

GOMSPACE

1 JULY – 30 SEPTEMBER 2023

1 JANUARY – 30 SEPTEMBER 2023

THIRD QUARTER 2023

(Q3 2022 COMPARISON IN BRACKETS)

- Order intake was T.SEK 39,011 (52,639)
- Revenue increased by 274% to T.SEK 67,706 (18,102)
- Gross margin increased to 15% (negative 298%) mainly due to an improved project portfolio, as a result of the optimisation of a specific project.
- Operating profit (EBIT) increased to negative T.SEK 17,011 (negative 124,516)
- Earnings per share was negative SEK 0.24 (negative 1.95)
- Free cash flow improved to negative T.SEK 6,311 (negative 44,417)

THIRD QUARTER HIGHLIGHTS

- Our strategic focus on Product business led to a great outcome this quarter. Several new orders have been confirmed, the two larger product orders are EPIC Aerospace (M.SEK 3.8) and Unseenlabs (M.SEK 4.4), which are both known Space Industry companies. Further, we have realized M.SEK 11.1 in product orders from a variety of customers representing a broad geographic range, Argentina, Germany, Italy, Israel, South Korea, and UK.

FIRST THREE QUARTERS 2023

(Q3 2022 COMPARISON IN BRACKETS)

- Order intake decreased by 33% to T.SEK 92,399 (138,067)
- Revenue increased by 33% to T.SEK 196,131 (147,720)
- Gross margin increased to 2% (negative 17%)
- Operating profit (EBIT) increased to negative T.SEK 67,203 (negative 151,631)
- Earnings per share were negative SEK 0.82 (negative 2.46)

OUTLOOK

The guidance for positive free cash flow in second half of 2024 is unchanged. The assumptions are that product sales will increase, presence in North America will be expanded through additional resources and partnerships, and customer project portfolio mix will become more profitable.

- Stefan Gardefjord has been appointed as new Chair as of 1 Oct. 2023. Stefan Gardefjord brings a long history and experience from the space Industry, most recently as President & CEO for Swedish Space Corporation AB. Board member Steen Hansen has been appointed Vice Chair.
- CEO Carsten Drachmann is very pleased with the Q3 development: "Focus in Q3 was on continued execution of our turnaround and transformation plan. We achieved three key goals for the quarter, i.e., implementing our new organization, improving free cash flow, and increasing product sales."

FINANCIAL SUMMARY

T.SEK	Q3			Q1-Q3			Full year
	2023	2022	▲%	2023	2022	▲%	2022
Orders received	39,011	52,639	-26%	92,399	138,067	-33%	165,947
Revenue	67,706	18,102	274%	196,131	147,720	33%	198,379
Gross profit	10,078	-53,958	119%	4,187	-25,330	-117%	-51,119
Gross margin	15%	-298%	313 pp.	2%	-17%	19 pp.	-26%
Operating profit (EBIT)	-17,011	-124,516	86%	-67,203	-151,631	56%	-231,995
- As a percentage of revenues	-25%	-688%	663 pp.	-34%	-103%	69 pp.	-117%
Profit (loss) before tax	-32,672	-123,430	74%	-83,391	-151,194	45%	-232,939
- As a percentage of revenues	-48%	-682%	634 pp.	-43%	-102%	59 pp.	-117%
Profit (loss) for the period	-34,243	-122,239	72%	-83,653	-147,341	11%	-227,824
- As a percentage of revenues	-51%	-675%	624 pp.	-43%	-100%	-19 pp.	-115%
Cost of goods sold	57,628	72,060	-20%	191,944	173,050	11%	249,498
- As a percentage of revenues	85%	398%	-313 pp.	98%	117%	-19 pp.	126%
Sales and distribution costs	6,143	44,171	-86%	17,441	54,840	-68%	63,297
- As a percentage of revenues	9%	244%	-235 pp.	9%	37%	-28 pp.	32%
Development costs	5,270	14,246	-63%	16,393	37,751	-57%	73,945
- As a percentage of revenues	8%	79%	-71 pp.	8%	26%	-18 pp.	37%
Administrative costs	16,925	12,168	39%	38,810	33,771	15%	43,765
- As a percentage of revenues	25%	67%	-42 pp.	20%	23%	-3 pp.	22%
Balance sheet items							
Intangible assets	100,810	132,403	-24%	100,810	132,403	-24%	122,332
Property, plant and equipment	48,218	67,336	-28%	48,218	67,336	-28%	62,348
Working capital	-28,884	-738	4014%	-28,884	-738	-4014%	6,124
Net cash and cash equivalents	45,876	35,200	30%	45,876	35,200	30%	33,097
Equity	124,627	182,869	-32%	124,627	182,869	-32%	104,798
Liabilities	217,575	182,912	19%	217,575	182,912	19%	229,374



Comments from

Carsten Drachmann

CEO

During Q3, our primary emphasis remained on the continuous execution of our turnaround and transformation plan. We successfully accomplished three pivotal objectives for the quarter, namely the implementation of our new organizational structure, enhancement of free cashflow, and improvement in product sales. The organizational goals are well-defined, and we are effectively integrating into our business units, witnessing the new operational mode take effect.

In terms of achieving positive cashflow, we are progressing well towards our target of reaching free cashflow positivity by the second half of 2024. Notably, the free cashflow for Q3 2023 was a negative MSEK 6.3, a significant improvement compared to Q2 2023's negative MSEK 27.8 and Q1 2023's negative MSEK 42.4. This accomplishment aligns well with our strategic plans.

The positive trajectory in Q3's free cashflow is attributed to the successful implementation of cost reductions in the first half of 2023, heightened order intake for our products, and a concerted focus on project profitability and cash flow optimization. Additionally, the contract change note with ESA, amounting to 1.5 MEUR for our Juventas mission, has positively impacted our cashflow. The emphasis on project profitability and increased product sales is evident in the positive gross margin of 15% achieved in Q3.

Our revenue for the initial three quarters of 2023 stands at 196 MSEK, parallel to the full-year revenue of 198 MSEK in 2022. We anticipate surpassing the highest revenue recorded in 2021, which was 214 MSEK, by the end of this year.

As of the end of Q3, our headcount has reached 132, achieving the target we established in January 2023. This milestone is a crucial component of our turnaround strategy, providing us with the desired cost baseline essential for stabilizing the company's cash flow. While our intention is not to expand the organization without firm orders in place, the observed potential demand in the market has prompted us to cautiously initiate recruitment for essential positions and competencies.

Noteworthy is the substantial increase in product order intake, particularly a notable 19 MSEK in September 2023 alone. In contrast, the product sales for the entire year of 2022 amounted to approximately 60 MSEK, and our current product sales for the first three quarters of 2023 have reached around 70 MSEK. This surge in order intake aligns with our objective of establishing the product business as a robust contributor to GomSpace's overall business and profitability.

In North America, Q3 witnessed new orders totaling 4 MSEK. Our collaborative efforts with SAIC in developing a joint market approach are ongoing, including joint meetings with potential customers.

I am satisfied with the GomSpace organization, which exhibits a commendable level of commitment and focus in executing our strategies. My heartfelt thanks go out to all our dedicated employees for their unwavering commitment and substantial contributions towards achieving our targets.

Carsten Drachmann, CEO

Financial Performance

T.SEK	Business areas				Total
	Academia	Com-mercial	Defence	Science	
Order backlog 1 January 2023	6,771	88,917	6,385	306,583	408,656
Currency adjustment	195	4,170	352	7,466	12,184
Order intake	3,713	32,141	886	16,648	53,388
Cancelled orders	0	0	0	-215,030	-215,030
Converted to revenue	-8,046	-56,114	-1,901	-62,333	-128,425
Order backlog 30 June 2023	2,633	69,114	5,722	53,334	130,773
Currency adjustment	5	67	2	103	176
Order intake	1,304	20,087	479	17,141	39,011
Cancelled orders	0	0	0	0	0
Converted to revenue	680	-31,735	-3,248	-33,459	-67,706
Order backlog 30 September 2023	4,622	57,533	2,955	37,119	102,254

Order intake and backlog

Order intake of T.SEK 39,011, up 65% compared to Q2 2023 (23,671) and 26% lower than Q3 2022 (52,639).

Order intake of products as platforms, payloads, and subsystems continue to be strong and accounts for approximately 50% of the order intake for the quarter. Orders received for satellite solutions were low in the quarter, but we continue to see projects mature in the pipeline.

The order intake split was positively impacted by a contract change notice with ESA including T.SEK 17,100 for the implementation of Juventas Hera. Excluding the change notice, order intake from products would have constituted 88%.

Revenue and operating profit (EBIT)

Revenue of T.SEK 67,706 are 35% above Q2 2023 (50,275), and significantly above Q3 2022 (18,102).

96% of the revenue stemmed from Commercial products & projects (47%) and Science (49%). Scientific satellite solutions (Science) have a lower margin. The increase in revenue from Commercial products & projects - constituting 29% in Q2 2023 to 47% in Q3 2023 is in line with our strategy. We are gradually improving our margin within our project business'. We aim to continue prioritizing engineering projects with a higher degree of reuse, improved predictability, and better earnings.

Operating profit (EBIT) improved to a negative T.SEK 17,011 (negative 124,516). Operating profit was positively impacted as well by the contract change notice with ESA including T.SEK 17,100 for the implementation of Juventas Hera.

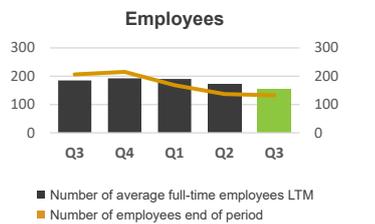
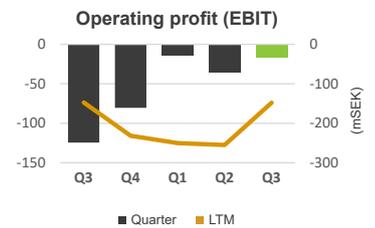
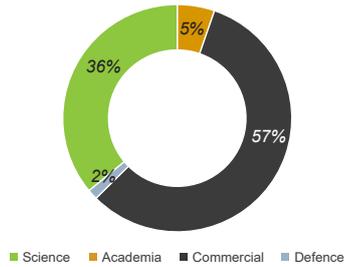
Employees

	Q3 2022		Q4 2022		Q1 2023		Q2 2023		Q3 2023	
Technology	130	63%	140	63%	102	61%	79	58%	72	55%
Manufacturing	49	24%	45	24%	38	23%	36	26%	36	27%
Sales and distribution	9	4%	12	4%	11	7%	10	7%	11	8%
Administration	18	9%	18	9%	17	10%	12	9%	13	10%
Number of employees end of period	206	100%	215	100%	168	100%	137	100%	132	100%
Number of average full-time employees LTM	185		192		190		170		154	

We have now completed the staff reduction program during Q1-Q2 2023 and the expected savings have started to be fully realized in Q3 2023.



Order intake Jan-Sep 2023 split per business area



Cash flow

Net cash flow was negative T.SEK 8,577 (negative 49,205 in Q3 2022)

We have a net working capital of T.SEK -28,884 (-738), this is primarily related to the increased Commercial revenue and hence inventory of finished manufacturing platforms and subsystems that need to be delivered to customers. This increase does not include any electronic components or raw materials. Compared to Q2 2023 net working capital has improved with T.SEK 17,674.

The cash flow from investing activities has decreased further, now at negative T.SEK 640 compared to previous quarter's negative T.SEK 2,272. Our investment strategy has changed to prioritize reusability in our deliveries, leading to decreased investments in intangible assets.

The free cash flow was negative T.SEK 6,311 an anticipated continued improvement from the previous quarter (Q2 2023 negative 27,849).

Cash flow for financing activities amounts to negative T.SEK 2,266 (Q2 2023 42,062 and Q3 2022 negative 4,788). Prior quarters cash flow from financing activities was mainly constituted by the rights issue completed in April 2023.

Cash and cash equivalents at the end of Q3 2023 were T.SEK 45,876 (20,982) in line with our expectations.

Financing

For Q3 2023 cash flow from financing is mainly related to payments regarding capitalized lease contracts.

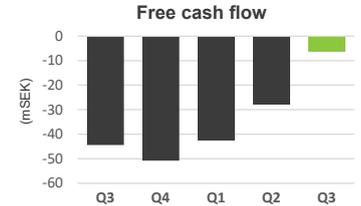
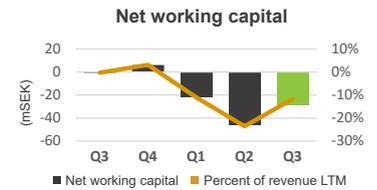
Risks

The Group is exposed to credit risks and other financial risks, such as market risks, including foreign exchange, interest, and liquidity risks.

There has been no increase in the risks identified and discussed on pages 14-16 of the Annual Report for 2022.

Ownership

As of 30 September 2023, The Hargreaves Family No. 14 was the largest shareholder (29.58%), followed by Hansen & Langeland ApS (9.73%). The number of shareholders as of 30 September was 10,644.



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.

Group - Key Figures and Ratios

T.SEK	Q3		Q1-Q3		Full year
	2023	2022	2023	2022	2022
KEY FIGURES					
Revenue	67,706	18,102	196,131	147,720	198,379
Gross profit	10,078	-53,958	4,187	-25,330	-51,119
Operating profit (EBIT)	-17,011	-124,516	-67,203	-151,631	-231,995
Net financial items	-15,661	1,086	-16,188	437	-944
Profit (loss) before tax	-32,672	-123,430	-83,391	-151,194	-232,939
Profit (loss) for the period	-34,243	-122,239	-83,653	-147,341	-227,824
Investments in PPE	11	4,648	880	9,029	9,552
Total assets	342,202	365,781	342,202	365,781	334,172
Equity	124,627	182,869	124,627	182,869	104,798
Total liabilities	217,575	182,912	217,575	182,912	229,374
RATIOS					
Gross margin (%)	15%	-298%	2%	-17%	-26%
Operating margin (%)	-25%	-688%	-34%	-103%	-117%
Net margin (%)	-51%	-675%	-43%	-100%	-115%
Return on invested capital (%)	-73%	-39%	-73%	-39%	-68%
Return on equity (%)	-163%	-71%	-163%	-71%	-138%
Equity ratio (%)	36%	50%	36%	50%	31%
Earnings per share, basic, SEK	-0.24	-1.95	-0.82	-2.46	-3.76
Earnings per share, diluted, SEK	-0.24	-1.95	-0.59	-2.35	-3.63
Number of outstanding shares basic, average *	140,669,159	62,729,763	101,699,461	59,808,524	60,546,859
Number of outstanding shares as of 30 September 2023 *	140,669,159	62,729,763	140,669,159	62,729,763	62,729,763

*In connection with the finance contract with the European Investment Bank (EIB), ensuring a loan facility of M.SEK 205 (M.EUR 18), the Group transferred 1,650,783 warrants to EIB - in relation to the first tranche. The finance contract contains two further tranches, if we utilize the facilities, the EIB will be entitled to 3,301,566 warrants.

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

Consolidated Income

T.SEK	Note	Q3		Q1-Q3		Full year
		2023	2022	2023	2022	2022
Revenue	3	67,706	18,102	196,131	147,720	198,379
Cost of goods sold		-57,628	-72,060	-191,944	-173,050	-249,498
Gross profit		10,078	-53,958	4,187	-25,330	-51,119
Sales and distribution costs		-6,143	-44,171	-17,441	-54,840	-63,297
Development costs		-5,270	-14,246	-16,393	-37,751	-73,945
Administrative costs		-16,925	-12,168	-38,810	-33,771	-43,765
Other operating income		1,249	27	1,254	61	131
Operating profit (loss)		-17,011	-124,516	-67,203	-151,631	-231,995
Finance income		9,028	1,524	9,553	2,674	1,900
Finance expenses		-24,689	-438	-25,741	-2,237	-2,844
Profit (loss) before tax		-32,672	-123,430	-83,391	-151,194	-232,939
Tax		-1,571	1,191	-262	3,853	5,115
Profit (loss) for the period		-34,243	-122,239	-83,653	-147,341	-227,824
Profit (loss) is attributable to:						
Owners of GomSpace Group AB		-34,243	-122,239	-83,653	-147,341	-227,824
		-34,243	-122,239	-83,653	-147,431	-227,824
Consolidated Comprehensive Income						
Profit (loss) for the period		-34,243	-122,239	-83,653	-147,431	-227,824
Items which may be reclassified to the income statement:						
Foreign exchange rate adjustments		2,160	2,731	5,378	9,682	11,211
Other comprehensive income for the period, net of tax		2,160	2,731	5,378	9,682	11,211
Total comprehensive income for the period		-32,083	-119,508	-78,275	-137,659	-216,613
Total comprehensive income for the period is attributable to:						
Owners of GomSpace Group AB		-32,083	-119,508	-78,275	-137,659	-216,613
		-32,083	-119,508	-78,275	-137,659	-216,613
Earnings per share, basic, SEK		-0.24	-1.95	-0.82	-2.46	-3.76
Earnings per share, diluted, SEK		-0.24	-1.95	-0.59	-2.35	-3.63
Number of outstanding shares basic, average		140,669,159	62,729,763	101,699,461	59,808,524	60,546,859
Number of outstanding shares diluted, average		140,669,159	62,729,763	140,669,159	62,729,763	62,729,763

Notes without reference

- Accounting policies
- Significant accounting estimates and judgments
-
- Share based payments

Consolidated Financial Position

T.SEK	30 Sep		31 Dec
	2023	2022	2022
ASSETS			
Goodwill	0	3,710	0
Technology	0	7,200	0
Completed development projects	14,777	10,352	10,378
In-process development projects	85,336	108,327	110,014
Other intangible assets	697	2,814	1,940
Intangible assets	100,810	132,403	122,332
Property, plant, and equipment	13,567	20,670	18,767
Right-of-use assets	34,651	46,666	43,581
Property, plant, and equipment	48,218	67,336	62,348
Other non-current assets	4,971	4,703	4,794
Non-current assets	4,971	4,703	4,794
Total non-current assets	153,999	204,442	189,474
Raw materials and consumables	63,774	43,323	46,162
Inventories	63,774	43,323	46,162
Contract work	32,522	25,388	29,264
Trade receivables	28,600	34,561	19,954
Tax receivable	7,250	11,079	6,898
Other prepayments	4,208	5,572	4,033
Other receivables	5,973	6,216	5,290
Receivables	78,553	82,816	65,439
Cash and cash equivalents	45,876	35,200	33,097
Total current assets	188,203	161,339	144,698
Total assets	342,202	365,781	334,172

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments
4. Share based payments

T.SEK	30 Sep		31 Dec
	2023	2022	2022
EQUITY AND LIABILITIES			
Share capital	9,847	4,391	4,391
Share premium	769,102	676,506	676,505
Share based payment reserve	51	0	0
Translation reserve	23,878	16,971	18,500
Retained earnings	-678,251	-514,999	-594,598
Total equity	124,627	182,869	104,798
Credit institutions	60,194	7,508	6,885
Lease liabilities	24,164	34,782	32,382
Other liabilities	8,631	8,362	8,521
Total non-current liabilities	92,989	50,652	47,788
Current portion of non-current liabilities	17,226	17,321	69,639
Trade payables and other payables	41,734	39,925	27,757
Contract work	33,109	53,601	51,458
Prepayments	1,914	2,331	2,261
Corporation tax	1,167	617	1,120
Other liabilities	29,436	18,465	29,351
Total current liabilities	124,586	132,260	181,586
Total liabilities	217,575	182,912	229,374
Total equity and liabilities	342,202	365,781	334,172

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments
4. Share based payments

Consolidated Changes in Equity

T.SEK	Share capital	Share premium	Other reserves	Translation reserves	Retained earnings incl result for the period	Total equity
Equity 01.01.2022	3,660	581,599	0	7,289	-367,658	224,890
Profit (loss) for the period	0	0	0	0	-147,341	-147,341
Total comprehensive income for the period	0	0	0	9,682	0	9,682
Total comprehensive income for the period	0	0	0	9,682	-147,341	-137,659
Transactions with owners in their capacity as owners						
Increase in share capital	731	101,831	0	0	0	102,562
Increase in share capital, costs	0	-6,925	0	0	0	-6,925
Fair value adjustment, convertible loan	0	0	0	0	0	0
	731	94,906	0	0	0	95,637
Equity 30.09.2022	4,391	676,505	0	16,971	-514,999	182,868
Equity 01.10.2022	4,391	676,505	0	16,971	-514,999	182,868
Profit (loss) for the period	0	0	0	0	-80,483	-80,483
Total comprehensive income for the period	0	0	0	1,529	0	1,529
Total comprehensive income for the period	0	0	0	1,529	-80,483	-78,954
Transactions with owners in their capacity as owners						
Increase in share capital, costs	0	0	0	0	884	884
	0	0	0	0	884	884
Equity 31.12.2022	4,391	676,505	0	18,500	-594,598	104,798
Equity 01.01.2023	4,391	676,505	0	18,500	-594,598	104,798
Profit (loss) for the period	0	0	0	0	-83,653	-83,653
Share based payments	0	0	0	0	0	51
Total comprehensive income for the period	0	0	0	5,378	0	5,378
Total comprehensive income for the period	0	0	51	5,378	-83,653	-78,224
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
	5,456	92,597	0	0	0	98,053
Equity 30.09.2023	9,847	769,102	51	23,878	-678,251	124,627

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments
4. Share based payments

Consolidated Cash Flow

T.SEK	Q3		Q1-Q3		Full year
	2023	2022	2023	2022	2022
Profit (loss) before tax	-32,672	-123,430	-83,391	-151,194	-232,939
Reversal of financial items	15,661	-1,086	16,188	-437	944
Depreciation, amortization and impairments	7,254	28,200	51,453	44,127	74,507
Non-cash items	-10,004	50,298	-5,838	22,976	21,307
Changes in inventories	2,971	-4,295	-16,163	-4,939	-6,849
Changes in trade receivables	457	-19,736	-5,386	-2,269	14,849
Changes in other receivables	13,210	16,774	-3,039	-8,043	-8,768
Changes in trade and other payables	1,714	22,830	-15,149	-18,154	-24,029
Cash flow from primary operating activities	-1,409	-30,445	-61,325	-117,933	-160,978
Received interest financials	-1,533	0	139	0	22
Paid interest financials cost	-2,580	-739	-7,016	-2,072	-2,587
Tax received	0	0	0	0	6,037
Tax paid	-149	-127	-353	-1,391	-1,560
Cash flow from operating activities	-5,671	-31,311	-68,555	-121,396	-159,066
Investments in intangible assets (before grants)	-1,168	-9,991	-7,258	-28,093	-40,706
Investments in leasehold improvement, plant and equipment	-11	-4,648	-880	-9,029	-9,552
Deposit paid	537	281	-30	-257	-260
Government grants	2	1,252	159	5,636	5,696
Cash flow from investing activities	-640	-13,106	-8,009	-31,743	-44,822
Free cash flow	-6,311	-44,417	-76,564	-153,139	-203,888
<i>Financing from debt:</i>					
Borrowings	741	0	57,332	0	53,593
Repayment of borrowings	216	-972	-56,783	-2,832	-4,012
Payment of lease liabilities	-3,126	-3,816	-9,237	-9,022	-12,370
	-2,169	-4,788	-8,688	-11,854	37,211
<i>Financing from shareholders::</i>					
Capital increase	0	0	101,321	102,562	102,562
Capital increase, costs	-97	0	-3,269	-6,924	-6,925
	-97	0	98,052	95,638	95,637
Cash flow from financing activities	-2,266	-4,788	89,364	83,784	132,848
Net cash flow for the period	-8,577	-49,205	12,800	-69,355	-71,040
Cash and cash equivalents, beginning of the period	54,639	67,240	33,097	83,516	83,516
Unrealized exchange rate gains and losses on cash	-186	919	-21	4,884	4,319
Change in bank deposit for security	0	2,028	0	1,937	16,302
Cash and cash equivalents, end of the period	45,876	20,982	45,876	20,982	33,097
<i>Reconciliation of cash and cash equivalents</i>					
Cash and cash equivalents according to the balance sheet	45,876	35,200	45,876	35,200	33,097
Bank deposit	0	-14,218	0	-14,218	0
Cash and cash equivalents according to the cash flow statement	45,876	20,982	45,876	20,982	33,097

Notes without reference

- Accounting policies
- Significant accounting estimates and judgments
- Share based payments

Parent Company Income

T.SEK	Q3		Q1-Q3		Full year
	2023	2022	2023	2022	2022
Revenue	9,384	9,863	29,726	30,461	40,678
Gross profit	9,384	9,863	29,726	30,461	40,678
Administrative costs	-12,947	-38,224	-35,151	-61,831	-108,529
Other operating income	780	0	780	0	0
Operating profit (loss)	-2,783	-28,361	-4,645	-31,370	-67,851
Write down of investment in subsidiaries	0	-7,009	0	-7,009	-365,608
Finance income	-3,441	1,156	737	2,504	3,591
Finance expenses	-19	31	-7,832	-17	-1,354
Profit (loss) before tax	-6,244	-34,183	-11,740	-35,892	-431,222
Tax	0	0	0	0	0
Profit (loss) for the period	-6,244	-34,183	-11,740	-35,892	-431,222
Profit (loss) is attributable to:					
Owners of GomSpace Group AB	-6,244	-34,183	-11,740	-35,892	-431,222
	-6,244	-34,183	-11,740	-35,892	-431,222
Comprehensive income					
Profit (loss) for the period	-6,244	-34,183	-11,740	-35,892	-431,222
Total comprehensive income for the period	-6,244	-34,183	-11,740	-35,892	-431,222

Notes without reference

1. Accounting policies
2. Significant accounting estimates and judgments
4. Share based payments

Parent Company Financial Position

T.SEK	30 Sep		31 Dec
	2023	2022	2022
ASSETS			
GomSpace A/S	160,141	348,166	160,141
GomSpace Sweden AB	0	29,499	0
GomSpace Orbital ApS	0	0	0
GomSpace Luxembourg S.à r.l.	20,320	35,911	20,320
GomSpace Asia PTE Ltd	2,142	2,142	2,142
GomSpace North America LLC	1,105	1,105	1,105
GomSpace France SAS	106	105	105
Investments in subsidiaries	183,814	416,928	183,813
Total non-current assets	183,814	416,928	183,813
Receivables from subsidiaries	34,194	131,057	10,193
Tax receivable	101	101	55
Other prepayments	345	1,197	932
Other receivables	1,564	0	31
Receivables	36,203	132,355	11,211
Cash and cash equivalents	41,049	1,529	16,100
Total current assets	77,253	133,884	27,311
Total assets	261,067	550,812	211,124
EQUITY AND LIABILITIES			
Share capital	9,847	4,391	4,391
Share premium	765,814	673,218	673,217
Retained earnings	-534,508	-128,322	-522,768
Total equity	241,153	549,287	154,840
Current part of non-current liabilities	156	0	52,930
Payables to subsidiaries	14,241	0	0
Trade payables and other payables	5,516	1,236	2,844
Total current liabilities	19,914	1,525	56,284
Total liabilities	19,914	1,525	56,284
Total equity and liabilities	261,067	550,812	211,124

Notes without reference

- Accounting policies
- Significant accounting estimates and judgments
-
- Share based payments

Notes

1. Accounting policies

Basis of preparation

The interim consolidated financial statements for the second quarter of 2023 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 2022. Any changes from the Annual Report 2022 are described below.

Key ratios definitions

Gross margin	=	$\frac{\text{gross profit}}{\text{revenue}}$	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	=	$\frac{\text{operating profit}}{\text{revenue}}$	The ratio shows the group's operational profitability after depreciation and write-downs.
Net margin	=	$\frac{\text{profit}}{\text{revenue}}$	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	Q3		Q1-Q3		Full year
	2023	2022	2023	2022	2022
Gross profit	10,078	-53,958	4,187	-25,330	-51,119
Revenue	67,706	18,102	196,131	147,720	198,379
Gross margin	15%	-298%	2%	-17%	-26%
Operating profit (EBIT)	-17,011	-124,516	-67,203	-151,631	-231,995
Revenue	67,706	18,102	196,131	147,720	198,379
Operating (EBIT) margin	-25%	-688%	-34%	-103%	-117%
Profit (loss) for the year	-34,243	-122,239	-83,653	-147,341	-227,824
Revenue	67,706	18,102	196,131	147,720	198,379
Net margin	-51%	-675%	-43%	-100%	-115%
Profit (loss) for the year LTM	-249,873	-143,656	-249,873	-143,656	-227,824
Total Assets	342,202	365,781	342,202	365,781	334,172
Return on invested capital LTM	-73%	-39%	-73%	-39%	-68%
Profit (loss) for the year LTM	-249,873	-143,656	-249,873	-143,656	-227,824
Average equity LTM	153,748	201,057	153,748	201,057	164,844
Return on equity LTM	-163%	-71%	-163%	-71%	-138%
Equity	124,627	182,869	124,627	182,869	104,798
Total Assets	342,202	365,781	342,202	365,781	334,172
Equity ratio	36%	50%	36%	50%	31%
Profit (loss) for the year	-34,243	-122,239	-83,653	-147,341	-227,824
Number of outstanding shares basic and diluted, average	140,669	62,730	101,699	59,809	60,547
Earnings per share, basic, SEK	-0.24	-1.95	-0.82	-2.46	-3.76
Profit (loss) for the year	-34,243	-122,239	-83,653	-147,341	-227,824
Number of outstanding shares diluted, average	140,669	62,730	140,699	62,730	62,730
Earnings per share, diluted, SEK	-0.24	-1.95	-0.59	-2.35	-3.63
Inventories	-63,774	-43,323	-63,774	-43,323	-46,162
Contract work	-32,522	-25,388	-32,522	-25,388	-29,264
Trade receivables	-28,600	-34,561	-28,600	-34,561	-19,954
Other prepayments	-4,208	-5,572	-4,208	-5,572	-4,033
Other receivables	-5,973	-6,216	-5,973	-6,163	-5,290
Trade payables and other payables	41,734	39,925	41,734	39,925	27,757
Contract work	33,109	53,601	33,109	53,601	51,458
Prepayments	1,914	2,331	1,914	2,331	2,261
Other liabilities	29,436	18,465	29,436	18,465	29,351
Net working capital	-28,884	-738	-28,884	-738	6,124

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 2022. 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 2023 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 3 of the annual consolidated financial statements of 2022.

3. Revenue

T.SEK	Business areas				Total
	Academia	Commercial	Defence	Science	
Jan-Sep 2023					
Geographical					
Sweden	0	-67	0	0	-67
Denmark	0	7,834	0	0	7,834
Europe (excluding Sweden and Denmark)	2,136	69,990	741	94,372	167,239
USA	2,858	7,953	20	-3	10,828
Asia	1,511	2,160	0	1,395	5,066
Rest of the world	862	-19	4,388	0	5,231
	7,367	87,851	5,149	95,7664	196,131
Jan-Sep 2022					
Geographical					
Sweden	0	277	0	673	950
Denmark	0	1,287	253	0	1,540
Europe (excluding Sweden and Denmark)	998	77,606	1,358	26,915	106,877
USA	692	10,127	747	235	11,801
Asia	2,050	5,441	0	1,721	9,212
Rest of the world	241	191	16,908	0	17,340
	3,981	94,929	19,266	29,544	147,720
Jan-Sep 2023					
Major goods/service lines					
Revenue from satellite solutions (over time)	1,161	50,419	4,904	94,848	151,332
Revenue from platforms, payloads and, subsystems (over time)	6,206	37,432	245	916	44,799
	7,367	87,851	5,149	95,764	196,131
Jan-Sep 2022					
Major goods/service lines					
Revenue from satellite solutions (over time)	1,270	54,527	17,710	28,260	101,767
Revenue from platforms, payloads, and subsystems (over time)	2,711	40,402	1,556	1,284	45,953
	3,981	94,929	19,266	29,544	147,720
Jan-Sep 2023					
Order book					
Order backlog 1 January 2023	6,771	88,917	6,385	306,583	408,656
Currency adjustment	200	4,237	354	7,569	12,360
Order intake	5,017	52,228	1,365	33,789	92,399
Canceled orders	0	0	0	-215,030	-215,030
Converted to revenue	-7,366	-87,850	-5,149	-95,766	-196,131
Order backlog 30 September 2023	4,622	57,533	2,955	37,145	102,254
Jan-Sep 2022					
Order book					
Order backlog 1 January 2022	5,213	179,111	20,220	335,421	539,965
Currency adjustment	-3,328	-6,376	3,103	-5,318	-11,919
Order intake	7,442	112,473	5,603	12,549	138,067
Cancelled orders	-508	-79,992	0	-792	-81,292
Converted to revenue	-3,981	-94,929	-19,267	-29,544	-147,720
Order backlog 30 September 2022	4,838	110,287	9,659	312,316	437,101

4. Share-based payment

The Board of Directors of GomSpace Group AB (parent company of GomSpace A/S) obtained approval to implement a share-based incentive program (equity-settled share-based payment transactions) in the form of a warrant scheme offered to the CEO and CFO of the group. The warrants give participants the right to purchase newly issued shares in GomSpace Group AB.

In Q2 2023 a total of 648,000 warrants were approved and granted to the CEO and CFO. On 31 May 2023 GomSpace Group AB granted the warrants. The share-based payment transaction is accounted for as an equity-settled share-based payment scheme in GomSpace A/S. The warrants vest in five equal annual instalments commencing on the 1 June 2024, with the final installment vesting on 1 June 2028. The warrants can be exercised within certain exercise windows between 1 June 2026 and 31 December 2028. 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 recognized in employee benefits expense, together with a corresponding increase in equity (Other reserves), over the period in which the service conditions are fulfilled (the vesting period). The cumulative expense recognized 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 recognized at the beginning and end of that period.

The financial statements of GomSpace Group AB, as principal to the share-based payment transaction, will recognize 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.

A management recharge based on the grant date fair value of the warrants is accrued over the vesting period of the share-based payment. The accrued recharge is 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 recognized in the income statement.

The total expense recognized in the income statement for the quarter related to the warrant schemes was T.SEK 51.

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)
Expected future dividend (SEK per share)	0
Volatility	73,8%
Risk free interest rate	3,53%
Life of warrant	65 months
Share price at grant date (SEK per share)	1,41
Exercise price (SEK per share)	2,70
Fair value at grant date (SEK per warrant)	0,71
Outstanding warrants 30 September 2023	648,000
Quantity shares 30 September 2023	648,000

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. There are currently no exercisable warrants.

	No. warrants 2023
Outstanding at 1 January	0
Granted	648,000
Forfeited	0
Exercised	0
Expired	0
Outstanding at 30 September	648,000
Exercisable at 30 September	0

Please refer to minutes from AGM on 31 May 2023 for further information about the warrant program (https://gomspace.com/UserFiles/Minutes_AGM_GomSpace_31_May_2023.pdf).

Financial Calendar

Interim report October-December 2023

20 February 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 September 2023 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, 16 November 2023

Executive Board

Carsten Drachmann
CEO

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.

