

Press release
Stockholm
September 28, 2018

GomSpace Group presents new long term ambitions

The Board of Directors of GomSpace Group AB (publ) (“GomSpace”) has revised the company’s long-term ambitions to reflect the strong underlying market potential and growth prospects. The new targets reflect the company’s ambitions and focus for the coming five year period.

Sales in GomSpace keeps solidifying the business case by a strong order intake and continued build-up of a strong sales pipeline, in which between 500 to 700 satellites have been identified from current customers.

The opportunities for migrating space technology from high cost solutions to low cost solutions keep unfolding. Nanosatellites can perform complex tasks currently carried out by larger and costlier traditional satellites, but are much less expensive to produce which opens up for new customer segments and application areas. The strong growth since the IPO in June 2016, with a CAGR¹ of 79 percent (91 percent without elimination), has accelerated investments in production capacity, project management and product development.

GomSpace is currently finalizing the development of a significant number of new products and has prepared for scaling up and industrializing the production. The company has invested in a new production facility, initially allowing for production of one satellite a week and with a capacity of producing one satellite a day. Significant scale benefits are expected to be achieved in the transition phase, moving from single satellite production, to industrialized assembly of larger quantities.

A strategy and business plan review has been conducted in order to fully grasp the underlying market potential and newly identified application areas and solutions for GomSpace’s products, which is fully reflected in GomSpace’s revised long-term ambitions.

GomSpace’s revised long-term ambitions in summary as of September 28, 2018:

- Sales: GomSpace aims to generate sales above SEK 1.5 billion in 2023, supported by the strong underlying market.
- Gross margin: GomSpace targets a gross margin exceeding 50%, in the medium term.
- Dividend: GomSpace operates in a growing market and prioritizes growth. The shareholders should not expect any dividends in the short to medium term.

The company has previously communicated a sales ambition of SEK 820 million already in 2021. That will most likely materialize slightly later due to the conversion of some in orbit demonstration projects into constellation projects taking longer than previously anticipated. The company has on the other hand received more in orbit demonstration projects than expected, which could convert into significant constellation project orders in the medium term. In addition, the build-up of the dedicated Luxembourg based service operation (constellation management) is expected to grow quickly with a significant contribution to sales. All of the above considered, the Board of Directors of GomSpace has revised the company’s long-term ambitions upwards for 2023. The

¹ Compound annual growth rate

review of the strategy and business plan, initiated by the Board of Directors, has also resulted in a defined capital need. Under the assumption that the extraordinary general meeting authorizes the Board of Directors to resolve on a SEK 300 million rights issue, the company is expected to be fully financed to execute on its current business plan and outlook until the company is expected to be cash flow positive.

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About GomSpace Group AB

The company's business operations are mainly conducted through the wholly-owned Danish subsidiary, GomSpace A/S, with operational office in Aalborg, Denmark. GomSpace is a space company with a mission to be engaged in the global market for space systems and services by introducing new products, i.e. components, platforms and systems based on innovation within professional nanosatellites. The company is listed on the Nasdaq First North Premier exchange under the ticker GOMX. FNCA Sweden AB is the company's Certified Adviser. For more information, please visit our website on www.gomspace.com.

This information is information that GomSpace is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, 8:50 a.m. CET on September 28, 2018.