REDEYE

GomSpace Group
Research Update

GomSpace (H1 Review): Guidance Intact, Receivable Risk Eases

Redeye returns with a broadly unchanged outlook following GomSpace's H1 2026 report, which showed continued growth (+30% y/y) with profitability broadly in line with our forecast, though revenue landed modestly below expectations on softer order intake. We make only minor adjustments to our estimates — trimming FY26e revenue and EBITDA by 2% and 1%, respectively, while raising our FY27e growth expectations slightly — with margins broadly maintained. We also flag a meaningfully reduced receivable risk, with the disputed customer balance cut by around 22% to SEK114m during H1. We leave our fundamental DCF-based valuation (Base case) unchanged, while GomSpace now scores as 'Fairly Priced' on Redeye's new proprietary Value Score, implying a Fair value of about SEK13 per share.

Summary of H1

GomSpace reported H1'26 revenue of SEK239m (+30% y/y), slightly below our SEK254m forecast, with EBITDA of SEK25.5m (11% margin) and EBIT of SEK7.9m broadly in line, driven by Products while National & Defense Solutions remains pre-revenue. Free cash flow was SEK-103m, but cash strengthened to SEK184m after Hargreaves' warrant exercise lifted the equity ratio to 41%. The large past-due receivable was also cut by ~22% to SEK114m. Further, the full-year guidance was reiterated.

Forecast revisions

GomSpace reported H1'26 revenue of SEK239m (+30% y/y), slightly below our SEK254m forecast, with EBITDA of SEK25.5m (11% margin) and EBIT of SEK7.9m broadly in line, driven by Products while National & Defense Solutions remains pre-revenue. Free cash flow was SEK-103m as planned, but cash strengthened to SEK184m after Hargreaves' warrant exercise lifted the equity ratio to 41%. The large past-due receivable was also cut by ~22% to SEK114m.

Valuation - Fairly valued

Following the H1 2026 report, we have made only minor adjustments to our estimates. Our fundamental valuation (Base Case) remains intact at ~SEK12 per share using a DCF valuation method. Our new relative valuation motivates ~SEK15 per share. Our new fair value, which combines the two valuation methodologies, values GomSpace at SEK12.9 per share based on our base case assumptions, indicating a fairly priced stock.

Market Edge Scores

→ GomSpace Group is considered Fairly Priced compared to our estimated Fair Value of 12.9 SEK. For more details, refer to the Valuation section of this report. The stock currently has a Very weak Momentum, based on 7 indicators and ranked against the broader market.

Value Score: 3 - Fairly Priced

Fair Value: 12.9 SEK

Current price: 11.48 SEK (Upside +12%)

Momentum Score: 1 - Very weak

Current ranking: 9/100

Against all the market stocks

This data is a static snapshot per 2026-08-31. To access real-time Market Edge scores and notifications read more and download our app here.

Key Financials							
SEKm	2022	2023	2024	2025	2026e	2027e	2028e
Total Revenue	198.4	237.8	257.0	441.8	586.4	741.5	898.8
Revenue Growth	-7.1%	19.9%	8.1%	71.9%	32.7%	26.4%	21.2%
EBITDA	-157.6	-25.4	-25.2	41.1	68.0	117.8	157.7
EBITDA Margin	-79.5%	-10.7%	-9.8%	9.3%	11.6%	15.9%	17.5%

Redeye Quality Rating

Performance VS OMXS30

Share Information	
Share Price SEK	11.42
Number of shares (M)	173.5
Marketplace	First North Stockholm
CEO	Carsten Drachmann
Chairman	Stefan Gardefjord

Key Stats	
Market Cap	1.9bn SEK
Entprs. Value (EV)	1.9bn SEK
Net Debt (2026Q1)	-6.1m SEK
30 Day Avg Vol	443 K
Dividend Yield	N/A

Top Holders

Name	Ownership
The Hargreaves Family No. 14	42.91%
Hansen & Langeland ApS	8.12%
Lars Krogh Alminde	1.53%
Flemming Frits Grothe Jensen	0.9%
Tidal Investments LLC	0.77%
Danica Pension	0.76%
Sparekassen Kronjylland - General Client Account	0.59%
Troels Dalsgaard Nørmølle	0.56%
Polar Design Oy	0.48%
Steen Hansen	0.41%

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More research on GomSpace Group

Scan the QR code to access all Redeye publications and research tools regarding GomSpace Group.

EBIT	-232.1	-84.4	-64.8	9.7	34.5	79.1	110.8
EBIT Margin	-117%	-35.5%	-25.2%	2.2%	5.9%	10.7%	12.3%
Net Income	-216.7	-93.2	-86.9	-16.5	71.6	97.8	125.8
EV/Sales	0.9	1.8	2.2	6.2	3.2	2.3	1.8
EV/EBIT	-0.7	-5.2	-8.9	284	53.9	21.8	14.8
EV/EBITDA	-1.1	-17.3	-22.9	66.8	27.4	14.7	10.4
P/E	-0.6	-4.8	-7.0	-173	27.6	20.2	15.7

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Summary of H1 2026

GomSpace reported H1'26 revenues of SEK239.4m, slightly below our forecast of SEK254m. Revenues were driven primarily by Satellite Systems (SEK124m), followed by Products (SEK107m), with the newly reported Advanced Missions segment contributing SEK31m in its first half as a stand-alone unit. National & Defense Solutions reported no external revenue, as expected given the segment remains in an investment phase. Order intake amounted to SEK258m for H1 (-18% y/y; Q2 alone: SEK141m, -45% y/y), driven by Satellite Systems and Products; the order backlog stood at SEK415m at period-end (30 June 2026), up from SEK390m at the end of Q1 but down from SEK464m a year earlier. EBITDA of SEK25.5m (11% margin) was modestly above forecast, driven by Products (SEK24.0m adjusted EBITDA) and Advanced Missions (SEK11.1m); Satellite Systems delivered a narrow margin (SEK2.5m) despite larger volumes, and National & Defense Solutions weighed on margins (SEK-9.7m). Free cash flow was SEK-103m for H1 (Q2 alone: SEK-43m, a modest y/y improvement), reflecting working capital investment as the company scales. Cash position stood at SEK184m at period-end, up from SEK29m a year ago, following Peter Hargreaves' warrant exercise, which lifted the equity ratio from 32% to 41%.

Comments on operations

- Headcount grew to 255 average FTEs (from 199 a year ago), reflecting continued scaling, including new hires into National & Defense Solutions and Advanced Missions.
- Order backlog of SEK415m at period-end (+SEK28m q/q) is described by management as solid and supportive of H2 activity levels; order intake outpaced revenue in Q2, which management flagged as the key driver of the backlog build, even though order intake growth has slowed (-18% y/y in H1) as orders convert to revenue faster than before.
- Largest-ever single Products order (a "KIT" satellite-building kit deal) contributed SEK34m of the SEK50m H1 Products revenue; management expects Products revenue to stay lumpy quarter-to-quarter as more large-ticket orders like this land alongside the steady EUR5-10k transactional business.
- Advanced Missions' strong H1 EBITDA (SEK11.1m) was described by the CEO as "happenstance" tied to specific project execution/mix rather than a repeatable margin level — likely to normalize lower in Q3.
- Company continues to see "favorable market conditions" and highlights growing opportunities in sovereign national/defense infrastructure as a strategic focus for its Solutions business; management explicitly stated GomSpace intends to be a consolidator, not a consolidation target, at this stage.
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2026 Financial Guidance & focus ahead

Guidance update: reiterated, unchanged from Q1.

The financial guidance was reiterated in the quarterly presentation:

- Revenue: 540 to 640 M.SEK
- EBITDA margin: 5% to 12%
- Free cash flow: Negative for the full year 2026, reflecting planned scaling investments

Management notes the outlook is based on continued execution of the current order backlog, expected order intake across business units, and timely delivery of major projects, and reiterated its focus on scaling the Products business, preparing for higher-volume satellite deliveries, building end-to-end solutions for Nations/Defense/Civil customers, and capturing a larger share of EU/national space budgets.

Focus areas ahead

1. Focus on increasing Product Business - leverage its already strong position here is rational, also because it’s a nice and easy business with relatively high profitability. The company will continue to develop its portfolio ahead, improving lead times, etc.
2. Prepare to deliver satellites in high volumes - Some customers are in need of large volumes, with relatively short lead times. The company will work to gradually scale up capacity in order to take on larger customers and deals.
3. Create end-to-end solutions for Nations, Defense & Civil. This is a significant demand that has grown rapidly in recent years. GomSpace will work to enable end-to-end solutions for customers, rather than being a part of the value chain, to unlock new deals.
4. Capture part of the EU and National Space budgets - Budgets have increased significantly, as space has become an important domain of interest. We find raised budgets in Europe, for example. German EUR35bn space defense spending by 20230, which is on top of already significant programs for space exploration, etc

Unpaid receivables

The large past-due receivable, which stood at SEK145m at year-end 2025 and was unchanged as of the Q1 report, has been reduced by around 22% to SEK114m at 30 June 2026. Per the CEO on the conference call, this reduction was achieved mainly by reusing the underlying collateralized material (satellites/components the customer has not paid for) on other projects, rather than through cash payment — the company received only around SEK2.3m in actual cash from the customer during H1. GomSpace continues to physically control the collateralized assets, which is why no write-down has been taken. Separately, as of 1 August 2026 (a subsequent event, per the put/call agreement triggered when the customer had not paid by that date), GomSpace holds full ownership of a total of 30,202 shares in the customer — received as delay compensation, bonus and payment shares under the security and custody agreement. A fair value gain of SEK21.2m on these shares was recognized as non-cash financial income in H1.

Management was explicit that these shares are a separate "upside"/bonus, not a security replacing the underlying receivable, and gave no guarantee of their future value: they are marked using the customer's own latest funding-round reference price (~$949/share, translating to roughly SEK250+ per share today), but could be worth nothing if the customer's capital raise fails, or more if it succeeds. The customer remains in an ongoing, reportedly large fundraising process; the CEO said he is in daily contact with the customer and its investors and remains confident the balance will ultimately be settled, though he gave no timeline. Separately, a smaller SEK27m receivable from a second past-due customer is pending completion of a government approval/funding process; management expects this to be settled and considers it recoverable. We view this as a positive development that reduces the receivable's cash-value exposure — the company has both retained its underlying collateral and gained an uncapped, unguaranteed equity-linked upside — and does not eliminate the receivable-related risk flagged since Q4'25, but softens it.

Key takeaways from the H1 2026 conference call

- H1 EBITDA margin 11% (SEK25m), positive EBIT, and a positive net profit of SEK28m — Drachmann repeatedly stressed this beats the ~14-15% market growth rate and that GomSpace is doing 30% while staying profitable, unlike much of the industry.
- FY2026 guidance reiterated unchanged (SEK540-640m revenue, 5-12% EBITDA margin); Drachmann explicitly declined to narrow the range, citing unpredictable timing of large orders. Cash flow remains negative as planned, driven by scaling investment.

Receivable risk — incrementally de-risked, but CEO gave more color than the note

- Confirmed the ~22% reduction to SEK114m via material reuse/collateral, not cash. GomSpace now holds full ownership of 30,202 shares in the customer (worth ~SEK250 today from conf. call) as a put-option-style compensation — convertible back to cash once the customer completes its fundraising.
- New color from the call: Drachmann says he's in daily contact with the customer and its major investors, "knows where the CEO is," and is confident of resolution but won't name the company to protect its capital raise. No write-down has been or will be taken since the assets (satellites) are controlled as collateral.

Order intake softness downplayed

- Order intake of SEK240m in H1 was flagged as lower than Q2 last year, but management framed it positively: intake still exceeded quarterly revenue, pushing the order backlog up (external backlog +SEK28m q/q to ~SEK134m internally counted across segments). Notable new orders: two more Unseenlabs MicroSats (SEK50m) and the largest-ever single KITS (DIY satellite kit) order at SEK47m.

National & Defense Solutions is the swing factor to watch

- Still zero external revenue (investment phase) but explicitly named as the segment with "the big-ticket items" and the best medium-term opportunity — expected to eventually carry better margins than Satellite Systems given its value-based (vs. tendered) selling model.
- Segment margin color: Products remains the highest-margin, highest-R&D unit; Satellite Systems margins are structurally capped by competitive tendering; Advanced Missions' strong Q2 contribution was called project-specific/not repeatable, with the unit's margin expected to normalize lower next quarter.

New/underappreciated growth optionality raised on the call

- Ukraine: a joint venture (with STETMAN) to build a Ukrainian sovereign satellite constellation/operator model, explicitly compared to a "Ukrainian-run Starlink" that could later sell services more broadly across Europe (Danish government floated as a potential future buyer). First demonstrator satellite has completed vibration testing and is headed to the launch site, targeting a SpaceX/Starlink rideshare launch in early October. EU funding is described as available; the bottleneck is standing up the Ukrainian operator entity.
- Germany: called out a EUR35bn (recently expanded to EUR42bn) government space-for-defense investment program; GomSpace says it's more mature than most local German competitors and is in active talks with a "large prime" — no contracts yet, pipeline-stage only.
- Indonesia: confirmed still alive (commercial contract valid, no end date) but gated on Denmark-to-Indonesia government financing — no new timeline given.

- Indra/Startical (Spain air-traffic satellite program): GomSpace's satellite is flying/tested; funding still depends on Startical (Indra/Spanish airport authority JV) closing its own financing — GomSpace could remain a subsystem supplier even if Indra vertically integrates further.

Balance sheet / other

- Equity ratio strengthened to 41% (from 32%) after Peter Hargreaves converted warrants to shares rather than selling — reduces the negative P&L drag that share-price-linked warrant revaluations had been causing.
- Headcount continues to scale (255 avg FTEs vs. 199 a year ago; ~10 people now in the US), and a new large vibration table was purchased to support bigger satellites — flagged as part of why cash flow is negative and a signal the company is investing ahead of larger contracts.
- CEO declined to comment on the volatile share price (down ~33% YTD, ~43% vs index YTD per current data), reiterating a policy of not talking the stock and pointing instead to fundamentals and pipeline growth as the answer.

Estimate changes

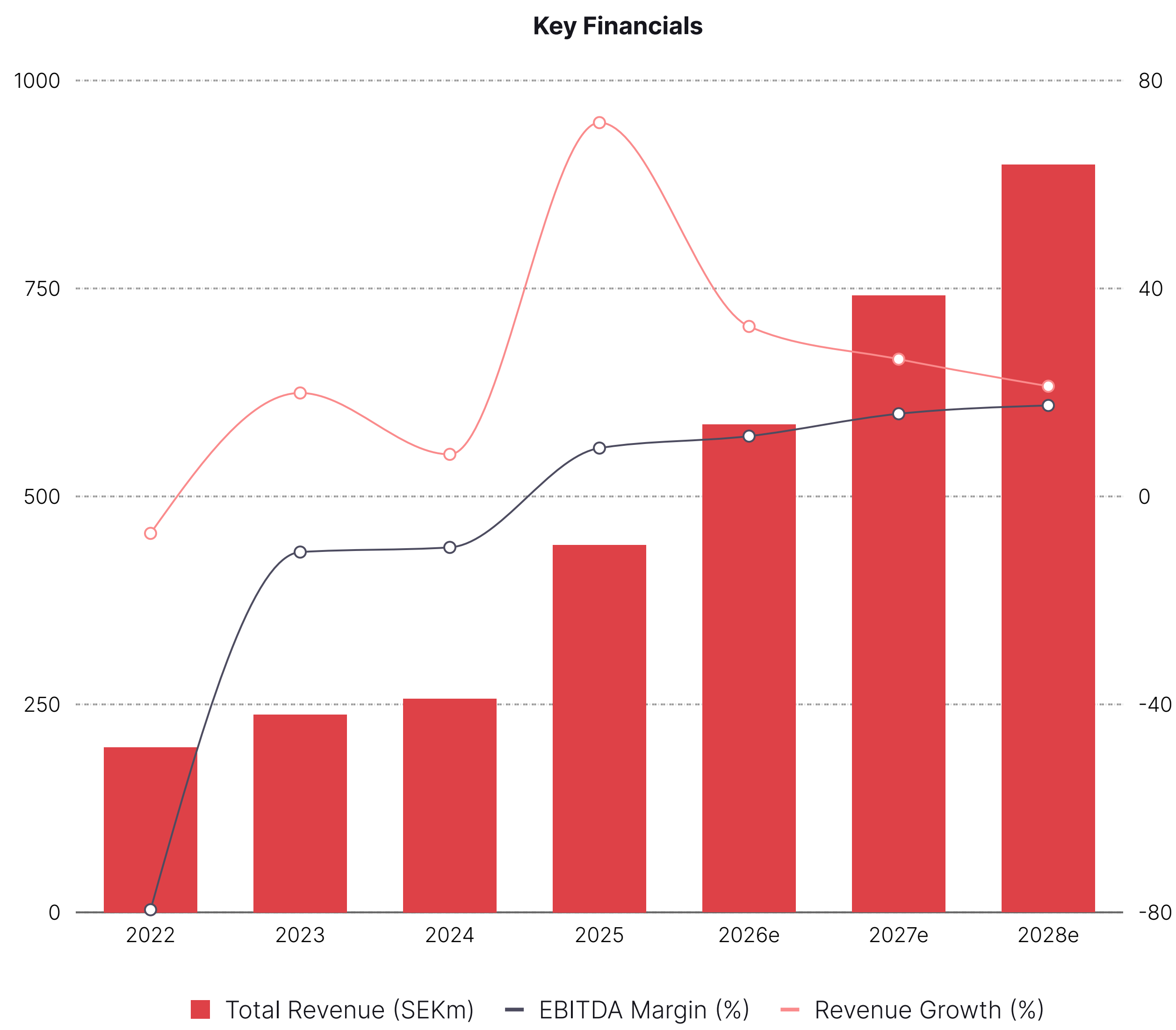
We trim our near-term financial forecast, lowering revenue by about 2% for FY26e while leaving FY27e broadly unchanged, and trimming our EBITDA projections by around 1% for FY26e and 3% for FY27e, reflecting the softer order intake and backlog conversion seen in H1. Our 2026 expectations now imply around 33% growth y/y, still within the company's guided range, alongside a modest margin improvement to around 12% on the EBITDA level. We expect business momentum to continue into 2027 with around 26% growth — slightly ahead of our previous estimate, as the similar absolute 2027 revenue now converts off a lower 2026e base — while EBITDA and EBIT margins are broadly maintained. The growth is backed by the current order backlog totaling around SEK415m at the end of H1'26.

GomSpace: Estimate changes

SEKm	2026e	Old	*Change*	2027e	Old	*Change*
Revenue	**586**	**601**	*-2%*	**741**	**744**	*0%*
EBITDA	**68**	**69**	*-1%*	**118**	**122**	*-3%*
EBIT	**35**	**35**	*-1%*	**79**	**83**	*-5%*
Revenue growth y/y	33%	36%	*3 p.p*	26%	24%	*2 p.p.*
EBITDA margin	12%	11%	*0.4 p.p.*	16%	16%	*0 p.p.*
EBIT margin	6%	6%	*0 p.p.*	11%	11%	*0 p.p.*

Source: Redeye Research

Estimates



GomSpace Estimates - Base case scenario

SEKm	2024	H1'25	H2'25	2025	H1'26	H2'26e	2026e	2027e
Revenue	**257**	**185**	**257**	**442**	**239**	**347**	**586**	**741**
Cost of goods sold	-181	-113	-177	-290	-129	-215	-344	-437
Gross profit	**76**	**71**	**80**	**152**	**111**	**132**	**242**	**304**
Sales, distribution and admin costs	-43	-64	-60	-123	-88	-92	-179	-194

Development costs	-17	-8	-11	-19	-15	-14	-29	-31
Administrative costs & other*	-81	0	0	0	0	0	0	0
Total OPEX	-141	-71	-71	-142	-103	-105	-208	-225
EBITDA	**-25**	**16**	**25**	**41**	**24**	**44**	**68**	**118**
D&A	-40	-16	-16	-31	-16	-17	-33	-39
EBIT	**-65**	**0**	**10**	**10**	**8**	**27**	**35**	**79**
Net financials	-27	-14	-14	-27	17	17	33	19
Net income	**-87**	**-13**	**-4**	**-17**	**28**	**43**	**72**	**98**
Revenue growth y/y	8%	59%	83%	72%	30%	35%	33%	26%
Gross margin	29%	39%	31%	34%	46%	38%	41%	41%
EBITDA margin	-10%	9%	10%	9%	10%	13%	12%	16%
EBIT margin	-25%	0%	4%	2%	3%	8%	6%	11%

*Source: Redeye Research, *Reporting changed in H1'25, now consolidated*

GomSpace Estimates - Base case scenario

SEKm	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26e	Q3 26e	Q4 26e
Revenue	**89**	**96**	**112**	**146**	**127**	**113**	**155**	**192**
EBITDA	**9**	**7**	**11**	**15**	**11**	**13**	**20**	**25**
D&A	-8	-8	-8	-8	-9	-9	-9	-9
EBIT	**1**	**-1**	**3**	**6**	**3**	**4**	**11**	**16**
Revenue growth y/y	77%	45%	93%	76%	43%	17%	39%	32%
EBITDA margin	10%	7%	10%	10%	9%	12%	13%	13%
EBIT margin	1%	-1%	3%	4%	2%	4%	7%	8%

Source: Redeye Research

Valuation

Fair Value
Weighted average
12.9 SEK

=

Fundamental Value (Base Case)
80% Weight
12.3 SEK

+

Relative Value (Base case)
20% Weight
15.3 SEK

Above Valuation data is a static snapshot per 2026-08-31.

Our valuation consists of two parts: Fundamental Value and Relative Value. Those two parts are aggregated into a Fair Value, based on a weighting defined by the analyst.

Fundamental Value: Based on our analyst's forecasts and normally a cash flow based valuation method such as DCF (Discounted Cash Flow) or SoTP (Sum of the Parts). Prepared in 3 scenarios - Pessimistic, Base and Optimistic - to highlight potential outcomes and margin of safety.

Relative Value: Based on a set of peer companies and relevant comparison multiples selected by our analysts. A fair multiple is calculated based on premiums or discounts for growth and profitability.

Uncertainty Range: The analyst also sets an Uncertainty Range to the Fair Value, affecting the Value Score and what we define as “Fairly Priced” (Value Score = 3). The wider the range - The bigger upside is required to move the score into a 4 or 5.

Fundamental value (Base Case)

We value GomSpace using a DCF model covering 2025-2040e, applying an 10.5% WACC derived from our rating model. The rating remains unchanged following the report. Our Base Case represents the most likely scenario. The growth trajectory is significant and averages 22% for 2025-2030e, followed by 11% CAGR for 2030e-2040e. We expect solid profitability with an EBITDA margin od 18% on average between 2026-2040, followed by a terminal EBITDA margin 16%.

GomSpace - Base case scenario

Assumptions		**DCF Value**	
Sales CAGR 2025 - 2030e	22%	WACC	10.5%
Sales CAGR 2030e - 2040e	11%	Net present value of FCF	1,412
		Net present value of term v.	778
Average EBITDA margin 2026e - 2040e	18%	**EV (discounted FCF)**	
Average EBIT margin 2026e - 2040e	10%	Net cash SEKm	6
Terminal year	2039	Equity value	2,195
Terminal growth	2%	**Estimated fair value**	**12**
Terminal EBITDA margin	16%		
		Current share price	11.6
		Potential/risk	**7%**

Source: Redeye Research

Base case - sensitivity analysis					
Terminal EBITDA Margin	WACC				
1234.4%	8.5%	9.5%	10.5%	11.5%	12.5%
18%	18	15	13	12	10
17%	18	15	13	11	10
16%	17	14	12	11	10
15%	16	14	12	10	9
14%	15	13	11	10	9

Relative valuation

Based on the EV/EBIT multiples of its peers, a relative valuation indicates a value of ~SEK 15 per share. GomSpace is currently trading at 27x EBITDA, or 54x EBIT for 2026, followed by 15x EBITDA for 2027 or 22x EBIT. This is below is slightly below the average in its peer group, which currently trades around 55x EBIT on NTM figures. Observe that its quite a wide gap between Nordic peers (which we foremost use), which trades a lower multiples, relative to European and US peers trading substantially higher. As about 50% of the shares in GomSpace is owned by non-nordic, we believe it's fair to add the European/US perspective as well. Currently the market sets high expectations on its future growth and profit trajectory, motivated by the turnaround delivered during the last two years.

Fair value

Our fair value combines the two methods and indicates a valuation of SEK 12.9 per share, indicating and an fairly priced stock.

Investment Thesis

Case

Positioned for Takeoff

GomSpace develops and manufactures micro and nanosatellites, satellite components, and turnkey solutions for satellite programs for customers within Science, Academia, Government, and Commercial sectors.
Following a decade of investments in R&D and production facilities, GomSpace now has a solid foundation for future profitable growth.The recent global security situation has accelerated investments in defense and surveillance, where satellites will be a critical part of the infrastructure. This aligns well with GomSpace's key focus area of Marine Domain Awareness. In this segment, GomSpace is an established partner, and we believe its Scandinavian heritage rhymes well in many tenders. Its position in this segment is proven by its long-term partnership with Unseen Labs and the significant deal with the Indonesian government of ~SEK650m, which offers large upside potential as it is currently not included in the order backlog.
As use and business cases for satellite services are maturing by becoming more accessible and commercially viable, the need for reliability in delivery and functionality is becoming critical. GomSpace is, due to its long heritage, well positioned to become one of the key trusted suppliers in the industry with an underlying market growth of around 10-30%, depending on the subsegment. Given its position, we expect a growth CAGR of around 24% for the coming five years.
We forecast stepwise margin improvements over the course of the coming years driven by higher sales volumes and improved gross margins as capacity utilization increases and product mix improves. We expect normalized medium-term EBITDA margins in the range of 15-20% if the company can scale up cost efficiency while the underlying market demand remains strong.

Evidence

I: Well-positioned

GomSpace has an established position in the market today with a market share of around 5-10%. It has an extensive record of around 20 years of flight heritage in space and has supplied more than 60 customers globally, many of them renowned, adding confidence to its attractive value proposition. It has a customer-centered focus which is reflected in both R&D and value proposition, offering either turnkey service for satellite constellations or components for those who prefer building their own satellites. Our research indicates that GomSpace is on par with its competitors in terms of technology, with no significant gaps that would hinder its future growth.

Supportive Analysis

The company is well positioned for future growth opportunities following a decade of significant investments in R&D and production facilities, now giving a solid foundation to enter a profitable growth phase without requiring significant incremental investments. Its historic profitability has been depressed, following an opportunistic growth focus. But following the strategic shift in 2023, we now see several reasons why margins should continue to improve going forward. I) the company has terminated historic contracts with low contribution margins and improved its contractual process ii) it has reorganized its organization and business units while proving during 2024 that it could achieve more with fewer personnel and costs iii) gross margins have improved sequentially and reach adj. levels of 37% in Q4’24, which we expect will be further strengthened by improved product mix with a higher degree of product revenues iiii) We find the company now being able to reach 15-20% EBITDA margins in the medium term driven by economies of scale. We argue that the step-by-step process of improving profitability will be the key indicator for GomSpace in the coming years.

Challenge

Competitive industry

GomSpace operates in a highly competitive and fast-changing environment which potentially could harm the company’s ability to grow and reach attractive margins.

Business risks

GomSpace’s program business that delivers satellite constellations can be challenging from several perspectives. Partly, the risks of cost overruns in projects, but also facing significant lead times and volatility in financials. The company also has a relatively low degree of recurring revenue even if some revenues could be considered recurring once a customer replaces satellites that have reached the end of life.

Valuation

Valuation as of Q2 2026

Fundamental value The growth trajectory is significant and averages 22% for 2025-2030e, followed by 11% CAGR for 2030e-2040e. We expect solid profitability with an EBITDA margin od 18% on average between 2026-2040, followed by a terminal EBITDA margin 16%.

Relative valuation Based on the EV/EBIT multiples of its peers, a relative valuation indicates a value of ~SEK 15 per share. GomSpace is currently trading at 27x EBITDA, or 54x EBIT for 2026, followed by 15x EBITDA for 2027 or 22x EBIT. This is below is slightly below the average in its peer group, which currently trades around 55x EBIT on NTM figures.

Fair value Our fair value combines the two methods and indicates a valuation of SEK 12.9 per share, indicating and an attractively priced stock.

Redeye Quality Rating

Company Quality

Company Quality is based on a set of quality checks across three categories; PEOPLE, BUSINESS, FINANCE. These are the building blocks that enable a company to deliver sustained operational outperformance and attractive longterm earnings growth.

Each category is grouped into multiple sub-categories assessed by five checks. These are based on widely accepted and tested investment criteria and used by demonstrably successful investors and investment firms. Each sub-category may also include a complementary check that provides additional information to assist with investment decision-making.

If a check is successful, it is assigned a score of one point; the total successful checks are added to give a score for each sub-category. The overall score for a category is the average of all sub-category scores, based on a scale that ranges from 0 to 5 rounded up to the nearest whole number. The overall score for each category is then used to generate the size of the bar in the Company Quality graphic.

People

4

At the end of the day, people drive profits. Not numbers. Understanding the motivations of people behind a business is a significant part of understanding the long-term drive of the company. It all comes down to doing business with people you trust, or at least avoiding dealing with people of questionable character. character.

The People rating is based on quantitative scores in seven categories: categories:

1. Passion 2. Execution 3. Capital Allocation 4. Communication 5. Compensation 6. Ownership 7. Board

GomSpace scores four out of five in the people section. We see a business-oriented management that has shown strong execution capabilities during its relatively short tenure with GomSpace, which previously had a turbulent history. We argue that the recent performance, making a successful turnaround while now targeting profitable growth have been impressive. Moreover, the company has a long-term-oriented board, and a large shareholder in the Hargreaves family adds stability. The score is so far impacted limited by the new management being relatively short-tenured in GomSpace, compared to our high standards of longevity. Moreover, an increased insider ownership from the management group could positively impact the score but in essence, four out of five is a solid score.

Business

3

If you don't understand the competitive environment and don't have a clear sense of how the business will engage customers, create value and consistently deliver that value at a profit, you won't succeed as an investor. Knowing the business model inside out will provide you some level of certainty and reduce the risk when you buy a stock.

The Business rating is ased on quantitative scores in seven categories:

1. Business Scalability 2. Market Structure 3. Value Proposition 4. Economic Moat 5. Operational Risks

GomSpace scores three out of five in the business section. We find that GomSpace benefits from strong secular tailwinds that support growth in the satellite industry. We like the niche market focusing on surveillance and signal intelligence, especially marine domain awareness where we expect strong demand while the company has a proven track record. Due to the solid underlying growth trends, we also see that the company faces competition in a fast-changing market with heavy R&D spending, which limits its relatively score. GomSpace works with large satellite program contracts that historically have been challenging to make money on, due to cost overruns while also facing potential delays. The company have recently improved this factors significantly, while due to its history, the company's score is limited to a three at this point.

Redeye Quality Rating

Financials

2

Investing is part art, part science. Financial ratios make up most of the science. Ratios are used to evaluate the financial soundness of a business. Also, these ratios are key factors that will impact a company's financial performance and valuation. However, you only need a few to determine whether a company is financially strong or weak.

The Financial rating is based on quantitative scores that are grouped into five separate categories:

1. Earnings Power 2. Profit Margin 3. Growth Rate 4. Financial Health 5. Earnings Quality

Despite its troubled financial past the company has med solid improvements during the two last years, indicating agile management that have improved cost management and improved operational efficiency. The company is now profitability and likely to to become sustainably cash flow-positive on operational level during the year.

The company's financial track record is soft when zooming out beyond the last year. The company have been loss making during its history as a listed company which negatively impacts its relative score. Moreover, the company have come to the stock market to raise capital several times during the last years which have delivered negative returns to investors (setting aside the most recent capital raise). To reach a high score, the company needs to consequently deliver positive profitability and cash flow.

Rating Distribution

Redeye Covered Companies

Rating	People	Business	Financials
5	7	7	0
3-4	128	112	50
0-2	7	23	92
Companies	142	142	142

Disclaimer

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Financials

Income Statement				
SEKm	**2024**	**2025**	**2026e**	**2027e**
Net Sales	257.0	441.8	586.4	741.5
Other Income	0.0	0.0	0.0	0.0
Total Revenue	257.0	441.8	586.4	741.5
Cost of Sales	-181.2	-290.1	-343.9	-437.5
Gross Profit	75.8	151.7	242.5	304.0
Operating Expenses	-140.7	-142.0	-208.0	-224.9
EBITDA	-25.2	41.1	68.0	117.8
Depreciation and Amortization	-39.7	-31.4	-33.5	-38.6
EBIT	-64.8	9.7	34.5	79.1
Net Financial Items	-27.1	-27.1	33.1	18.6
EBT	-91.9	-17.4	67.6	97.8
Income Tax Expenses	5.0	0.90	4.0	0.0
Net Income	-86.9	-16.5	71.6	97.8

Balance Sheet				
SEKm	**2024**	**2025**	**2026e**	**2027e**
Assets				
Non-current assets				
Property, Plant and Equipment (Net)	8.8	12.1	16.2	20.0
Goodwill	0.0	0.0	0.0	0.0
Intangible Assets	87.6	104.0	117.0	125.0
Right-of-Use Assets	42.1	32.1	32.1	32.1
Other Non-Current Assets	5.0	4.7	4.7	4.7
Total Non-Current Assets	143.4	152.9	169.9	181.8
Current assets				
Inventories	39.2	67.6	117.3	103.8
Accounts Receivable	49.5	234.1	258.0	222.4
Other Current Assets	12.0	32.0	23.5	29.7
Cash Equivalents	82.5	209.1	285.3	418.5
Total Current Assets	183.3	542.9	684.0	774.4
Total Assets	326.7	695.8	854.0	956.2
Equity and Liabilities				
Non-current liabilities				
Long Term Debt	51.5	93.6	93.6	93.6
Long Term Lease Liabilities	37.8	29.4	29.4	29.4
Other Non-Current Lease Liabilities	19.2	77.2	77.2	77.2
Total Non-Current Liabilities	108.5	200.1	200.1	200.1
Current liabilities				
Short Term Debt	0.0	0.0	75.5	75.5
Short Term Lease Liabilities	0.0	0.0	0.0	0.0
Accounts Payable	17.5	81.7	82.1	59.3
Other Current Liabilities	177.4	218.5	228.8	256.0
Total Current Liabilities	194.9	300.2	386.4	390.9
Equity	23.2	195.5	267.4	365.2
Total Liabilities and Equity	326.7	695.8	854.0	956.2

Cash Flow				
SEKm	**2024**	**2025**	**2026e**	**2027e**
Operating Cash Flow	38.3	-29.6	50.8	183.7
Investing Cash Flow	-16.9	-50.5	-50.5	-50.5
Financing Cash Flow	-8.2	212.2	75.9	0.0
Cash Flow For The Period	15.0	134.7	76.2	133.2

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