



GOMSPACE

TRADING STATEMENT FOR
1 JANUARY – 31 MARCH 2024

Reflections from the CEO

Dear Reader

I was delighted with our 2023 year-end results, driven by our focus on cash and profitability. The onset of 2024 brings organizational changes and new reporting, executing in our new business units: Products, Programs, and North America. Our inaugural report for the year features a more concise Trading Statement, offering insights into key indicators, including, as new investor information, order intake per business unit. A comprehensive report covering the first half of 2024 will be delivered in August.

Starting 2024 with an experienced executive team

I am thrilled to commence 2024 by welcoming Oliver Schiewe as VP for Programs and Henrik Kalstrup as VP for the Product unit. Their appointments align with our strategy to enhance leadership in these key areas, fostering expectations for improved execution and results throughout 2024.

In North America, Frank Tobin, CEO & President GomSpace North America, is positioning GomSpace as a key player. The company's first order from SAIC in Q1 and their recent SpaceNews announcement of a Pentagon contract, partnering with GomSpace for AI-powered small satellites, underscore our technology's recognition in the world's largest market.

Focus on profitability

As a reminder, in Q2 2023 we deliberately cut the order backlog by over 200,000 T.SEK, eliminating projects with no profit. This caused the backlog to drop by more than 50%, evident in Q1 2024 revenue of 50,162 T.SEK, down 36% from Q1 2023. Noteworthy, Q1 2024 saw revenue growth compared to Q4 2023, driven by a robust Product BU backlog from Q4 2023.

The revenue breakdown to business units shows Products sales to be the largest part with 23.187 T.SEK. North America delivered 6,601 T.SEK in revenue. Both Products BU and North America BU are delivering healthy positive contributions well above 48% margin.

The Programs BU reported 20.374 T.SEK in revenue, with a major part from our HERA/Juventas deep space mission, a project we're immensely proud of, anticipating its October 2024 launch with ESA. In its 4th year, Juventas has a contribution below our targets. It's our final unprofitable project of the past and its impact on EBIT is foreseen to diminish by the end of 2024. The Juventas program is anticipated to pave the way for further opportunities beyond Low Earth Orbit, leveraging the expertise gained from the project.

Order Intake trending positively

Order intake reached 57,112 T.SEK, resulting in a backlog of 161,196 T.SEK, up by 8,585 T.SEK. Products BU and North America BU collectively generated 20,758 T.SEK, marking a 50% increase from the same period last year. We efficiently fulfilled orders from 2023, generating 29,788 T.SEK in revenue and reducing the overall backlog by 7,958 T.SEK. The Programs BU saw its backlog rise to 109,159 T.SEK from 92,616 T.SEK, resulting from important orders from Unseenlabs and DLR in Germany totaling approximately 30,000 T.SEK and 4,700 T.SEK, respectively.

The cashflow under control with better cost base for 2024

Despite the EBIT showing a decline, the free cashflow is significantly better in Q1 2024 at -12,053 T.SEK compared to -42,406 T.SEK Q1 last year. This can be attributed to an improved (reduced) cost structure, with 130 employees in Q1 2024 versus 215 a year prior. As the order backlog regains momentum, we are proactively hiring new colleagues.

Entering the Micro Satellite Market

Responding to market demand, we're expanding into Micro Satellites (50kg to 150kg) following the significant order from Unseenlabs of 34 MSEK on May 13. This marks the beginning of a new market offering, with increasing demand anticipated in this segment. Still, our efforts in selling Nano Satellites (5-50 kg) continue, with expected revenue growth in the coming years.

Free Cashflow guidance remains

Despite a drop in free cashflow in Q1 2024 compared to Q4 2023, we maintain our guidance for a positive free cash flow in the second half of 2024. Additionally, we remain on track for an update on the Indonesia program by the end of Q2 2023.

I'm confident that with our strategic initiatives and dedicated team, we'll continue to achieve our goals and drive profitable growth in the coming quarters.

With the warmest regards,

Carsten Drachmann
CEO

Financial Summary

T.SEK	Q1			Full year
	2024	2023	▲%	2023
Revenue	50,162	78,150	-36%	237,841
Operating profit (EBIT)	-22,199	-14,078	-58%	-84,416
Profit (loss) for the period	-25,097	-14,379	-75%	-92,601
Earnings per share, SEK	-0.18	-0.24	25%	-0.91
Balance sheet items				
Free Cash Flow	-12,053	-42,406	72%	-55,375
Net cash and cash equivalents	45,843	40,344	14%	61,077

T.SEK	Business areas			
	Program	Product	North America	Total
Order backlog 1 January 2024	92,616	54,045	5,950	152,611
Currency adjustment	563	1,154	-82	1,634
Order intake	36,354	16,025	4,733	57,112
Converted to revenue	-20,374	-23,187	-6,601	-50,162
Order backlog 31 March 2024	109,159	48,036	4,001	161,196

The figures have not been audited.

Forward looking statements

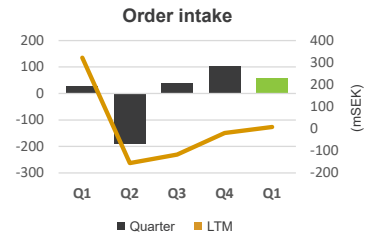
Matters discussed in this report may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and that can be identified by words such as "aspirations", "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should", and similar expressions, as well as other statements regarding future events or prospects. Specifically, this report includes information with respect to projections, estimates and targets that also constitute forward-looking statements. The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations, projections, estimates and targets expressed or implied in this report by such forward-looking statements. The information, opinions and forward-looking statements contained in this report speak only as at its date and are subject to change without notice. GomSpace expressly disclaims any obligation to update or revise any forward-looking statements, except as required by law.

Outlook

The guidance for a positive free cash flow in the second half of 2024 is maintained based on the following assumptions:

- **Product Business** - Increased focus on managing the product business, both with regard to stable product development and increased sales focus. The company has a strong contribution margin from products and efforts here will improve the overall profitability of the company.
- **Focus on project profitability and best fit** - Identify what customer projects are best suited to GomSpace. The company will focus on leveraging its core strength and focus on customer mission success and profitability of projects.
- **Expand North America** - Expand presence in North America through additional resources and partnerships. The US represents more than half of the global accessible market for GomSpace and represents a strong growth opportunity for existing technology within a reasonable timeframe.

We still aim to grow our revenue over time but in the intermediate term, profitability and cash come before revenue.



Order intake Jan-Mar 2024 split per business area

