

GOMSPACE

APRIL – 30 JUNE 2024 AND 1 JANUARY – 30 JUNE 2024

SECOND QUARTER OF 2024

(Q2 2023 COMPARISON IN BRACKETS)

- Order intake increased by 779% to T.SEK 199,233 (22,671)
- Revenue increased by 31% to T.SEK 65,935 (50,275)
- The gross margin significantly improved to 38% (-30%)
- Operating profit (EBIT) was negative T.SEK 8,356 (negative -36,114)
- Earnings per share was negative SEK 0.07 (negative 0.25)
- Free cash flow improved to positive T.SEK 6,564 (negative 27,849)

FIRST HALF-YEAR 2024

(FIRST HALF-YEAR 2023 COMPARISON IN BRACKETS)

- Order intake increased by 380% to T.SEK 256,345 (53,388)
- Revenue decreased by 10% to T.SEK 116,097 (128,425)
- The gross margin significantly improved to 31% (-5%)
- Operating profit (EBIT) was negative T.SEK 30,555 (negative -50,192)
- Earnings per share was negative SEK 0.25 (negative 0.35)
- Free cash flow was negative T.SEK 5,489 (negative 70,254)

OUTLOOK 2024

The guidance for achieving positive free cash flow in the second half 2024 remains unchanged. The Q2 results are bolstering our guidance for a positive free cash flow for the second half of 2024. The main assumptions to reach our goal are our ability to execute the existing satellite programs in order backlog and an increase in product orders for the remainder of the year compared to the first two quarters.

THE FIRST HALF-YEAR HIGHLIGHTS

- Our Programs Business Unit secured a significant contract to develop Micro Satellites for a new customer in Singapore. We also strengthened our relationship with key customer Unseenlabs by securing additional satellite projects, including a new Micro Satellite. These developments are helping us focus on projects that are most suitable for us and are contributing to an increase in our profitability and order backlog.
- Our Products Business Unit closed double the number of orders compared to last year's period. However, our overall order intake for the quarter was lower due to a decrease in the average contract value. Nonetheless, this improvement in the year's first half is due to our increased focus on key accounts.
- Our North American Business Unit successfully strengthened its partnership with SAIC, a U.S. defense contractor, winning a Pentagon contract for an AI-powered small satellite with GomSpace. By leveraging its partnership with us, SAIC secured its first contract with the Pentagon to integrate a small satellite. This achievement represents a significant milestone in establishing a strong market presence and sets the stage for future growth in North America.

FINANCIAL SUMMARY

T.SEK	Q2			H1		
	2024	2023	▲%	2024	2023	▲%
Order intake	199,233	22,671	779%	256,345	53,388	380%
Net revenue	65,935	50,275	31%	116,097	128,425	-10%
Gross profit	24,825	-15,209	264%	36,249	-5,891	715%
Gross margin	38%	-30%	68 pp.	31%	-5%	36 pp.
Operating profit (EBIT)	-8,356	-36,114	77%	-30,555	-50,192	39%
- As a percentage of revenues	-13%	-72%	59 pp.	-26%	-39%	13 pp.
Profit (loss) before tax	-9,094	-35,565	74%	-34,759	-50,719	31%
- As a percentage of revenues	-14%	-71%	57 pp.	-30%	-39%	9 pp.
Profit (loss) for the period	-9,426	-35,031	73%	-34,523	-49,410	30%
- As a percentage of revenues	-14%	-70%	56 pp.	-30%	38%	8 pp.
Cost of goods sold	41,110	65,484	37%	79,848	134,316	41%
- As a percentage of revenues	62%	130%	-68 pp.	69%	105%	-36pp
Sales and distribution costs	8,315	5,392	54%	17,248	11,298	53%
- As a percentage of revenues	13%	11%	2 pp.	15%	9%	6pp.
Development costs	9,593	4,980	93%	13,641	11,123	23%
- As a percentage of revenues	15%	10%	5 pp.	12%	9%	3 pp.
Administrative costs	15,556	10,171	53%	36,252	21,885	66%
- As a percentage of revenues	24%	20%	4 pp.	31%	17%	14 pp.
Balance sheet items						
Intangible assets	92,217	100,958	-9%	92,217	100,958	-9%
Property, plant and equipment	63,920	54,457	17%	63,920	54,457	17%
Working capital	-8,925	46,558	-119%	-8,925	46,558	-119%
Net cash and cash equivalents	51,069	54,369	-7%	51,069	54,639	-7%
Equity	69,041	156,755	-56%	69,041	156,755	-56%
Liabilities	243,125	222,923	9%	243,125	222,923	9%



Comments from

Carsten Drachmann

CEO

Our focus on free cashflow and building a stronger customer engagement paid off in Q2. We achieved a positive free cashflow and, thanks to hard work and persistence from our sales and engineering teams, the order intake was strong, increasing the order backlog quarter by quarter by 85% to 299 M.SEK by the end of June. It is worthwhile noticing that the new order backlog has a much stronger contribution margin, compared to the backlog in the beginning of 2023.

The Program Business Unit was the biggest contributor to the increased order backlog and North America is on track in establishing GomSpace' footprint in the region. The Product Business Unit closed twice as many orders compared to the same period last year, but with a smaller average contract value. The product order intake is expected to improve in Q3.

The Q2 results are bolstering our guidance for a positive free cashflow for the second half of 2024. The main assumptions to reach our goal are our ability to execute the existing satellites programs in order backlog and an increase in product orders for the remainder of the year, compared to the first two quarters.

As the business is trending better from a cashflow and order intake perspective, we start turning our attention to revenue and improving our profit and EBIT. For 2024 we are expecting to surpass the record revenue achieved in 2023. This is based on the first half results and increased order backlog. The assumption is that we can execute on the improved order backlog as planned.

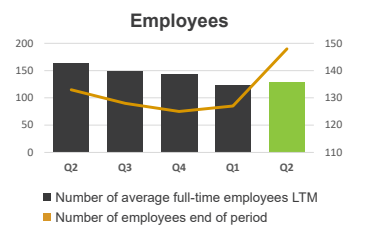
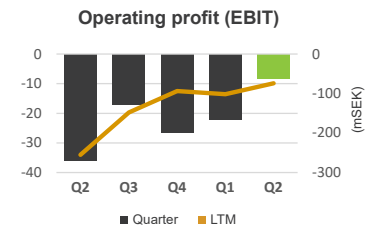
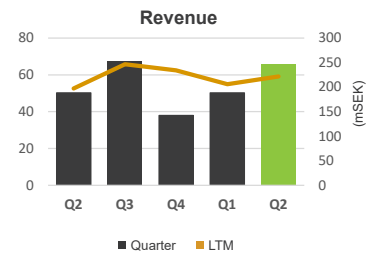
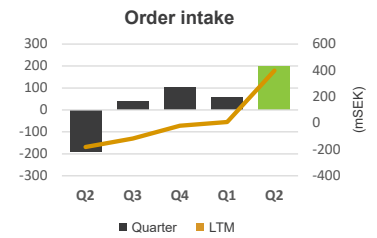
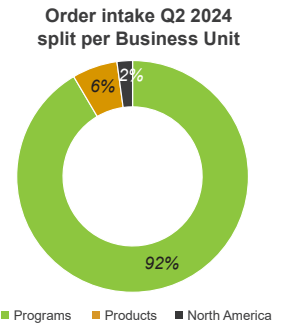
While EBIT in the first half of the year improved 20 M.SEK compared to the same period last year, it is still at negative 30 M.SEK. The road to positive profits is via a continuous control of costs balanced to activity levels and a focus on keeping healthy gross margins in everything we do. There is still some way to go, but the trend is moving in the right direction with a positive 31% gross margin in the first half 2024, compared to a negative 5% gross margin in the same period last year.

As previously announced, GomSpace has agreed to deliver a first demonstrator satellite for Indonesia this year as part of the contract with KKP. The implementation was done in record time by our skilled engineering team and the satellite was successfully launched with SpaceX last week on August 16. An update on the full agreement with KKP will be given by the end of the third quarter.

We maintain the guidance for a positive free cashflow for the second half of 2024.

Financial Performance

T.SEK	Business Units			
	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
Cancelled orders	0	0	0	0
Converted to revenue	-20,374	-23,187	-6,601	-50,162
Order backlog 31 March 2024	109,159	48,036	4,001	161,196
Currency adjustment	473	2,201	740	3,145
Other adjustments	1,333	-3,268	3,268	1,333
Order intake	182,334	12,591	4,308	199,233
Cancelled orders	0	0	0	0
Converted to revenue	-43,173	-18,437	-4,325	-65,935
Order backlog 30 June 2024	250,126	41,124	7,722	298,972



Order intake and backlog

The backlog has soared to T.SEK 298,972 due to a significant increase in Programs orders for satellite solutions. The order intake of T.SEK 256,345 (53,388) demonstrates robust sales activity, ensuring a solid start for the first half of 2024.

Revenue and operating profit (EBIT)

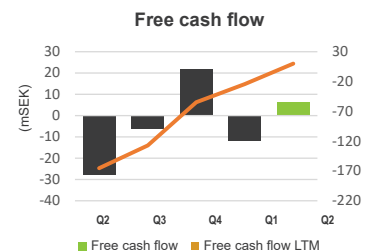
We saw a significant improvement in the second quarter with revenue of T.SEK 65,935 (50,275). Revenue for the first half-year was T.SEK 116,097 (128,425).

We continue to generate more revenue from subsystems in the Products Business Unit with a higher margin, which is a direct continuation of our strategy of gradually improving our margin by selling more products. Programs Business Unit revenue from solutions decreased since we have been more selective in executing projects that fit us best, leading to better earnings despite the revenue being less than in the previous period. We still have a scientific program with a low margin that impacted the period negatively. North America Business Unit has slightly improved. The mix from our Business Units has improved overall, resulting in a higher gross earning. Sales, general, and administrative costs have increased somewhat with more staff, but also due to organizational change. This quarter's operating profit (EBIT) has improved, amounting to negative T.SEK 8,356 (negative 36,114) and negative T.SEK 30,555 (negative 50,192) for the first half year.

Employees	Q2 2023		Q3 2023		Q4 2023		Q1 2024		Q2 2024	
Programs Business Unit	47	35%	42	33%	41	33%	39	31%	52	38%
Products Business Unit	62	47%	61	48%	59	47%	60	47%	65	44%
North America Business Unit	2	2%	3	3%	5	2%	5	4%	5	3%
General & Administration	22	17%	22	17%	22	18%	23	18%	26	18%
Number of employees end of period	133	100%	128	100%	125	100%	127	100%	148	100%
Number of average full-time employees LTM	163		150		143		124		129	

Cash flow

In the second quarter, our free cash flow (the sum of cash flow from operating and investing activities) was positive T.SEK 6,564, an improvement from the negative T.SEK 12,053 in the first quarter of 2024. For the first half-year, our free cash flow was negative T.SEK 5,489, significantly improving from last year's negative T.SEK 70,254. Compared to the previous period, we have made significant progress in enhancing our financial performance and reducing investments. Particularly noteworthy is our net working capital improvement by T.SEK 55,483, resulting in a negative working capital of T.SEK 8,925 compared to the previous period, where we tied up T.SEK 46,558. This accomplishment has been facilitated by a focused approach to cash collection from trade receivables, obtaining new prepayments from orders, and maintaining inventory at a reduced level.



At the end of the period, cash and cash equivalents were T.SEK 51,069 (54,639), which was in line with our expectations.

Risks

The company faces credit risks and other financial risks, such as market risks, which include foreign exchange, interest, and liquidity risks. There have been no changes to the risks outlined and discussed on pages 15-17 of the 2023 Annual Report.

Ownership

As of June 30, 2024, The Hargreaves Family No. 14 was the largest shareholder, owning 29.58% of the shares, followed by Hansen & Langeland ApS with 9.73%. There were a total of 10,708 shareholders.

Group - Key Figures and Ratios

T.SEK	Q2		H1	
	2024	2023	2024	2023
KEY FIGURES				
Net revenue	65,935	50,275	116,097	128,425
Gross profit	24,825	-15,209	36,249	-5,891
Operating profit (EBIT)	-8,356	-36,114	-30,555	-50,192
Net financial items	-738	549	-4,204	-527
Profit (loss) before tax	-9,094	-35,565	-34,759	-50,719
Profit (loss) for the period	-9,426	-35,031	-34,523	-49,410
Investments in PPE	125	28	125	869
Total assets	312,166	379,678	312,166	379,678
Equity	69,041	156,755	69,041	156,755
Total liabilities	243,125	222,923	243,125	222,923
RATIOS				
Gross margin (%)	38%	-30%	31%	-5%
Operating margin (%)	-13%	-72%	-26%	-39%
Net margin (%)	-14%	-70%	-30%	-38%
Return on invested capital (%)	-31%	-66%	-30%	-8%
Return on equity (%)	-93%	-109%	-117%	-12%
Equity ratio (%)	22%	41%	22%	41%
Earnings per share, basic, SEK	-0.07	-0.25	-0.34	-0.49
Earnings per share, diluted, SEK	-0.07	-0.25	-0.25	-0.35
Number of outstanding shares basic, average	140,669,159	140,669,159	101,699,461	100,608,009
Number of outstanding shares end of period	140,669,159	140,669,159	140,669,159	140,669,159

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

Interim consolidated statement of profit or loss and other Interim condensed income for the six months ended 30 June 2024

T.SEK	Note	Q2		H1	
		2024	2023	2024	2023
Net revenue	3	65,935	50,275	116,097	128,425
Cost of goods sold		-41,110	-65,484	-79,848	-134,316
Gross profit		24,825	-15,209	36,249	-5,891
Sales and distribution costs		-8,315	-5,392	-17,248	-11,298
Development costs		-9,593	-4,980	-13,641	-11,123
Administrative costs		-15,556	-10,171	-36,252	-21,885
Other operating income		283	-362	337	5
Operating profit (loss)		-8,356	-36,114	-30,555	-50,192
Finance income		4,661	865	2,873	525
Finance expenses		-5,399	-316	-7,077	-1,052
Profit (loss) before tax		-9,094	-35,565	-34,759	-50,719
Tax		-332	534	236	1,309
Profit (loss) for the period		-9,426	-35,031	-34,523	-49,410
Profit (loss) is attributable to:					
Owners of GomSpace Group AB		-9,426	-35,031	-34,523	-49,410
		-9,426	-35,031	-34,523	-49,410
Consolidated Comprehensive Income					
Profit (loss) for the period		-9,426	-35,031	-34,523	-49,410
Items which may be reclassified to the income statement:					
Foreign exchange rate adjustments		-6,990	1,747	-6,990	3,218
Other comprehensive income for the period, net of tax		-6,990	1,747	-6,990	3,218
Total comprehensive income for the period		-16,416	-33,284	-41,513	-46,192
Total comprehensive income for the period is attributable to:					
Owners of GomSpace Group AB		-16,416	-33,284	-41,513	-46,192
		-16,416	-33,284	-41,513	-46,192
Earnings per share, basic, SEK		-0.07	-0.25	0	-0.49
Earnings per share, diluted, SEK		-0.07	-0.25	0	-0.35
Number of outstanding shares basic, average		140,669,159	140,669,159	101,699,461	100,608,009
Number of outstanding shares diluted, average		140,669,159	140,669,159	140,669,159	140,669,159

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments

Interim condensed statement of financial position

T.SEK	Note	30 Jun		31 Dec
		2024	2023	2023
ASSETS				
Goodwill		0	0	0
Technology		0	0	0
Completed development projects		7,469	12,922	10,399
In-process development projects		84,389	86,887	81,443
Other intangible assets		359	1,149	601
Intangible assets		92,217	100,958	92,443
Property, plant, and equipment		10,226	16,127	11,156
Right-of-use assets	5	53,694	38,330	29,998
Property, plant, and equipment		63,920	54,457	41,154
Other non-current assets		4,934	5,664	4,800
Non-current assets		4,934	5,664	4,800
Total non-current assets		161,071	161,079	138,397
Raw materials and consumables		40,445	68,836	43,475
Inventories		40,445	68,836	43,745
Contract work		5,018	41,907	22,567
Trade receivables		37,529	29,358	25,343
Tax receivable		2,567	8,975	1,992
Other prepayments		9,545	5,339	4,726
Other receivables		4,922	9,545	4,632
Receivables		59,581	95,124	59,260
Cash and cash equivalents		51,069	54,639	61,077
Total current assets		151,095	218,599	163,812
Total assets		312,166	379,678	302,209

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments

Interim condensed statement of financial position

T.SEK	30 Jun		31 Dec
	2024	2023	2023
EQUITY AND LIABILITIES			
Share capital	9,847	9,847	9,847
Share premium	769,102	769,199	769,102
Translation reserve	10,931	21,718	17,921
Share based payment reserve	883	0	114
Retained earnings	-721,722	-644,008	-687,199
Total equity	69,041	156,755	109,785
Credit institutions	52,665	58,894	53,078
EIB warrant liability	7,394	0	7,181
Lease liabilities	40,283	28,064	21,182
Provision for loss on contract work	3,887	0	0
Other liabilities	8,530	8,872	8,337
Deferred taxes	1	0	0
Total non-current liabilities	112,760	96,370	89,778
Current portion of non-current liabilities	22,892	16,972	16,315
Trade payables and other payables	26,122	38,834	17,757
Loans from shareholders, Board of Directors and management	0	0	156
Contract work	65,455	32,691	49,178
Prepayments	554	1,985	1,737
Corporation tax	1,089	1,154	1,042
Provision for contract work loss	0	0	4,841
Other liabilities	14,253	34,917	11,620
Total current liabilities	130,365	126,553	102,646
Total liabilities	243,125	222,923	192,424
Total equity and liabilities	312,166	379,678	302,209

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments

Interim condensed consolidated statement of changes in equity for the six months ended 30 June 2024

T.SEK	Share capital	Share premium	Other capital contributions	Translation reserves	Retained earnings incl result for the period	Total equity
Equity 01.01.2023	4,391	676,505	0	18,500	-594,598	104,798
Profit (loss) for the period	0	0	0	0	-92,601	-92,601
Share based payments	0	0	114	0	0	114
Total comprehensive income for the period	0	0	0	-579	0	-579
Total comprehensive income for the period	0	0	114	-579	-92,601	-93,066
Transactions with owners in their capacity as owners						
Increase in share capital	5,456	95,865	0	0	0	101,321
Increase in share capital, costs	0	-3,269	0	0	0	-3,269
Fair value adjustment, convertible loan	0	0	0	0	0	0
	5,456	92,597	0	0	0	98,053
Equity 31.12.2023	9,847	769,102	114	17,921	-687,199	109,785
Equity 01.01.2024	9,847	769,102	114	17,921	-687,199	109,785
Profit (loss) for the period	0	0	0	0	-34,523	-34,523
Share based payments	0	0	769	0	0	769
Total comprehensive income for the period	0	0	0	-6,990	0	-6,990
Total comprehensive income for the period	0	0	769	-6,990	-34,523	-40,744
Transactions with owners in their capacity as owners						
Increase in share capital	0	0	0	0	0	0
Increase in share capital, costs	0	0	0	0	0	0
	0	0	0	0	0	0
Equity 30.06.2024	9,847	769,102	883	10,931	-721,722	69,041

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments

Interim condensed consolidated statement of cash flows for the six months ended 30 June 2024

T.SEK	H1	
	2024	2023
Profit (loss) before tax	-34,769	-50,719
Reversal of financial items	7,229	527
Depreciation, amortization and impairments	18,013	44,199
Non-cash items	2,260	4,166
Changes in inventories	4,060	-19,134
Changes in trade receivables	-41,739	-5,843
Changes in other receivables	-1,955	-16,249
Changes in trade and other payables	45,320	-16,863
Cash flow from primary operating activities	-1,571	-59,916
Received interest financials	3,609	1,672
Paid interest financials cost	-6,105	-4,436
Tax received	0	0
Tax paid	0	-205
Cash flow from operating activities	-4,067	-62,885
Investments in intangible assets (before grants)	-4,982	-6,090
Investments in leasehold improvement, plant and equipment	-125	-869
Deposit paid	-21	-567
Government grants	3,706	157
Cash flow from investing activities	-1,422	-7,369
Free cash flow	-5,489	-70,254
<i>Financing from debt:</i>		
Borrowings	0	56,591
Repayment of borrowings	-1,771	-56,999
Payment of lease liabilities	-3,430	-6,111
	-5,201	-6,519
<i>Financing from shareholders::</i>		
Capital increase	0	101,321
Capital increase, costs	0	-3,172
	0	98,149
Cash flow from financing activities	-5,201	91,630
Net cash flow for the period	-10,690	21,376
Cash and cash equivalents, beginning of the period	61,077	33,097
Unrealized exchange rate gains and losses on cash	682	166
Change in bank deposit for security	0	0
Cash and cash equivalents, end of the period	51,069	54,639
<i>Reconciliation of cash and cash equivalents</i>		
Cash and cash equivalents according to the balance sheet	51,069	54,639
Bank deposit	0	0
Cash and cash equivalents according to the cash flow statement	51,069	54,639

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments

Notes

1. Accounting policies

Basis of preparation

The interim consolidated financial statements for the first quarter of 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The parent company applies the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2023. Any changes from the Annual Report 2023 are described below.

Key ratios definitions

Gross margin	=	$\frac{\text{gross profit}}{\text{net revenue}}$	The gross margin shows the amount of total sales revenue that the group retains after incurring the direct costs associated with producing.
Operating (EBIT) margin	=	$\frac{\text{operating profit}}{\text{net revenue}}$	The ratio shows the group's operational profitability after depreciation and write-downs.
Net margin	=	$\frac{\text{profit}}{\text{net revenue}}$	The net margin shows the ratio of profit (loss) the group earns to the group's total amount of revenue.
Return on invested capital LTM	=	$\frac{\text{profit}}{\text{total assets}}$	The ratio shows how well the group is using its capital to generate profits.
Return on equity LTM	=	$\frac{\text{profit}}{\text{average equity}}$	Return on equity shows how good the group is in generating returns on the investment it received from its shareholders.
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.

1. Accounting policies (continued)

Reconciliation of consolidated alternative key figures

T.SEK	Q2		H1	
	2024	2023	2024	2023
Gross profit	24,825	-15,209	36,249	-5,891
Net revenue	65,935	50,275	116,097	128,425
Gross margin	38%	-30%	31%	-5%
Operating profit (EBIT)	-8,356	-36,114	-30,555	-50,192
Net revenue	65,935	50,275	116,097	128,425
Operating (EBIT) margin	-13%	-72%	-26%	-39%
Profit (loss) for the year	-9,426	-35,031	-34,523	-49,410
Net revenue	65,935	50,275	116,097	128,425
Net margin	-14%	-70%	-30%	-38%
Profit (loss) for the year LTM	-93,079	-250,661	-93,079	-28,681
Total Assets	312,166	379,678	312,166	379,678
Return on invested capital LTM	-30%	-66%	-30%	-8%
Profit (loss) for the year LTM	-93,079	-250,661	-93,079	-28,681
Average equity LTM	79,290	229,566	79,290	229,566
Return on equity LTM	-117%	-109%	-117%	-12%
Equity	69,041	156,755	69,041	104,798
Total Assets	312,166	379,678	312,166	334,172
Equity ratio	22%	41%	22%	31%
Profit (loss) for the year	-9,426	-35,031	-34,523	-49,410
Number of outstanding shares basic and diluted, average	140,669	60,547	101,699	60,547
Earnings per share, basic, SEK	-0.07	-0.58	-0.34	-0.82
Profit (loss) for the year	-9,426	-35,031	-34,523	-49,410
Number of outstanding shares diluted, average	140,669	60,547	140,669	60,547
Earnings per share, diluted, SEK	-0.07	-0.58	-0.25	-0.82
Inventories			40,445	68,836
Contract work			5,018	41,907
Trade receivables			37,529	29,358
Other prepayments			9,545	5,339
Other receivables			4,922	9,545
Trade payables and other payables			-26,122	-38,834
Contract work			-65,455	-32,691
Prepayments			-554	-1,985
Other liabilities			-14,253	-34,917
Net working capital			-8,925	46,558

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 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024 but do not have an impact on the interim condensed consolidated financial statements of the Group.

2. Significant accounting estimates and judgments

In preparing the interim condensed consolidated financial statements, management makes various accounting estimates and assumptions which form the basis of the presentation, recognition, and measurement of the Group's assets and liabilities.

The accounting estimates and judgments are the same in the interim condensed consolidated financial statements, as described in note 2 of the annual consolidated financial statements of 2023.

3. Revenue

T.SEK	Business Units			
	Programs	Products	North America	Total
Jan-Jun 2024				
Geographical				
Sweden	0	-118	0	-118
Denmark	29,703	2,311	0	32,014
Europe (excluding Sweden and Denmark)	30,698	27,551	0	58,249
USA	0	1,078	9,098	10,177
Asia	18	10,582	0	10,600
Rest of the world	3,128	219	1,827	5,174
	63,547	41,624	10,926	116,097
Jan-Jun 2023				
Geographical				
Sweden	0	587	0	587
Denmark	259	844	0	1,103
Europe (excluding Sweden and Denmark)	92,009	19,465	0	111,024
USA	0	0	10,024	10,024
Asia	649	2,486	0	3,135
Rest of the world	1,614	458	0	2,072
	94,531	23,840	10,024	128,395
Jan-Jun 2024				
Major goods/service lines				
Sales of satellite solutions (over time)	63,547	7,180	63	70,790
Sales of platforms, payloads and subsystems (over time)	0	34,444	10,863	45,306
	63,547	41,624	10,926	116,097
Jan-Jun 2023				
Major goods/service lines				
Sales of satellite solutions (over time)	94,531	5,470	1	100,001
Sales of platforms, payloads and subsystems (over time)	0	18,370	10,023	28,393
	94,531	23,840	10,024	128,395
Jan-Jun 2024				
Order book				
Order backlog 1 January 2024	92,616	54,045	5,950	152,611
Currency adjustment	1,036	3,355	389	4,779
Other adjustments	1,333	-3,268	3,268	1,333
Order intake	218,688	28,616	9,041	256,345
Canceled orders	0	0	0	0
Converted to revenue	-63,547	-41,624	-10,926	-116,097
Order backlog 30 June 2024	250,126	41,124	7,722	298,972
Jan-Jun 2023				
Order book				
Order backlog 1 January 2023	386,710	13,684	8,262	408,656
Currency adjustment	7,863	3,485	836	12,184
Order intake	17,443	32,639	3,306	53,388
Cancelled orders	-215,030	0	0	-210,030
Converted to revenue	-94,531	-23,839	-10,024	-128,394
Order backlog 30 June 2023	102,455	25,969	2,380	130,804

5. Share-based payment

In 2023, the Board of Directors of GomSpace Group AB obtained approval to implement a share-based incentive program (equity-settled warrants) via GomSpace A/S. The warrants give participants the right to purchase newly issued shares in GomSpace Group AB.

In 2023 and 2024, a total of 4,977,830 warrants were granted on three different dates (see table below). The share-based payment transactions are accounted for as an equity-settled share-based payment scheme in GomSpace A/S. The warrants vest in five equal annual instalments. The warrants can be exercised within certain exercise windows. Vesting of the warrants will be conditional upon the continued employment of the participants.

In the consolidated financial statements of the Group, the cost is recognised in employee benefits expense, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the income statement for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

The financial statements of GomSpace Group AB, as principal to the share-based payment transaction, will recognise an increase in the cost of investment in the subsidiary receiving the employment services, representing a capital contribution based on the share-based payment charge over the vesting period. The counterentry is in equity. In addition, a management recharge (valued based on the grant date fair value of the warrants) is accrued over the vesting period of the sharebased payment program. The accrued recharge is debited as an intercompany receivable and credited against the cost of investment (a return of capital contribution), up to the amount of the original capital contribution, with any excess recharge being recognised in the income statement.

In GomSpace A/S an intercompany payable is recognised corresponding to the management recharge receivable in GomSpace Group AB.

The fair value of the warrants has been calculated using the Black-Scholes option-pricing model. Key inputs in the valuation model include:

	Warrant program (2023-2028) Granted 18 July 2023	Warrant program (2024-2029) Granted 1 March 2024	Warrant program (2024-2029) Granted 13 June 2024
Expected future dividend (SEK per share)	0	0	0
Volatility	74%	57%	75%
Risk free interest rate	2,6%	2,5%	2,2%
Life of warrant (years)	5,5	5,4	5,1
Share price at grant date (SEK per share)	1,4	4,9	4,7
Exercise price (SEK per share)	2,7	1,5	1,5
Fair value at grant date (SEK per warrant)	0,7	3,8	3,9
Outstanding warrants 30 June 2024	648,000	3,606,820	509,392

The volatility has been determined using the volatility in GomSpace Group AB's share price, together with benchmarking against peer group companies. Set out below are the summary movements in warrants during the year.

	Warrant program (2023-2028) Granted 18 July 2023	Warrant program (2024-2029) Granted 1 March 2024	Warrant program (2024-2029) Granted 13 June 2024
Outstanding at 1 January	648,000	-	-
Granted	-	3,820,438	509,392
Forfeited	-	(213,618)	-
Exercised	-	-	-
Expired	-	-	-
Outstanding at 30 June	648,000	3,606,820	509,392
Exercisable at 30 June	129,600	-	-

Fair value measurement

EIB Loan (non-derivative loan component only)

The loan is initially recognised at fair value minus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method, with the unwinding of the discount recorded as finance expense over the life of the loan. The effective interest rate is determined based the loan amount paid out, fair value of vested warrants, transaction costs and future payments. Since the identified embedded derivatives have fair values of zero there have been no impact from the applied split accounting.

The fair value of the EIB loan has been determined to be T.SEK 62,912 as at 30 June 2024 and classified as level 3 in the fair value hierarchy. The loan was obtained during 2023. The fair value of the loan is determined by discounting the future cash flows (interest payments and principal repayments) with a market interest rate. The market rates has been determined based on a risk-free rate component and a credit spread component.

EIB Warrants

The warrants are considered to be part of the overall return to EIB on the financing arrangement and are thus accounted for in accordance with IFRS 9. The fair value of the vested warrants at initial recognition is accounted for as transaction costs as they are directly linked to the draw down on each individual tranche of the loan. The warrants are initially and subsequently measured at fair value with fair value movements presented in either finance expenses or finance income.

The fair value of EIB warrants (a derivative financial instrument) has been determined by using the black-scholes model where the Group's share price is the primary valuation input. Since the share price is observable on a listed, active market, management has determined that the EIB warrants are classified as level 1 in the fair value hierarchy.

For the rest of the Group's financial instruments measured at amortised cost, the carrying amounts are a reasonable approximations of fair values since they are either short term and/or are exposed to floating rates.

The different levels of fair value are defined as follows:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Set out below, is a comparison of the carrying amounts and fair values of financial liabilities as at 30 June 2024 and 31 December 2023:

T.SEK	30 June 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>Financial liabilities:</i>				
EIB loan	42,254	-62,912	55,479	- 57,122
EIB warrants	7,394	-7,394	7,181	-7,181
Total	49,648	-70,306	55,479	-64,303

Financial Calendar

Trading Statement Q3, 2024

31 October 2024

COMPANY INFORMATION

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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 on 30 June 2024 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, 23 August 2024

Executive Board and the Board of Directors

Carsten Drachmann
CEO

Troels Dalsgaard
Deputy CEO and CFO

Stefan Gardefjord
Chair

Steen Lorenz Johan Hansen
Vice Chair

Henrik Kølle

Nikolaj Wendelboe

Kenn Herskind

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

