219,244	256,308	247,421
Credit institutions	11,001	14,465	14,264
Lease liabilities	25,026	35,090	31,745
Other liabilities	10,638	0	7,752
Total non-current liabilities	46,665	49,555	53,761
Current portion of non-current liabilities	13,977	23,761	15,760
Trade payables and other payables	13,656	26,173	22,180
Contract work	28,303	44,429	44,223
Prepayments	1,688	2,824	1,820
Corporation tax	542	183	1,187
Other liabilities	26,292	17,133	16,696
Total current liabilities	84,458	114,503	101,866
Total liabilities	131,123	164,058	155,627
Total equity and liabilities	350,367	420,366	403,048

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments
5. Events during the first six 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
<i>Transactions with owners in their capacity as owners</i>					
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
<i>Transactions with owners in their capacity as owners</i>					
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	2,745	-31,012	-28,267
Total comprehensive income for the period	0	0	2,745	-31,012	-28,267
<i>Transactions with owners in their capacity as owners</i>					
Share-based payments	0	0	0	90	90
	0	0	0	90	90
Equity 30.09.2021	3,660	581,599	5,328	-371,343	219,244

Notes without reference

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

Consolidated Cash Flow

T.SEK	Q3		Q1-Q3		Full year
	2021	2020	2021	2020	2020
Profit (loss) before tax	-7,774	-9,278	-34,420	-43,028	-47,659
Reversal of financial items	534	1,983	938	3,473	8,369
Depreciation and amortizations	8,199	8,197	24,343	25,149	33,650
Result after tax from associates	0	63	0	8,985	9,029
Non-cash items	107	-726	1,350	4,729	2,640
Changes in inventories	-2,755	-488	-6,323	400	-3,158
Changes in trade receivables	-8,062	-8,236	59	15,247	13,131
Changes in other receivables	597	13,149	-5,697	-3,829	-8,326
Changes in trade and other payables	-15,288	27,324	-14,596	30,975	33,136
Cash flow from primary operating activities	-24,442	31,988	-34,346	42,101	40,812
Received interest financials	1	1	79	1	248
Paid interest financials cost	-546	-781	-1,995	-2,585	-3,813
Tax received	0	-57	43	6,445	6,598
Tax paid	-118	-103	-349	-302	-401
Cash flow from operating activities	-25,105	31,048	-36,568	45,660	43,444
Investments in intangible assets (before grants)	-5,119	-6,040	-17,775	-16,884	-23,886
Investments in leasehold improvement, plant and equipment	-487	-102	-1,765	-153	-900
Deposit paid	0	-180	0	-140	-139
Government grants	0	2,912	0	8,499	8,263
Cash flow from investing activities	-5,606	-3,410	-19,540	-8,678	-16,662
<i>Financing from debt:</i>					
Borrowings	0	1,589	0	6,554	6,124
Repayment of borrowings	-864	-200	-4,708	-5,967	-5,101
Payment of lease liabilities	-2,919	-2,630	-8,498	-7,981	-11,029
Cash flow from financing activities	-3,783	-1,241	-13,206	-7,394	-10,006
Net cash flow for the period	-34,494	26,397	-69,314	29,588	16,776
Cash and cash equivalents, beginning of the period	100,461	109,335	133,608	106,227	106,227
Unrealized exchange rate gains and losses on cash	574	-1,358	2,261	-2,975	-8,434
Change in bank deposit for security	35	11	21	1,545	19,039
Cash and cash equivalents, end of the period	66,576	134,385	66,576	134,385	133,608
<i>Reconciliation of cash and cash equivalents</i>					
Cash and cash equivalents according to the balance sheet	68,490	153,777	68,490	153,777	135,502
Bank deposit	-1,914	-19,392	-1,914	-19,392	-1,894
Cash and cash equivalents according to the cash flow statement	66,576	134,385	66,576	134,385	133,608

Notes without reference

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

Parent Company Income

T.SEK	Note	Q3		Q1-Q3		Full year
		2021	2020	2021	2020	2020
Net revenue		6,874	6,460	20,621	19,381	25,841
Gross profit		6,874	6,460	20,621	19,381	25,841
Administrative costs		-7,985	-10,112	-23,791	-24,615	-32,378
Operating profit (loss)		-1,111	-3,652	-3,170	-5,234	-6,537
Share of profit from associates	4	0	0	0	-11,673	-11,673
Write down of investment in subsidiaries		-14,548	-31,064	-22,648	-31,064	-31,064
Finance income		767	543	2,403	1,528	2,421
Finance expenses		-2	-404	-25	-503	-834
Profit (loss) before tax		-14,894	-34,577	-23,440	-46,946	-47,687
Tax		0	0	0	0	0
Profit (loss) for the period		-14,894	-34,577	-23,440	-46,946	-47,687
Profit (loss) is attributable to:						
Owners of GomSpace Group AB		-14,894	-34,577	-23,440	-46,946	-47,687
		-14,894	-34,577	-23,440	-46,946	-47,687
Comprehensive Income						
Profit (loss) for the period		-14,894	-34,577	-23,440	-46,946	-47,687
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		-14,894	-34,577	-23,440	-46,946	-47,687

Notes without reference

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

Parent Company Financial Position

T.SEK	30 Sep		31 Dec
	2021	2020	2020
ASSETS			
GomSpace A/S	348,166	348,166	348,166
GomSpace Sweden AB	36,509	28,057	28,057
GomSpace Orbital ApS	0	0	0
GomSpace Luxembourg S.A.R.L.	10,478	10,478	10,478
GomSpace Asia Pte. Ltd.	2,142	2,142	2,142
GomSpace North America LLC	1,105	1,105	1,105
Investments in subsidiaries	398,400	389,948	389,948
Aerial & Maritime Ltd.	0	0	0
Investments in associates	0	0	0
Fixed asset investments	398,400	389,948	389,948
Total non-current assets	398,400	389,948	389,948
Receivables from subsidiaries	89,825	88,681	107,092
Tax receivable	86	73	85
Other prepayments	383	508	322
Other receivables	0	0	1
Receivables	90,294	89,262	107,500
Cash and cash equivalents	2,704	36,271	17,663
Total current assets	92,998	125,533	125,163
Total assets	491,398	515,481	515,111
EQUITY AND LIABILITIES			
Share capital	3,660	3,660	3,660
Share premium	578,311	578,311	578,311
Retained earnings	-91,397	-67,361	-68,047
Total equity	490,574	514,610	513,924
Trade payables and other payables	419	442	714
Other liabilities	405	429	473
Total current liabilities	824	871	1,187
Total liabilities	824	871	1,187
Total equity and liabilities	491,398	515,481	515,111

Notes without reference

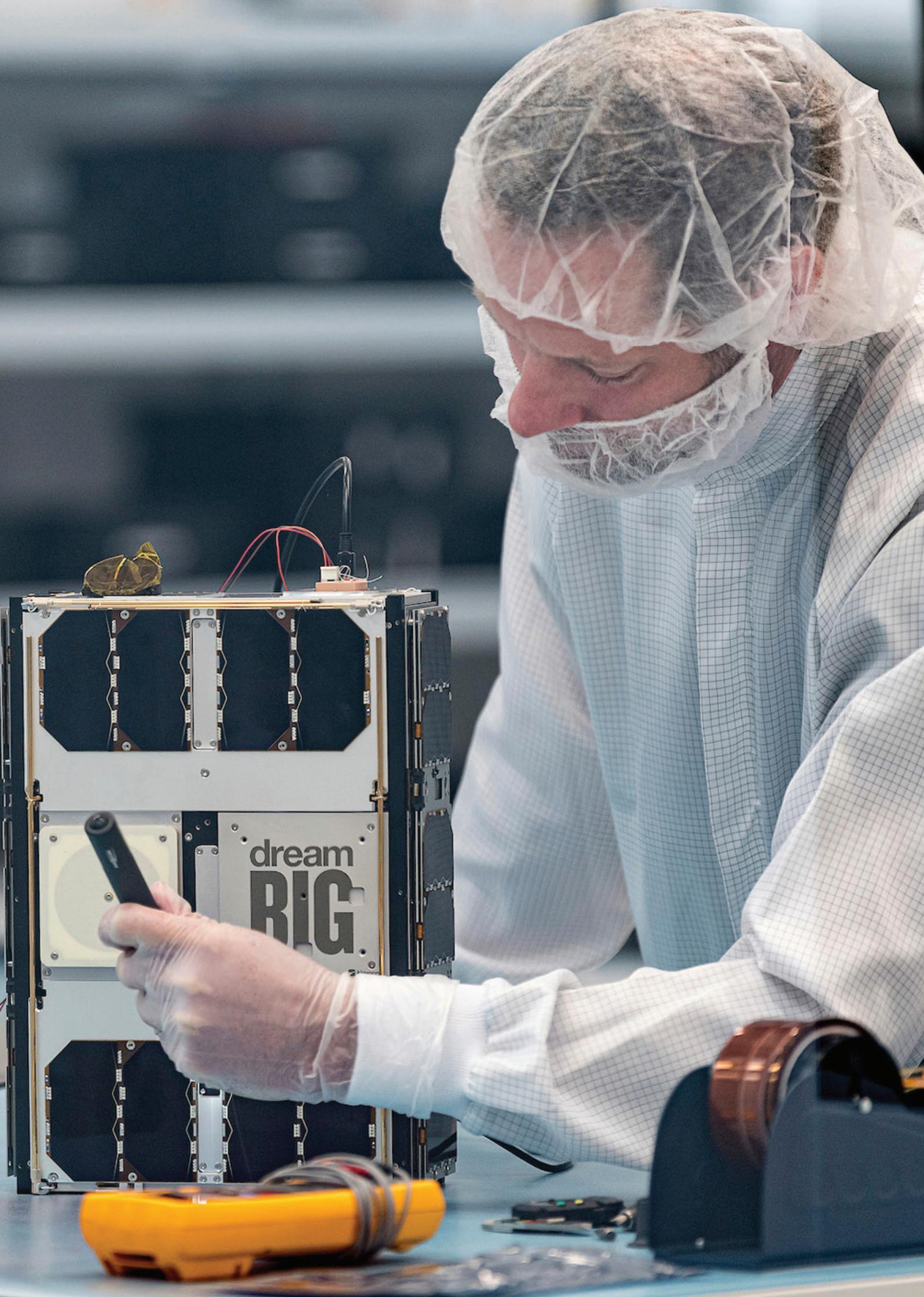
1. Accounting policies
2. Significant accounting estimates and judgments
5. Events during the first six months

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	-46,946	-46,946
Share-based payments	0	0	438	438
Total comprehensive income for the period	0	0	-46,508	-46,508
Equity 30.09.2020	3,660	578,311	-67,361	514,610
Equity 01.10.2020	3,660	578,311	-67,361	514,610
Total comprehensive income for the period	0	0	-741	-741
Share-based payments	0	0	55	55
Total comprehensive income for the period	0	0	-686	-686
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	-23,440	-23,440
Share-based payments	0	0	90	90
Total comprehensive income for the period	0	0	-23,350	-23,350
Equity 30.09.2021	3,660	578,311	-91,397	490,574

Notes without reference

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



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Notes

1. Accounting policies

Basis of preparation

The interim consolidated financial statements for the third 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 at 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 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 first three quarters of 2021 amounts to T.SEK 257,463 (275,995) and T.SEK 271,552 for 2020			
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. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

2. Significant accounting estimates, judgments and risks

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 in note 4, 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-Sep 2021					
Geographical					
Sweden	36	851	0	573	1,460
Denmark	0	195	0	0	195
Europe (excluding Sweden and Denmark)	764	62,578	6,624	32,503	102,469
USA	160	13,208	42	488	13,898
Asia	3,744	1,613	0	1,922	7,279
Rest of the world	251	1,103	5,825	0	7,179
	4,955	79,548	12,491	35,486	132,480
Jan-Sep 2020					
Geographical					
Sweden	-33	255	0	1,380	1,602
Denmark	0	1,273	0	0	1,273
Europe (excluding Sweden and Denmark)	1,158	23,514	1,570	43,744	69,986
USA	3,785	17,789	1,557	1,182	24,313
Asia	4,484	2,431	0	7,033	13,948
Rest of the world	-354	10,799	749	4	11,198
	9,040	56,061	3,876	53,343	122,320
Jan-Sep 2021					
Major goods/service lines					
Sales of satellite solutions (over time)	1,165	59,490	10,519	34,678	105,852
Sales of platforms, payloads and, subsystems (over time)	3,790	20,058	1,972	808	26,628
	4,955	79,548	12,491	35,486	132,480
Jan-Sep 2020					
Major goods/service lines					
Sales of satellite solutions (over time)	3,558	41,077	1,182	50,817	96,634
Sales of platforms, payloads, and subsystems (over time)	5,482	14,985	2,694	2,526	25,687
	9,040	56,062	3,876	53,343	122,321
Jan-Sep 2021					
Order book					
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
Canceled 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
Jan-Sep 2020					
Order book					
Order backlog 1 January 2020	1,229	63,990	1,025	86,496	152,740
Currency adjustment	-3,179	931	-141	-5,059	-7,448
Order intake	14,772	27,315	21,460	133,715	197,262
Cancelled orders	-533	-9,237	0	0	-9,770
Converted to revenue	-9,040	-56,061	-3,876	-53,343	-122,320
Order backlog 30 September 2020	3,249	26,938	18,468	161,809	210,464

4. Impairment test

The Group performed an impairment test on 30 September 2021. The Group, as a whole, is identified as a Cash Generating Unit (CGU).

Based on the market value of GomSpace Group AB on NASDAQ First North Premier in Stockholm as of 30 September 2021 (M.SEK 781), management assesses there is headroom between the recoverable amount and the carrying amount of goodwill, intangible and tangible assets as of 30 September.

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 five years to reflect the long-term approach to customers' purchasing decisions. Cash flows beyond the five years 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 824 (453), EBIT ratio increased to 27% (16%), and discounting factor (WACC) increased to 13.9% (10.5%). There are no significant changes to growth rate and investment.

The impairment test also shows a headroom between the recoverable amounts and the carrying amounts of goodwill and intangible and tangible assets on 30 September 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 (Hereof, T.SEK 8,100 booked in Q1).

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 six months

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

In April, GomSpace signed a contract to continue developing and delivering nanosatellite platforms to UnseenLabs in France. The contract has a value of T.SEK 35,500

In February, GomSpace and J.P. Morgan test blockchain transaction on the GOMX-4 constellation.



Financial Calendar

Interim report, October-December 2021
Annual Report
Annual general meeting

1 February 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 30 September 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, 25 October 2021

Executive Board

Niels Buus
CEO

Jens Maaløe
Chairman

Jukka Pekka Pertola
Vice Chairman

Niels Jesper Jespersen Jensen

Steen Lorenz Johan Hansen

Henrik Schibler

Review Report

GomSpace Group AB, corporate identity number 559026-1888

To the Board of Directors and CEO of GomSpace Group AB

Introduction

We have reviewed the condensed interim report for GomSpace Group AB as at September 30, 2021 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Malmö, 2021-10-25
Ernst & Young AB

Martin Henriksson
Authorized Public Accountant

