

GOMSPACE

1 OCTOBER – 31 DECEMBER 2022
AND 1 JANUARY – 31 DECEMBER 2022

FOURTH QUARTER OF 2022

- Order intake was T.SEK 27,880 (286,667)
- The customer of the large suspended customer project has terminated the contract and consequently withdrew the performance guarantees of T.SEK 17,577
- Net revenues decreased to T.SEK 50,659 (81,125)
- Gross margin decreased to negative 51% (38%) due to the cancelled large customer project and spillover effects
- Operating profit (EBIT) decreased to negative T.SEK 80,364 (negative 3,958)
- Earnings per share were negative SEK 1.28 (negative 0.07)

FULL YEAR OF 2022

- Order intake decreased to T.SEK 165,947 (552,959)
- Net revenues decreased to T.SEK 198,379 (213,605)
- Gross margin decreased to negative 26% (23%) due to the cancelled large customer project and spillover effects
- Operating profit (EBIT) decreased to negative T.SEK 231,995 (negative 29,524)
- Earnings per share were negative SEK 3.76 (negative 0.52)
- The Board proposes not to pay dividends for 2022

OUTLOOK 2022

- We reached our revised full-year revenue outlook of M.SEK 190-250 with full-year revenue of M.SEK 198
- We did not meet the revised outlook for the EBIT margin of -90% to -70%, with an EBIT margin of -117%, primarily due to the customer's withdrawal of the performance guarantees

OUTLOOK 2023

- We expect to generate M.SEK 250-290 in revenue, including Third-Party low margin revenue
- We expect the EBIT margin to be -25% to -15%

EVENTS DURING THE QUARTER AND SUBSEQUENT EVENTS

- We signed a Memorandum of Understanding (MoU) in November with HEMERIA and CS Group. The partnership aims to demonstrate the potential of joining forces to develop solutions based on each party's expertise
- We and ESA agree not to proceed to the third phase of a development contract valued at MSEK 20 due to the high content of non-recurring engineering
- In December, we initiated a cost-reduction program, including a reduction of 70 employees with a full-year cost-saving effect of MSEK 60 to accommodate the current activity level
- In January, the Chairman of the Board of Directors, Jens Maaløe, resigned due to health issues, and CEO Niels Buus will step down. Vice-chair of the Board of Directors, Jukka Pertola, will take over as Chairman of the Board and CFO Troels Dalsgaard will take over as interim CEO

FINANCIAL SUMMARY

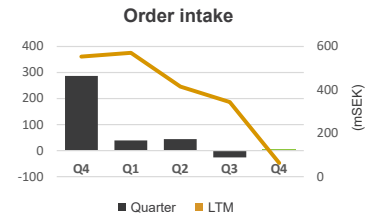
T.SEK	Q4			Full year		
	2022	2021	▲%	2022	2021	▲%
Orders received	27,880	286,667	-90%	165,947	552,959	-70%
Net revenue	50,659	81,125	-38%	198,379	213,605	-7%
Gross profit	-25,789	31,050	-183%	-51,119	49,016	-204%
Gross margin	-51%	38%	-89 pp.	-26%	23%	-49 pp.
Operating profit (EBIT)	-80,364	3,958	2130%	-231,995	-29,524	-686%
- As a percentage of revenues	-159%	5%	-164 pp.	-117%	-14%	-103 pp.
Profit (loss) before tax	-81,745	3,229	2632%	-232,939	-31,191	-647%
- As a percentage of revenues	-161%	4%	-165 pp.	-117%	-15%	-102 pp.
Profit (loss) for the period	-80,483	3,685	2284%	-227,824	-27,327	-734%
- As a percentage of revenues	-159%	5%	-164 pp.	-115%	-13%	-102 pp.
Cost of goods sold	76,448	50,075	53%	249,498	164,589	52%
- As a percentage of revenues	151%	62%	89 pp.	126%	77%	49 pp.
Sales and distribution costs	8,457	8,017	5%	63,297	24,912	154%
- As a percentage of revenues	17%	10%	7 pp.	32%	12%	20 pp.
Development costs	36,194	9,218	293%	73,945	22,106	235%
- As a percentage of revenues	71%	11%	60 pp.	37%	10%	27 pp.
Administrative costs	9,994	9,963	0%	43,765	31,711	38%
- As a percentage of revenues	20%	12%	8 pp.	22%	15%	7 pp.

Balance sheet items

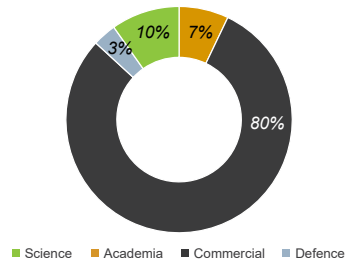
Intangible assets		122,305	131,383	-7%
Property, plant and equipment		62,375	49,446	26%
Working capital		6,124	6,550	-7%
Net cash and cash equivalents		33,097	99,271	-67%
Equity		104,798	224,890	-53%
Liabilities		226,647	170,910	33%

Financial Performance

T.SEK	Business areas				Total
	Academia	Com-mercial	Defence	Science	
Order backlog 1 January 2022	5,213	179,111	20,220	335,421	539,965
Currency adjustment	-3,328	-6,377	3,103	-5,318	-11,920
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	-94,928	-19,267	-29,544	-147,720
Order backlog 30 September 2022	4,838	110,287	9,659	312,316	437,100
Currency adjustment	191	12,221	-183	3,888	16,117
Order intake	4,332	19,854	0	3,694	27,880
Cancelled orders	0	-20,504	0	-1,278	-21,782
Converted to revenue	-2,590	-32,941	-3,091	-12,037	-50,659
Order backlog 31 December 2022	6,771	88,917	6,385	306,583	408,656



Order intake Jan-Dec 2022 split per business areas



Order intake and backlog

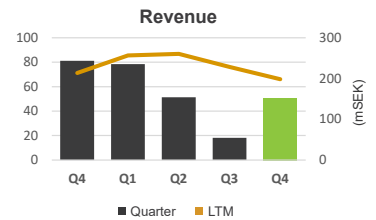
Order intake for 2022 decreased to T.SEK 165,947 (552,959), due to low order intake from sales of satellite solutions.

Order intake from platforms, payloads and subsystems has improved in the fourth quarter, with a total order intake of T.SEK 21,936 (15,698) and T.SEK 77,796 (56,792) in 2022. One of the main orders from platforms, payloads and subsystems is the D-Orbit SpA order of T.SEK 9,052 for the P60 power systems and batteries.

For satellite solutions, we agreed with ESA to cancel the third part of a deep space project put on hold since 2021 amounted to T.SEK 20,108 due to the high content of non-recurring engineering.

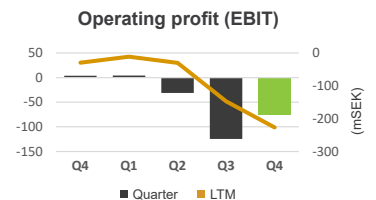
Revenue and operating profit (EBIT)

In the fourth quarter of 2022, revenue decreased 38% to T.SEK 50,659 (81,125) and decreased 7% to 198,379 (213,605) in 2022. In 2022, the largest proportion of revenue stemmed from non-recurring engineering rather than recurring engineering, resulting in a low gross margin for the year.



In the fourth quarter, the revenue from satellite solutions decreased to T.SEK 35,427 (64,426) and T.SEK 137,194 (170,278) in 2022. The decrease in the fourth quarter is continual of the spillover effect from the large customer project cancellation causing re-estimation of specific customer projects that had unexpected events and needed more resources than anticipated.

In the fourth quarter of 2022, the customer to the suspended large customer project terminated the contract and withdraw the performance guarantees of T.SEK 17,577. This has been recognised as cost in the income statement. In 2022, the cancelled large customer project negatively affected revenues by T.SEK 17,678 and a loss provision for receivable in Sales and distribution costs of T.SEK 39,228. The spillover effects from the large customer project's cancellation negatively affected revenue with T.SEK 34,936 and recognised a provision for loss of T.SEK 21,376 as cost. Hence total impact was T.SEK 52,614 on revenue and T.SEK 110,969 on EBIT.



In the fourth quarter, the revenue from platforms, payloads and subsystems decreased to T.SEK 15,232 (16,699) but increased to T.SEK 61,185 (43,327) for 2022. It has positively affected the margin due to improved capacity utilisation and increased activity level.

The negative impact of cancelling the large customer project and re-estimating other specific projects has caused a decrease in gross margin.

Revenue related to new customers represented 12% compared to 28% of revenue in Q4 2021. For 2022, revenue related to new customers represented 7% (27%).

In the fourth quarter, operating profit (EBIT) decreased to a negative T.SEK 80,364 (+3,958) and a negative 231,995 (-29,524) for 2022. The cost of goods sold and development costs are negatively affected by a write-down of development projects and goodwill of T.SEK 34,309 and inventory of T.SEK 2,189 as a consequence of the yearly impairment test performed because we have re-evaluated our plans and focused on the new Investment Product Development plan. The impairment mainly relates to the development of the propulsion systems, and we do not intend to finalize and sell the assets as it is not anymore part of the product development plan.

Employees	Q4 2021		Q1 2022		Q2 2022		Q3 2022		Q4 2022	
Technology	117	65%	123	64%	123	63%	130	63%	140	65%
Manufacturing	37	20%	42	22%	47	24%	49	24%	45	21%
Sales and distribution	11	6%	10	5%	9	5%	9	4%	12	6%
Administration	16	9%	16	8%	17	9%	18	9%	18	8%
Number of employees	181	100%	191	100%	196	100%	206	100%	215	100%
Number of full-time employees	155		183		182		185		192	



The number of employees in Q4 2022 increased to 215 (181), corresponding to 192 (155) full-time employees. To accommodate the current activity level, mainly caused by the cancelled large customer project, we initiated, in December 2022, a reduction in staff of just below 30 employees, corresponding to a full-year cost saving of approx. M.SEK 20. In January 2023, the last planned reduction of just above 40 employees was executed, corresponding to a full-year cost saving of approx. M.SEK 40. The staff reductions will have a full effect from the second half of 2023 with a saving of M.SEK 30 in 2023.

Additional Non-GAAP information describing the effect of the cancelled customer project and related one-off effects

T.SEK	Oct-Dec 2022	Cancellation of large customer project	Spillover effects	Non-GAAP Financial Measures Oct-Dec 2022
Net revenue	50,659		-9,008	59,667
Cost of goods sold	-76,448	-12,495	-12,546	-51,407
Gross profit	-25,789	-12,495	-21,554	8,260
<i>Gross margin</i>	<i>-51%</i>			<i>14%</i>
Sales and distribution costs	-8,457			-8,457
Development costs	-36,194	-5,082	-15,630	-15,481
Administrative costs	-9,994			-9,994
Other operating income	70			70
Operating profit (EBIT)	-80,365	-17,577	-37,184	-25,602
<i>- As a percentage of revenues</i>	<i>-159%</i>			<i>-43%</i>

T.SEK	Jan-Dec 2022	Cancellation of large customer project	Spillover effects	Non-GAAP Financial Measures Jan-Dec 2022
Net revenue	198,379	-17,678	-34,936	250,993
Cost of goods sold	-249,498	-12,495	-35,591	-201,412
Gross profit	-51,119	-30,173	-70,527	49,581
<i>Gross margin</i>	<i>-26%</i>			<i>20%</i>
Sales and distribution costs	-63,297	-39,228		-24,069
Development costs	-73,945	-5,082	-22,284	-46,579
Administrative costs	-43,765			-43,765
Other operating income	131			131
Operating profit (EBIT)	-231,995	-74,483	-92,811	-64,701
<i>- As a percentage of revenues</i>	<i>-117%</i>			<i>-26%</i>

The Non-GAAP Financial information illustrates the underlying performance without the one-off effect from the large customer project's cancellation and the related spillover effects, such as re-estimation of specific customer projects and impairment of investment projects and inventory.

In the fourth quarter of 2022, the pro forma operating profit (EBIT) was negatively affected by T.SEK -54,762. In December 2022, the customer to the large terminated customer project had withdrawal performance guarantees of T.SEK 17,577. The significant loss has caused other spillover effects, such as the write-down of goodwill, propulsion investment projects and related inventory components not being part of the product development plan.

In 2022, the Non-GAAP pro forma revenue increased to T.SEK 250,993 (213,605). The gross margin is lower compared to last year, mainly due to the re-estimation of specific customer projects with a high degree of non-engineering work.

The Non-GAAP pro forma operating profit (EBIT) decreased to a negative T.SEK 64,701 (-29,524). The operating profit (EBIT) is still underperforming compared to our expectations at the beginning of the year, with an EBIT margin to be better than -15%.

Cash flow

The working capital is positive T.SEK 6,124 (6,727) end of 2022. The net cash flow was negative during the fourth quarter at T.SEK 1,685 (29,778) and negative 71,040 (-39,537) for 2022.

Cash flow from primary operating activities was negative T.SEK 43,045 (35,884) in the fourth quarter of 2022 and negative T.SEK 160,978 (1,538) in 2022. The performance guarantees related to the cancelled large customer projects have been withdrawal and affected the cash position negatively by T.SEK 17,577. In 2022 we experienced an increased tendency for customer projects to be delayed and causing delays in customer

Cash flow from investing activities has increased to T.SEK 13,079 (6,266) in the fourth quarter of 2022 and 44,822 (25,806) in 2022. The increase in investments in leasehold improvements and equipment is due to office equipment for the new office space in Luxembourg.

Cash from financing activities amounts to T.SEK 49,064 (-3,726) in the fourth quarter of 2022 and T.SEK 132,848 (-16,932) for 2022. Cash from financing is positively affected with T.SEK 53,593 from the convertible loan from shareholders, board of directors and management in November. An amount of T.SEK 95,895 relates to the directed share issue in March.

Cash and cash equivalents at the end of Q4 2022 were T.SEK 33,097 (83,516).

Financing

In the first quarter of 2023, we expect to receive the first tranche of M.EUR 5 from the credit facility from the European Investment Bank (EIB) and rights issue of M.SEK 100 to 125, where the loan amount of M.SEK 53.6 is expected to be converted to new shares.

Risks

The Group is exposed to credit risks and other financial risks, such as market risks, including foreign exchange, interest, and liquidity risks. International tensions have increased since the beginning of 2022 and escalated dramatically after mid-February following Russia's invasion of Ukraine. These events have created some turmoil and heightened volatility in capital markets. The ongoing war in Ukraine has not so far affected operations.

In addition to the risks on pages 18-20 in the Annual Report for 2021, risks related to non-recurring engineering have increased.

Risks related to non-recurring engineering

Our ability to execute customer- and product development projects according to planned scope, cost, and time. During 2022, we experienced an increased tendency for customer projects to be delayed and increased costs to complete the projects, leading to decreased earnings and delays in customer payments. Earnings fluctuations are likely from quarter to quarter, mainly due to sizeable non-recurrent engineering projects with a lower gross margin and increased R&D activities, and may also occur in the future. The impact could be increased costs of goods sold and investment costs, resulting in weakened margins and delayed customer payments and revenue.

Parent Company

The asset's value in GomSpace Sweden AB, GomSpace Luxembourg S.A.R.L. and GomSpace A/S is lower than the cost price giving an impairment of T.SEK 365,608 and a provision for loss of receivables of T.SEK 60,421 in GomSpace Group AB.

Additions in investments in subsidiaries mainly comprise debt converting to equity in GomSpace A/S, GomSpace Luxembourg, and GomSpace Sweden of T.SEK 150,197.

Ownership

As of 31 December 2022, The Hargreaves Family No. 14 was the largest shareholder (19.22%), followed by Hansen & Langeland ApS (8.37%) and Longbus Holding ApS (1.95%). The number of shareholders as of 31 December was 11,153.

Outlook

2022 expectation and realised financials

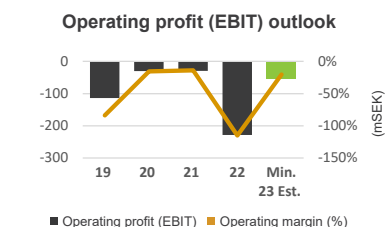
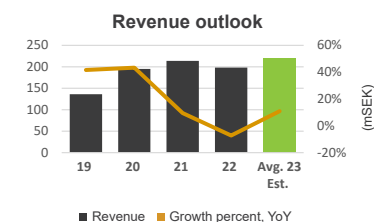
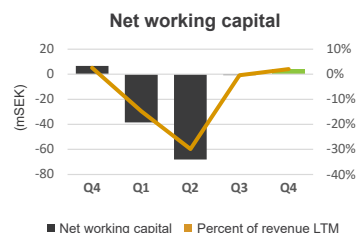
We reached our revised full-year revenue outlook for 2022, announced on 7 October 2022, of M.SEK 190-250 with full-year revenue of M.SEK 198. The original outlook of M.SEK 264 to 292 was not met mainly due to the cancelled large customer project.

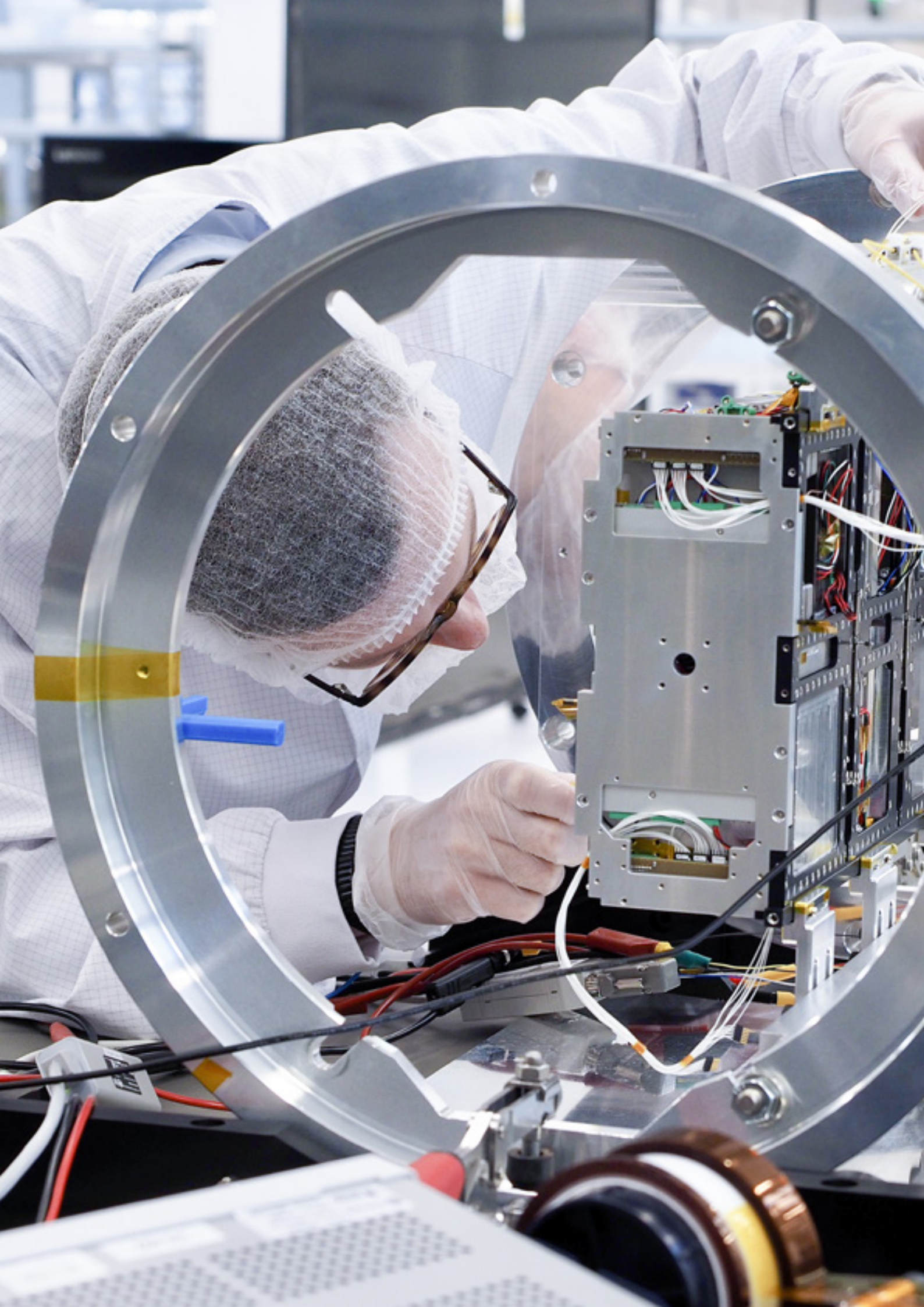
We did not meet the revised outlook for the EBIT margin of -90% to -70%, with an EBIT margin of -115%. Primarily due to the customer's withdrawal of the performance guarantees, which increased costs.

2023 expectations and assumptions

We expect to generate M.SEK 250-290 in revenue, including Third-Party revenue with low earnings. The mix of future revenue is increased sales of platforms, payloads and subsystems and decreased direct revenue from sales of satellite solutions. The increase in gross revenue is mainly due to Third-Party low-margin revenue.

We expect the EBIT margin to be -25% to -15%, primarily due to the continuation of the significant product development program (R&D) cost that exceeds the gross profit of the current revenue mix.





Group - Key Figures and Ratios

T.SEK	Q4		Full year	
	2022	2021	2022	2021
KEY FIGURES				
Net revenue	50,659	81,125	198,379	213,605
Gross profit	-25,789	31,050	-51,119	49,016
Operating profit (EBIT)	-80,364	3,958	-231,995	-29,524
Net financial items	-1,381	-729	-944	-1,667
Profit (loss) before tax	-81,745	3,229	-232,939	-31,191
Profit (loss) for the period	-80,483	3,685	-227,824	-27,327
Investments in PPE	523	197	9,552	1,962
Total assets	331,445	395,800	331,445	395,800
Equity	104,798	224,890	104,798	224,890
Total liabilities	226,647	170,910	226,647	170,910
RATIOS				
Gross margin (%)	-51%	38%	-26%	23%
Operating (EBIT) margin (%)	-159%	5%	-117%	-14%
Net margin (%)	-159%	5%	-115%	-13%
Return on invested capital (%)	-69%	-7%	-69%	-7%
Return on equity (%)	-138%	-12%	-138%	-12%
Equity ratio (%)	32%	57%	32%	57%
Earnings per share, basic, SEK	-1.28	-0.14	-3.76	-0.52
Earnings per share, diluted, SEK	-1.00	-0.14	-3.67	-0.52
Number of outstanding shares basic, average	62,729,763	52,274,803	60,546,859	52,274,803
Number of outstanding shares as of 31 December 2022	62,729,763	52,274,803	62,729,763	52,274,803

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

Consolidated Income

T.SEK	Note	Q4		Full year	
		2022	2021	2022	2021
Net revenue	4	50,659	81,125	198,379	213,605
Cost of goods sold		-76,448	-50,075	-249,498	-164,589
Gross profit		-25,789	31,050	-51,119	49,016
Sales and distribution costs		-8,457	-8,017	-63,297	-24,912
Development costs		-36,194	-9,218	-73,945	-22,106
Administrative costs		-9,994	-9,963	-43,765	-31,711
Other operating income		70	106	131	189
Operating profit (loss)		-80,364	3,958	-231,995	-29,524
Finance income		-774	502	1,900	1,661
Finance expenses		-607	-1,231	-2,844	-3,328
Profit (loss) before tax		-81,745	3,229	-232,939	-31,191
Tax		1,262	456	5,115	3,864
Profit (loss) for the period		-80,483	3,685	-227,824	-27,327
Profit (loss) is attributable to:					
Owners of GomSpace Group AB		-80,483	3,685	-227,824	-27,327
		-80,483	3,685	-227,824	-27,327
Consolidated Comprehensive Income					
Profit (loss) for the period		-80,483	3,685	-227,824	-27,327
Items which may be reclassified to the income statement:					
Foreign exchange rate adjustments		1,528	776	11,211	4,706
Other comprehensive income for the period, net of tax		1,528	776	11,211	4,706
Total comprehensive income for the period		-78,955	4,461	-216,613	-22,621
Total comprehensive income for the period is attributable to:					
Owners of GomSpace Group AB		-78,955	4,461	-216,613	-22,621
		-78,955	4,461	-216,613	-22,621
Earnings per share, basic, SEK		-1.28	-0.14	-3.76	-0.52
Earnings per share, diluted, SEK		-1.00	-0.14	-3.67	-0.52
Number of outstanding shares basic, average		62,729,763	52,274,803	60,546,859	52,274,803
Number of outstanding shares diluted, average		80,243,930	52,274,803	62,038,450	52,274,803

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments
8. Events during the period

Consolidated Financial Position

T.SEK	Note	31 Dec	
		2022	2021
ASSETS			
Goodwill	6	0	3,710
Technology		0	7,800
Completed development projects	6	10,378	21,518
In-process development projects	6	110,014	95,950
Other intangible assets		1,913	2,405
Intangible assets		122,305	131,383
Property, plant, and equipment		18,794	16,245
Right-of-use assets	5	43,581	33,201
Property, plant, and equipment		62,375	49,446
Deferred tax		0	356
Other non-current assets		4,794	4,156
Non-current assets		4,794	4,512
Total non-current assets		189,474	185,341
Raw materials and consumables		46,162	35,961
Inventories		46,162	35,961
Contract work		29,264	34,860
Trade receivables		17,227	27,952
Tax receivable		6,898	5,788
Other prepayments		4,033	4,173
Other receivables		5,290	2,454
Receivables		62,712	75,227
Cash and cash equivalents		33,097	99,271
Total current assets		141,971	210,459
Total assets		331,445	395,800

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments
8. Events during the period

T.SEK	Note	31 Dec	
		2022	2021
EQUITY AND LIABILITIES			
Share capital		4,391	3,660
Other capital contributions		676,505	581,599
Translation reserves		18,500	7,289
Retained earnings incl result for the period		-594,598	-367,658
Total equity		104,798	224,890
Credit institutions		6,885	10,301
Lease liabilities		32,382	23,022
Other liabilities		8,521	10,638
Total non-current liabilities		47,788	43,961
Current portion of non-current liabilities	2	69,639	13,352
Trade payables and other payables		25,030	30,830
Contract work		51,458	59,664
Prepayments		2,261	2,241
Corporation tax		1,120	1,470
Other liabilities		29,351	19,392
Total current liabilities		178,859	126,949
Total liabilities		226,647	170,910
Total equity and liabilities		331,445	395,800

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments
8. Events during the period

Consolidated Changes in Equity

T.SEK	Share capital	Other capital contributions	Translation reserves	Retained earnings incl result for the period	Total equity
Equity 01.01.2021	3,660	581,599	2,583	-340,421	247,421
Total comprehensive income for the period	0	0	4,706	-27,327	-22,621
Total comprehensive income for the period	0	0	4,706	-27,327	-22,621
<i>Transactions with owners in their capacity as owners</i>					
Share-based payments	0	0	0	90	90
	0	0	0	90	90
Equity 31.12.2021	3,660	581,599	7,289	-367,658	224,890
Equity 01.01.2022	3,660	581,599	7,289	-367,658	224,890
Total comprehensive income for the period	0	0	11,211	-227,824	-216,613
Total comprehensive income for the period	0	0	11,211	-227,824	-216,613
<i>Transactions with owners in their capacity as owners</i>					
Increase in share capital	731	101,831	0	0	102,562
Increase in share capital, costs	0	-6,925	0	0	-6,925
Fair value adjustment, convertible loan	0	0	0	884	884
	731	94,906	0	884	96,521
Equity 31.12.2022	4,391	676,505	18,500	-594,598	104,798

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments
8. Events during the period

Consolidated Cash Flow

T.SEK	Q4		Full year	
	2022	2021	2022	2021
Profit (loss) before tax	-81,745	3,229	-232,939	-31,191
Reversal of financial items	1,382	728	945	1,666
Impairment, depreciation and amortizations	30,380	7,926	74,507	32,269
Non-cash items	-1,671	761	21,305	2,111
Changes in inventories	-1,910	-2,662	-6,849	-8,985
Changes in trade receivables	19,846	-13,742	17,577	-4,972
Changes in other receivables	-725	-9,138	-8,768	-14,905
Changes in trade and other payables	-8,602	48,782	-26,756	25,544
Cash flow from primary operating activities	-43,045	35,884	-160,978	1,537
Received interest financials	22	55	22	134
Paid interest financials cost	-515	-1,123	-2,587	-3,118
Tax received	6,037	5,078	6,037	5,121
Tax paid	-169	-124	-1,560	-473
Cash flow from operating activities	-37,670	39,770	-159,066	3,201
Investments in intangible assets (before grants)	-12,613	-7,746	-40,706	-25,521
Investments in leasehold improvement, plant and equipment	-523	-197	-9,552	-1,962
Deposit paid	-3	-9	-260	-9
Government grants	60	1,686	5,696	1,686
Cash flow from investing activities	-13,079	-6,266	-44,822	-25,806
Free cash flow	-50,749	33,504	-203,888	-22,605
<i>Financing from debt:</i>				
Borrowings	53,593	0	53,593	0
Repayment of borrowings	-1,180	-954	-4,012	-5,662
Payment of lease liabilities	-3,348	-2,772	-12,370	-11,270
	49,065	-3,726	37,211	-16,932
<i>Financing from shareholders:</i>				
Capital increase	0	0	102,562	0
Capital increase, costs	-1	0	-6,925	0
	-1	0	95,637	0
Cash flow from financing activities	49,064	-3,726	132,848	-16,932
Net cash flow for the period	-1,685	29,778	-71,040	-39,537
Cash and cash equivalents, beginning of the period	20,982	66,576	83,516	133,608
Unrealized exchange rate gains and losses on cash	-565	1,044	4,319	3,306
Change in bank deposit for security	14,365	-13,882	16,302	-13,861
Cash and cash equivalents, end of the period	33,097	83,516	33,097	83,516
<i>Reconciliation of cash and cash equivalents</i>				
Cash and cash equivalents according to the balance sheet	33,097	99,271	33,097	99,271
Bank deposit	0	-15,755	0	-15,755
Cash and cash equivalents according to the cash flow statement	33,097	83,516	33,097	83,516

Notes without reference

- Accounting policies
- Financial position
- Significant accounting estimates and judgments
- Events during the period

Parent Company Income

T.SEK	Q4		Full year	
	2022	2021	2022	2021
Net revenue	10,217	6,873	40,678	27,494
Gross profit	10,217	6,873	40,678	27,494
Administrative costs	-46,698	-8,760	-108,529	-32,551
Other operating income	0	217	0	217
Operating profit (loss)	-36,481	-1,670	-67,851	-4,840
Write down of investment in subsidiaries	-358,599	0	-365,608	-22,648
Finance income	1,087	663	3,591	3,066
Finance expenses	-1,337	-26	-1,354	-52
Profit (loss) before tax	-395,330	-1,033	-431,222	-24,473
Tax	0	0	0	0
Profit (loss) for the period	-395,330	-1,033	-431,222	-24,473
Profit (loss) is attributable to:				
Owners of GomSpace Group AB	-395,330	-1,033	-431,222	-24,473
	-395,330	-1,033	-431,222	-24,473

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments
8. Events during the period

Parent Company Financial Position

T.SEK	Note	31 Dec	
		2022	2021
ASSETS			
GomSpace A/S	6	160,141	348,166
GomSpace Sweden AB	6	0	36,509
GomSpace Orbital ApS		0	0
GomSpace Luxembourg S.A.R.L.	6	20,320	10,478
GomSpace Asia Pte. Ltd.		2,142	2,142
GomSpace North America LLC		1,105	1,105
GomSpace France SAS		105	0
Investments in subsidiaries		183,813	398,400
Aerial & Maritime Ltd.		0	0
Investments in associates		0	0
Fixed asset investments		183,813	398,400
Total non-current assets		183,813	398,400
Receivables from subsidiaries		10,193	91,975
Tax receivable		55	55
Other prepayments		932	952
Other receivables		31	16
Receivables		11,211	92,998
Cash and cash equivalents		16,100	109
Total current assets		27,311	93,107
Total assets		211,124	491,507
EQUITY AND LIABILITIES			
Share capital		4,391	3,660
Share premium		673,217	578,311
Retained earnings		-522,768	-92,430
Total equity		154,840	489,541
Current part of non-current liabilities	2	52,930	0
Trade payables and other payables		2,844	1,552
Other liabilities		510	414
Total current liabilities		56,284	1,966
Total liabilities		56,284	1,966
Total equity and liabilities		211,124	491,507

Notes without reference

- Accounting policies
- Financial position
- Significant accounting estimates and judgments
- Events during the period

Parent Company Changes in Equity

T.SEK	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.2021	3,660	578,311	-68,047	513,924
Total comprehensive income for the period	0	0	-24,473	-24,473
Share-based payments	0	0	90	90
Total comprehensive income for the period	0	0	-24,383	-24,383
Equity 31.12.2021	3,660	578,311	-92,430	489,541
Equity 01.01.2022	3,660	578,311	-92,430	489,541
Total comprehensive income for the period	0	0	-431,222	-431,222
Increase in share capital	731	101,831	0	102,562
Increase in share capital, costs	0	-6,925	0	-6,925
Fair value adjustment, convertible loan	0	0	884	884
Total comprehensive income for the period	731	94,906	-430,338	-334,701
Equity 31.12.2022	4,391	673,217	-522,768	154,840

Notes without reference

1. Accounting policies
2. Financial position
3. Significant accounting estimates and judgments
8. Events during the period

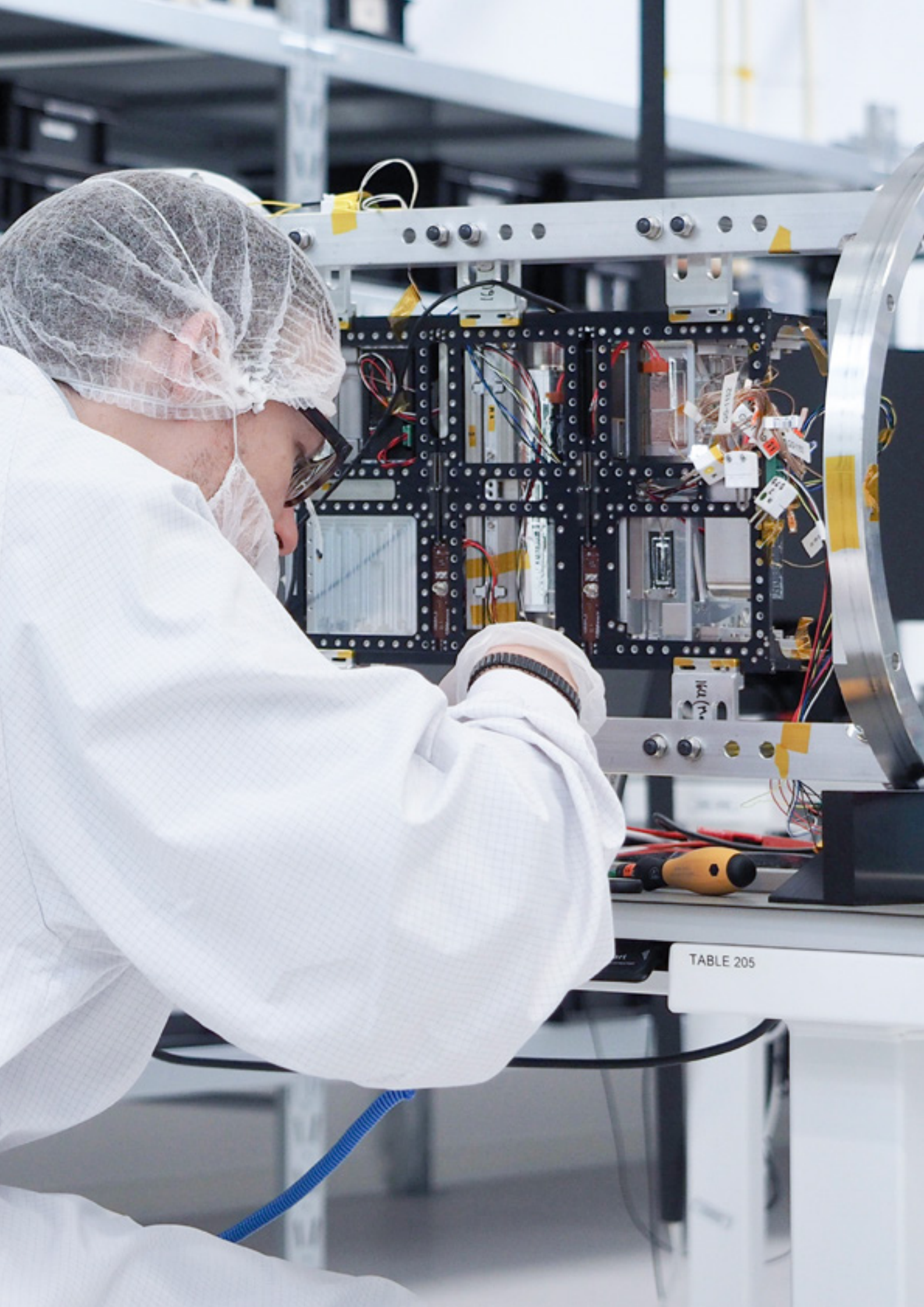


TABLE 205

Notes

1. Accounting policies

Basis of preparation

The interim consolidated financial statements for 2022 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 2021. Any changes from the Annual Report 2021 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	Oct-Dec		Full year	
	2022	2021	2022	2021
Gross profit	-25,789	31,050	-51,119	49,016
Net revenue	50,659	81,125	198,379	213,605
Gross margin	-51%	38%	-26%	23%
Operating profit (EBIT)	-80,364	3,958	-231,995	-29,524
Net revenue	50,659	81,125	198,379	213,605
Operating (EBIT) margin	-159%	5%	-117%	-14%
Profit (loss) for the year	-80,483	3,685	-227,824	-27,327
Net revenue	50,659	81,125	198,379	213,605
Net margin	-159%	5%	-115%	-13%
Profit (loss) for the year LTM	-227,824	-35,288	-227,824	-35,288
Total Assets	331,445	395,800	331,445	395,800
Return on invested capital LTM	-69%	-9%	-69%	-9%
Profit (loss) for the year LTM	-227,824	-35,288	-227,824	-35,288
Average equity LTM	164,844	237,776	164,844	237,776
Return on equity LTM	-138%	-15%	-138%	-15%
Equity	104,798	224,890	104,798	224,890
Total Assets	331,445	395,800	331,445	395,800
Equity ratio	32%	57%	32%	57%
Profit (loss) for the year	-80,483	3,685	-227,824	-27,327
Number of outstanding shares basic and diluted, average	62,730	52,275	60,547	52,275
Earnings per share, basic and diluted, SEK	-1.28	0.07	-3.76	-0.52
Profit (loss) for the year	-80,483	3,685	-227,824	-27,327
Number of outstanding shares diluted, average	80,244	52,275	62,038	52,275
Earnings per share, diluted, SEK	-1.00	0.07	-3.67	-0.52
Inventories	46,162	35,961	46,162	35,961
Contract work	29,264	34,860	29,264	34,860
Trade receivables	17,227	27,952	17,227	27,952
Other prepayments	4,033	4,173	4,033	4,173
Other receivables	5,290	2,454	5,290	2,454
Trade payables and other payables	-25,030	-30,830	-25,030	-30,830
Contract work	-51,458	-59,664	-51,458	-59,664
Prepayments	-2,261	-2,241	-2,261	-2,241
Other liabilities	-29,351	-19,215	-29,351	-19,215
Net working capital	-6,124	-6,550	-6,124	-6,550

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 2021. 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 2022 but do not have an impact on the interim condensed consolidated financial statements of the Group.

2. Financial position

As of 31 december 2022, the cash position is T.SEK 33,097. In November, we entered into a convertible loan agreement for T.SEK 53,593 with the largest shareholder, board members, and members of the executive management. The loan will finance our short-term working capital needs. The convertible loan carries an annual interest rate of five per cent as of 1 April 2023 and matures on 31 December 2023. The loan can be converted in a future share issue (through set-off) to the same terms as offered to other investors, alternatively repaid to the lenders in cash no later than the maturity date of 31 December 2023. The Group and Company's and the lenders' mutual intention is to have the loan amount converted into new shares. Therefore, the Board of Directors intends to initiate a rights issue in spring 2023. For long-term financing, we entered a finance agreement with the European Investment Bank (EIB) of M.SEK 198 in November. The total facility is split into three tranches of (A) M.SEK 55, (B) M.SEK 66, and (C) M.SEK 77, respectively. Each tranche may only be fully utilised and has a five-year maturity date with no amortisations until maturity. The EIB loans will be unsecured except for guarantees provided by certain companies, including GomSpace Group AB.

The interest rate p.a. is 10% for tranche A, 8% for tranche B, and 7% for tranche C. From the date falling twelve months from the signing of the finance contract until the final availability date, a commitment fee at a rate of 1% p.a. is payable by GomSpace in respect of the daily undrawn and uncancelled balance of the credit. If we utilise the facility, the EIB will be entitled to 3,301,566 warrants in GomSpace Group AB in excess of interest on the loan amount. The warrants are split into three tranches. All tranches are conditioned upon the fulfilment of certain conditions, including that GomSpace has sufficient liquidity to pay its debts as they fall due for at least twelve months from the disbursement date of the respective tranche. The funds from the EIB credit facility will facilitate the new product investment plan.

3. 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 beside the description below, the same in the interim condensed consolidated financial statements, as described in note 2 of the annual consolidated financial statements of 2021.

Backlog, Revenue and Trade receivables

During 2022, we have had missing payments from one large commercial customer resulting in a negative cash flow from primary operating activities. We now conclude that the financial exposure amounts to M.SEK 57, of which M.SEK 39 is unpaid invoices, and M.SEK 18 is work-in-progress not yet invoiced. Therefore we have suspended all project work. The reason for the suspension is a significant scope increase. The customer has not been willing to pay for the extra work requested by the customer and performed by GomSpace. In the fourth quarter, the customer terminated the contract and called the performance guarantees of M.SEK 18. We consider it not likely to receive the outstanding amount, so we wrote down the balances in 2022.

4. Revenue

T.SEK	Business areas				Total
	Academia	Commercial	Defence	Science	
Jan-Dec 2022					
Geographical					
Sweden	0	246	0	673	919
Denmark	0	398	256	0	654
Europe (excluding Sweden and Denmark)	1,647	109,292	1,996	38,917	151,852
USA	935	10,610	804	237	12,586
Asia	3,484	7,130	0	1,754	12,368
Rest of the world	505	193	19,302	0	20,000
	6,571	127,869	22,358	41,581	198,379
Jan-Dec 2021					
Geographical					
Sweden	36	989	0	999	2,024
Denmark	0	195	68	0	263
Europe (excluding Sweden and Denmark)	932	106,270	10,962	54,474	172,638
USA	654	15,258	706	488	17,106
Asia	4,726	2,315	0	2,993	10,034
Rest of the world	586	2,001	8,953	0	11,540
	6,934	127,028	20,689	58,954	213,605
Jan-Dec 2022					
Major goods/service lines					
Revenue from satellite solutions (over time)	1,593	74,581	20,736	40,284	137,194
Revenue from platforms, payloads and, subsystems (over time)	4,978	53,288	1,622	1,297	61,185
	6,571	127,869	22,358	41,581	198,379
Jan-Dec 2021					
Major goods/service lines					
Revenue from satellite solutions (over time)	1,727	93,172	17,538	57,841	170,278
Revenue from platforms, payloads, and subsystems (over time)	5,207	33,856	3,151	1,113	43,327
	6,934	127,028	20,689	58,954	213,605
Jan-Dec 2022					
Order book					
Order backlog 1 January 2022	5,213	179,111	20,220	335,421	539,965
Currency adjustment	-3,137	5,844	2,920	-1,430	4,197
Order intake	11,774	132,327	5,603	16,243	165,947
Cancelled orders	-508	-100,496	0	-2,070	-103,074
Converted to revenue	-6,571	-127,869	-22,358	-41,581	-198,379
Order backlog 31 December 2022	6,771	88,917	6,385	306,583	408,656
Jan-Dec 2021					
Order book					
Order backlog 1 January 2021	2,329	30,757	25,558	150,937	209,581
Currency adjustment	-81	2,724	3,290	-8,626	-2,693
Order intake	9,899	274,476	15,514	253,069	552,958
Cancelled orders	0	-1,818	-3,453	-1,005	-6,276
Converted to revenue	-6,934	-127,028	-20,689	-58,954	-213,605
Order backlog 31 December 2021	5,213	179,111	20,220	335,421	539,965

5. Right of use assets (leasing)

Leasing assets		Property	Other fixtures, fittings, tools and equipment	Total
T.SEK				
Group				
Balance at 1 January 2022		30,633	2,568	33,201
Exchange rate adjustment		1,783	259	2,042
Additions		18,848	2,086	20,934
Depreciation		-11,221	-1,375	-12,596
Balance at 31 December 2022		40,043	3,538	43,581
2021				
Balance at 1 January 2021		39,904	2,752	42,656
Exchange rate adjustment		519	52	571
Additions		0	899	899
Depreciation		-9,790	-1,135	-10,925
Balance at 31 December 2021		30,633	2,568	33,201

The weighted rate amounts to 2-4%.

Additions in 2022 mainly consist of new office space in Luxembourg to meet the increased number of employees.

T.SEK	Group	
	31 Dec 2022	31 Dec 2021
Within 0-1 years	13,346	10,174
Within 1-5 years	28,572	23,797
After 5 years	5,180	0
Total non-discounted leasing payments	47,098	33,971
Recognised in balance at 31 December		
Current leasing liability (0-1 years)	12,481	9,823
Non-current leasing liability (after 1 year)	32,382	23,022
	44,863	32,845

T.SEK	Jan-Dec	
	2022	2021
Income statement leasing costs		
Interest costs related to leasing contracts	966	996
Payments related to low-value leasing contracts	1,989	1,337

6. Impairment test

The Group performed an impairment test on 31 December 2022. The Group, as a whole, is identified as a Cash Generating Unit (CGU). The Group's impairment test for goodwill and other assets is based on value-in-use calculations.

Based on the market value of GomSpace Group AB on NASDAQ First North Premier in Stockholm as of 31 December 2022 (M.SEK 192), management assesses there is headroom between the recoverable amount and the carrying amount of goodwill, intangible and tangible assets as of 31 December 2022.

Furthermore, management has prepared impairment tests based on the discounted cash flow model reflecting the financial targets for the coming five-year period, market reports on future growth, and technology trends. Management applies a five-year period to reflect the long-term approach to customers' purchasing decisions. Cash flows beyond the five-year period are extrapolated using an estimated growth rate. The value-in-use assessment is based on the discounted cash flow model disclosed in the annual consolidated financial statements for the year ended 31 December 2021. There are significant changes to the key assumptions for terminal revenue, which decreased to M.SEK 503 (766), the EBIT ratio decreased to 10% (22%), the investments decreased to M.SEK 36 (46), and the discounting factor (WACC) decreased to 9.9% (11.3%). There are no significant changes to the growth rate.

The impairment test also shows a headroom between the recoverable amounts and the carrying amounts of goodwill and intangible and tangible assets on 31 December 2022, similar to 31 December 2021.

Considering secondary factors such as plans for intangible assets are idle and changes in client demand for the product/software and reviewing against the portfolio of investment projects. We do see the need for impairment of T.SEK 34,309. These assets, mainly related to the development of the propulsion systems, are no longer part of the new product development plan, and we do not have the intention to finalize and sell the assets. The write-down of assets in GomSpace Sweden has caused a write-down of goodwill amounted to T.SEK 3,710.

Impairment test of investment in subsidiaries in GomSpace Group AB

Investments in subsidiaries are measured in the parent company's financial statements at cost price. If there is an indication of impairment, the recoverable amount of the asset is calculated. The recoverable amount is the highest of the fair value or value in use.

Management has prepared impairment tests for the subsidiaries as separate assets based on the discounted cash flow model reflecting the financial targets for the coming five-year period, market reports on future growth, and technology trends. Key assumptions are based on the key assumptions for the Group adapted to the subsidiaries.

The impairment tests indicate a need for impairment in GomSpace A/S, GomSpace Sweden AB and GomSpace Luxembourg S.A.R.L. The income statement recognises the impairment of respectively T.SEK 296,509, T.SEK 53,508 and T.SEK 15,591 as a financial cost.

7. Cash and cash equivalents

Of the total cash and cash equivalents amount, an amount of T.SEK 0 (T.SEK 15,755) is deposited as security for projects in the subsidiaries GomSpace A/S and GomSpace Sweden AB. The amount is deposited in GomSpace A/S and GomSpace Sweden AB.

8. Events during the period

In December, we initiated a cost-reduction program of 70 employees with a full-year cost-saving effect of MSEK 60. The cost reduction accommodates the current activity level, mainly caused by the cancellation of a large customer project. The staff reductions will have a full effect from the second half of 2023 with a saving of M.SEK 30 in 2023.

In October, we suspended all work on a large customer project due to unpaid invoices. The financial exposure amounts to M.SEK 57, of which M.SEK 39 is unpaid invoices, and M.SEK 18 is work-in-progress not yet invoiced. The customer terminated the contract and withdrawal the performance guarantees of M.SEK 18.

In November, we entered a credit facility with the European Investment Bank of M.SEK 198, paid out in three tranches.

In November, we entered a convertible loan agreement of SEK 53.6 million, and the board of directors intends to resolve a rights issue of between SEK 100 to 125 million.

In September, we signed a contract with Unseenlabs to deliver six more satellites. The total contract value is M.SEK 43, including the authorization to proceed contract valued at M.SEK 11. The expected delivery of the satellites is in the second half of 2023.

In April, we entered into a contract to develop, deliver and support the Mission Control System that KSAT will use to operate the Arctic Weather Satellite mission funded by the European Space Agency. The contract value is MSEK 10.

In March we resolved a directed share issue of M.SEK 103 through the issuance of 10,454,960 new shares to a newly established family fund of the British citizen Peter Kendal Hargreaves.

In February D-Orbit SpA placed an order for the P60 power systems and batteries. The total value of the order is M.SEK 9. Delivery is expected in 2022.

Financial Calendar

Annual Report
Annual general meeting
Interim report, January-March 2023

Week 13 2023
21 April 2023
2 May 2023

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 31 December 2022 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, 7 February 2023

Executive Board and Board of Directors

Troels Dalsgaard
Interim CEO

Jukka Pekka Pertola
Chairman

Steen Lorenz Johan Hansen

Nikolaj Wendelboe

Kenn Herskind

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

