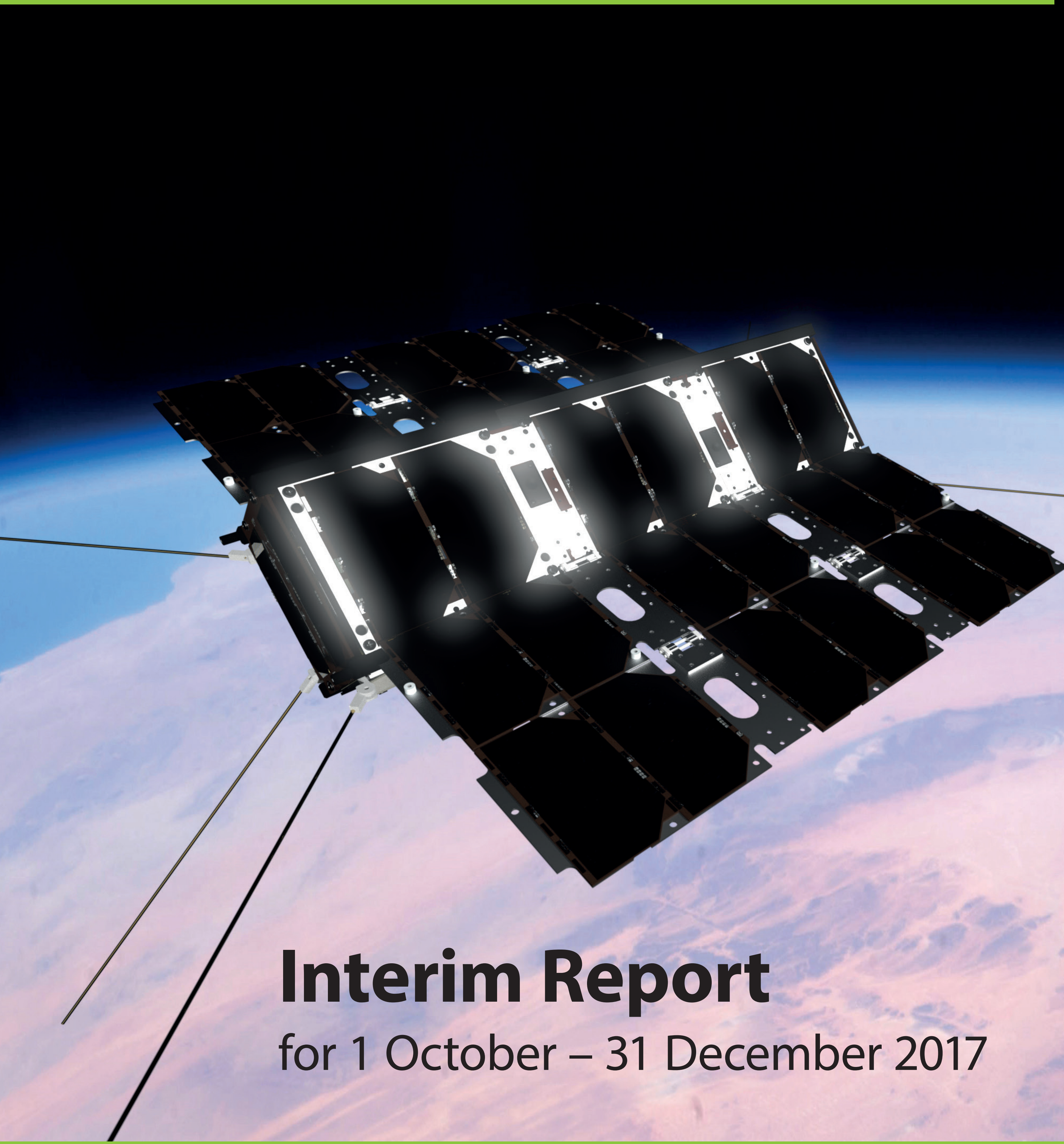

Interim Report

for 1 October – 31 December 2017

1 OCTOBER – 31 DECEMBER 2017 (2016)

- Net revenues increased to T.SEK 29,619 (17,062)
- Gross margin increased to 26% (21%)
- Operating profit (loss) decreased to a negative T.SEK 23,096 (a negative 16,722)
- Earnings per share were a negative SEK 0.46 (a positive 0.35)
- Aerial & Maritime Ltd. secures additional USD 5.0 million investment as well as GomSpace secures an additional contract with Aerial & Maritime Ltd.

Subsequent events

- Singapore takes next steps towards implementing the world's first space-based VHF communications
- GomSpace's fourth Demonstration Mission was Successfully Launched – intended to Pioneer the Advanced Use of Nanosatellites
- GomSpace signs contract for low-inclination launch on Virgin Orbit's LauncherOne

1 JANUARY – 31 DECEMBER 2017 (2016)

- Net revenues increased to T.SEK 96,405 (54,142)
- Gross margin decreased to 28% (47%)
- Operating profit (loss) decreased to a negative T.SEK 67,610 (a negative 14,510)
- Earnings per share were a negative SEK 2.09 (a positive 0.62)
- The Board of Directors has decided to propose no dividend for 2017

THE FOURTH QUARTER INTERIM REPORT FOR GOMSPACE GROUP AB (PUBL). THE INFORMATION IN THIS INTERIM REPORT IS SUCH THAT GOMSPACE GROUP AB IS REQUIRED TO DISCLOSE IN ACCORDANCE WITH THE EU'S MARKET ABUSE REGULATION AND THE SWEDISH SECURITIES MARKET ACT. THE INFORMATION WAS SUBMITTED FOR PUBLICATION ON FEBRUARY 21, 2018, 08.00 (CET).

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Message from the CEO

At the end of the fourth quarter, we were pleased to sign an amendment to the contract with Aerial & Maritime Ltd. for an additional four satellites. Thereby a constellation of 8 nano-satellites is to be launched with a future prospect of a global constellation with 80 to 100 satellites. We consider this to be a major achievement as it proves that our spin-out strategy is a great success.

The growth in revenue exceeds our plans, it was 74% during the fourth quarter and 78% in the year 2017.

Without the partial elimination of revenue from Aerial & Maritime Ltd. the growth in revenue would even have been 88% in the fourth quarter and 93% in the year 2017.

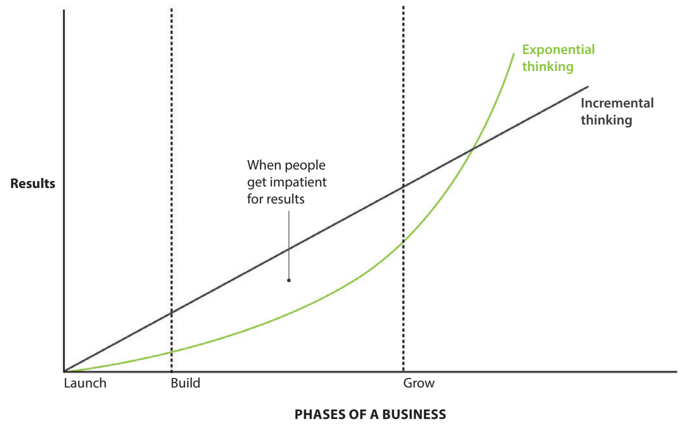
The result for the fourth quarter of 2017 was a loss of T.SEK 12,085 and the total for the year 2017 was a loss of T.SEK 53,989. The gross margin was 26% in the fourth quarter and 28% during the year – gross margin was 25% in the third quarter of 2017. As stated in previous reports, the gross margin is influenced by our rapid building of our business as well as the large onboarding of new employees, however, we are seeing a slight increase in the gross margin moving from the third to the fourth quarter.

Share of profit from the associated company Aerial & Maritime Ltd. was recognized at T.SEK 5,610. Even though the value of this company has increased to T.SEK 62,195 in the fourth quarter, the full effect of the added value will not be recognized in our financials due to the accounting principles.

We regard ourselves as an exponential company. Companies are increasingly growing faster today than they did in the previous decades. Big companies are getting younger and younger and therefore growth rates for fast growing companies today are exponential and no longer linear. This is, in particular, due to digitalization and globalization. It is also due to the change in the mindset of how companies are structured.

As we are seeing great potential in the nanosatellite business segment, we need to be sure that we structure ourselves so that we can grow fast. When we are preparing ourselves for exponential growth as opposed to linear growth, high investment rates are usually required, and we are therefore having a high investment rate at the moment.

The picture opposite shows the exponential growth paradigm contrasted to the linear growth. Throughout the investment period it is essential to have invested the right way, but it is also important to have the courage and patience to continue the exponential path and not to jump into safety on the linear path.



We are now in the phase where the dilution in margins, due to the high onboarding of new employees, are levelling out, and over the next year we will focus on bringing margins upwards so that we can get to a level well above 50 % in 2021.

Besides improving the margins, scaling is an important issue. Both these issues will be addressed in our activities with building up the industrial production of nanosatellites. We are transforming satellite production from prototype production of one satellite at a time to industrial batch production. This area is the single most important element for our future success.

With the establishment of the new subsidiary, GomSpace Luxembourg S.A.R.L., we are taking the first steps in adding a substantial service element to our offerings. We will be building a new constellation management system and start offering a variety of services to our constellation customers. This is right from providing launches, insurances and approvals to managing the constellations so that our customers can focus on providing their unique services to their customers. These offerings have the potential of more than doubling our revenues over time as the constellations are beginning to come into operation.

Some of our customers are new companies which see opportunities in establishing new services based on nanosatellites in competition with the established services companies who are using old space technology.

This means that part of our customer base is associated with a higher risk than if they were established companies.

We are handling this risk through the diversity of our customer base. We already have a unique customer base with more than 300 customers since the company started in 2007. In 2017, we had more than 150 orders distributed on approximately 100 customers. Part of our revenue is from the sale of our subsystems and platforms. Our customers are a few large customers, one of these constitutes 28% of revenue, as well as many small customers. Our customers are from different business areas such as private companies, universities, agencies and defence departments around the world.

Message from the CEO (continued)

With the internal measures which we have set into action and the growing customer base, we are confident that we are moving in the right direction.

On 2 February 2018, our GOMX-4 satellites were successfully launched from China. The commissioning went as planned and in the afternoon we were happy to confirm that we had established radio contact with both satellites. Throughout the past two weeks we have tested several systems which was done satisfactorily.

Niels Buus
CEO

Significant Events during the period

GomSpace secures additional contract with Aerial & Maritime Ltd.
December 18, 2017 - GomSpace A/S - a subsidiary of GomSpace Group AB (the "Company") and Aerial & Maritime Ltd. ("A&M") have signed an amendment to the turn-key delivery contract from December 21, 2016. The amendment contains 4 more satellites as well as launch, ground station and commissioning of the constellation of satellites into a low-inclination Equatorial orbit. The delivery of the satellites will take place in 2018. The additional contract has a value of approximately USD 4.0 million.

European Space Agency signs contract with NanoSpace to develop advanced propulsion for nanosatellites
December 13, 2017 - NanoSpace AB - a subsidiary of GomSpace Group AB (the "Company") has signed a contract with the European Space Agency (ESA) to develop and qualify an advanced propulsion system suitable for nano-satellites. The contract value is EUR 800,000 and the project will run for 2 years.

GomSpace's nomination committee for the next annual general meeting appointed
December 13, 2017 - Members of the nomination committee for the annual general meeting of GomSpace Group AB (publ) (the "Company" or "GomSpace") to be held in 2018 have been appointed. At the annual general meeting in the Company, held on April 27, 2017, it was resolved to adopt principles for the appointment of a nomination committee to be composed of the chairman of the board of directors and three members appointed by the three largest shareholders by votes at the end of the third quarter each year.

The Colombian Air Force orders its second advanced Nanosatellite platform from GomSpace
December 1, 2017 - GomSpace A/S - a subsidiary of GomSpace Group AB (the "Company") has signed a contract with the Colombian Air Force ("FAC") for the FACSAT-2 spacecraft platform and an associated Capacity Building and Technology Transfer Program. The FACSAT-2 Project comprises the design, manufacture, test and operation of an advanced 6U remote sensing spacecraft. This new project will build on the technology transfer gained through the FACSAT-1 project, awarded to GomSpace in 2014. FACSAT-2 spacecraft is planned to be launched in 2019, coinciding with the 100th anniversary of the Colombian Air Force.

Aerial & Maritime Ltd. secures additional USD 5.0 million investment
November 16, 2017 - Aerial & Maritime Ltd ("A&M") an associated company of GomSpace Group AB ("GomSpace" or the "Company") has secured an additional investment of USD 5.0 million from a group of investors to scale up the nanosatellite network. A&M has now secured a total funding of USD 12.2 million. A&M is the first spin-out project from GomSpace which has now attracted further investment. This is proof that the Company can enhance the value creation of GomSpace by developing first mover service applications based on nanosatellites.

GomSpace receives order from Sky and Space Global
November 1, 2017 - GomSpace A/S - a subsidiary of GomSpace Group AB (the "Company") and the UK company Sky and Space Global (UK) Ltd ("SAS") have signed an amendment to the procurement contract between the parties signed on February 28, 2017. The additional order contains further development to increase the capabilities of the satellites. The total value of the new order is in the range of EUR 13 to 15 million and will be delivered according to the procurement contract. First delivery will be in 2018.

GomSpace secures new innovation project from Innovation Fund Denmark
October 9, 2017 - Innovation Fund Denmark has awarded GomSpace A/S - a subsidiary of GomSpace Group AB (the "Company") and a consortium comprising 2operate A/S and Aarhus University an R&D contract to develop network management technology targeting operations and management of large satellite constellations. The contract value for GomSpace is DKK 2,500,000 and the project will be executed over 24 months.

Significant Events after the accounting period

Singapore takes next steps towards implementing the world's first space-based VHF communications
February 6, 2018 - GomSpace A/S (”GomSpace”) a subsidiary of GomSpace Group AB (publ) (the ”Company”) together with The Civil Aviation Authority of Singapore (CAAS) and Singapore Technologies Electronics Limited (ST Electronics) signed a research collaboration agreement on the sidelines of the Singapore Airshow, to conduct a design study on the implementation of space-based Very High Frequency (VHF) communications for air traffic management (ATM) in the Singapore Flight Information Region (FIR). This agreement follows the signing of a Memorandum of Understanding (MOU) by the three parties in July 2017 to explore the application and deployment of the space-based system.

GomSpace's fourth Demonstration Mission was Successfully Launched – intended to Pioneer the Advanced Use of Nanosatellites
February 2, 2018 - GomSpace's GOMX-4 satellites were successfully launched from China. The satellites were separated as planned in the altitude of 500km. GOMX-4 is a demonstration mission which includes two 6Usatellites: The GOMX-4A mission involves north area monitoring and the GOMX-4B mission is for innovative payload demonstrations. In the afternoon, we established radio contact with the satellites from GomSpace's HQ in Aalborg (Denmark) and have begun the initial activities to ensure that both satellites are operating as planned. Testing each of the individual subsystems will begin after initial contact, which is expected to take three to four weeks. Full mission operation will begin in March after completion of subsystems and payload testing.

GomSpace signs contract for low-inclination launch on Virgin Orbit's LauncherOne
January 16, 2018 - 2019 launch will deploy several nanosatellites for aircraft and ocean vessel tracking constellation. GomSpace has purchased a launch for several nanosatellites onboard a LauncherOne rocket from the California based company Virgin Orbit. The flight, which is bound for a low-inclination orbit, is scheduled to occur in early 2019. GomSpace will use the launch to further build out a constellation of small satellites that will use Automatic Dependent Surveillance-Broadcast (ADS-B) and Automatic Identification System (AIS) signal monitoring to track civilian aircraft and ocean-going vessels.

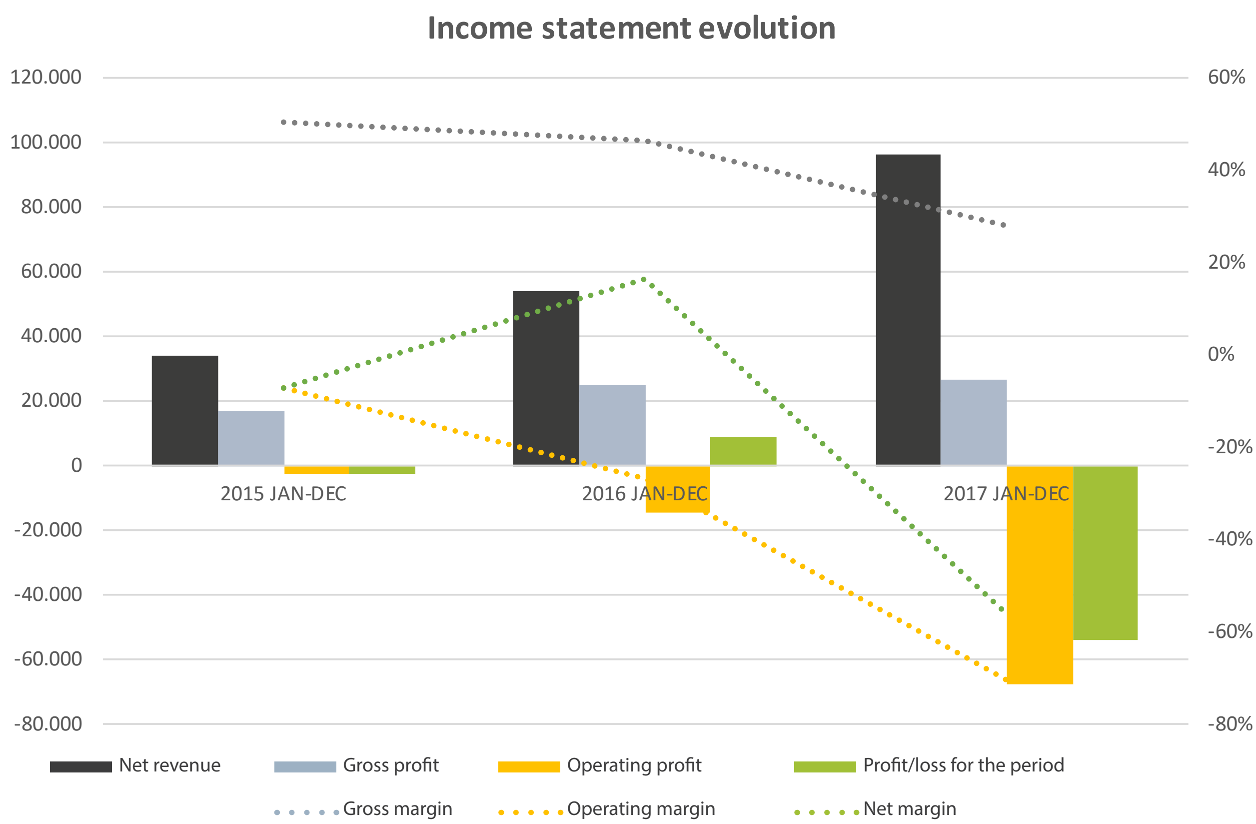
Financial Performance

Financial Review

The Interim Report for 1 October – 31 December for GomSpace Group AB also includes the companies GomSpace A/S, GomSpace Orbital ApS, NanoSpace AB, GomSpace Asia Pte Ltd, GomSpace North America LLC as well as GomSpace Luxembourg S.A.R.L. Result for the period was a net loss of T.SEK 12,085 (a profit of 8,474) and a net loss of T.SEK 53,989 (a profit of 8,981) for the year. At 31 December 2017, equity was T.SEK 185,315 (146,106).

The result after a growth in revenue at 78% for the year 2017 is above our growth target. Gross margin at 28% is under our growth targets. As mentioned in previous reports this is influenced by our rapid building of our business as well as the large onboarding of new employees, however, we are seeing a slight increase in the gross margin moving from the third to the fourth quarter.

The operating loss for the fourth quarter was T.SEK 23,096 (a loss of 16,722) and the loss for the year 2017 was T.SEK 67,610 (a loss of 14,510).



Revenue

1 OCTOBER – 31 DECEMBER 2017 (2016)

Revenues for the fourth quarter of 2017 amounted to T.SEK 29,619 (17,062), corresponding to an increase of 74% compared with the same period in 2016. The revenue includes a correction, T.SEK 2,501, eliminating partial revenue from the associated entity, Aerial & Maritime Ltd.

During the period, we also made a prioritization of our project pipeline where we prioritized specific projects which unfortunately did not progress as expected. This influenced other projects as these were not allocated the necessary resources.

In the fourth quarter, a project for which we have received subsidy has been recategorized as a development project as we realized that the project will result in a new propulsion system technology. The correction had a negative effect on revenue at a total amount of T.SEK 1,659.

Financial Performance (continued)

In the fourth quarter, sales to new customers represented 35% of revenues.

1 JANUARY – 31 DECEMBER 2017 (2016)
Revenues for the year 2017 amounted to T.SEK 96,405 (54,142), corresponding to an increase of 78% compared with the same period in 2016. The revenue includes a correction, T.SEK 8,033, eliminating partial revenue from the associated entity, Aerial & Maritime Ltd.

Had the above adjustment not been carried out, the total underlying growth would have been 93%.

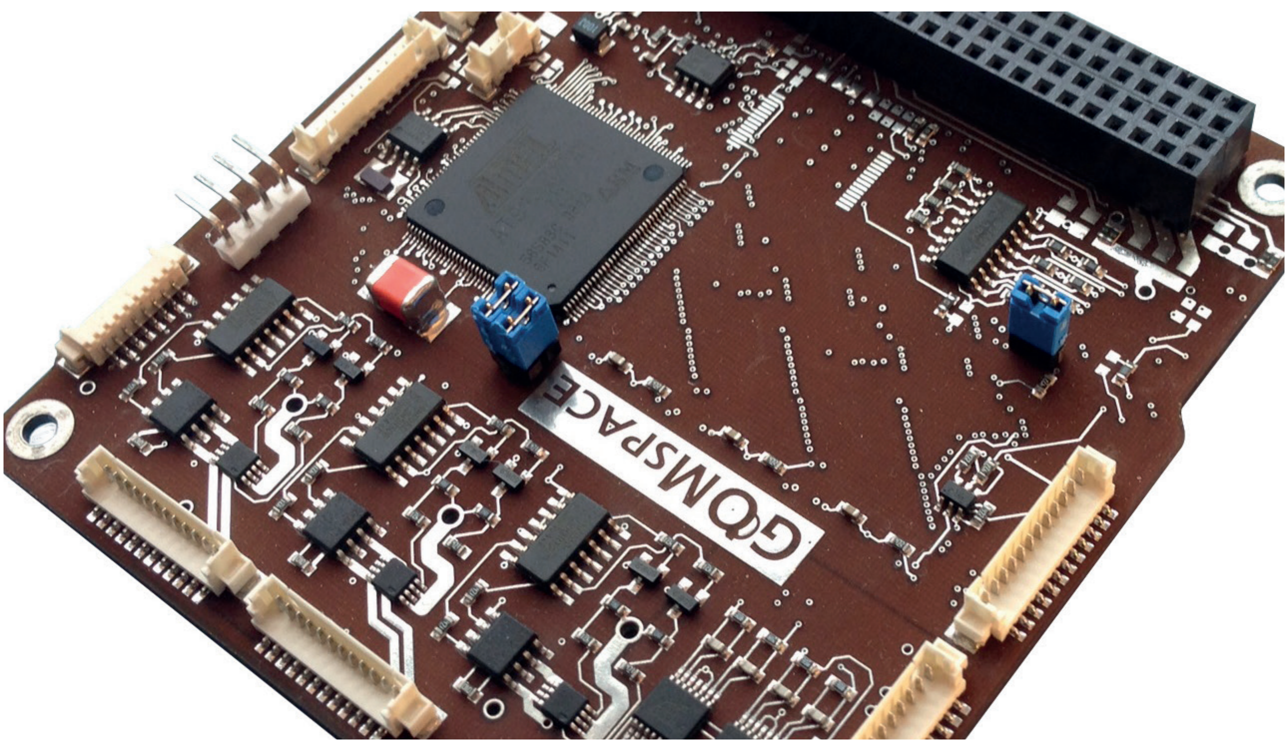
In the year 2017, sales to new customers represented 31% of revenues.

Expenses
1 OCTOBER – 31 DECEMBER 2017 (2016)
Operating expenses for the fourth quarter of 2017 amounted to T.SEK 52,715 (33,784), corresponding to an increase of 56%. Sales, distribution, development and administrative costs increased to T.SEK 30,778 (20,363), corresponding to an increase of 51%. Our sales and administrative costs have increased as expected according to our business plan, however, costs of goods sold and costs for development activities have increased significantly, primarily due to the onboarding of many new engineers in our development department.

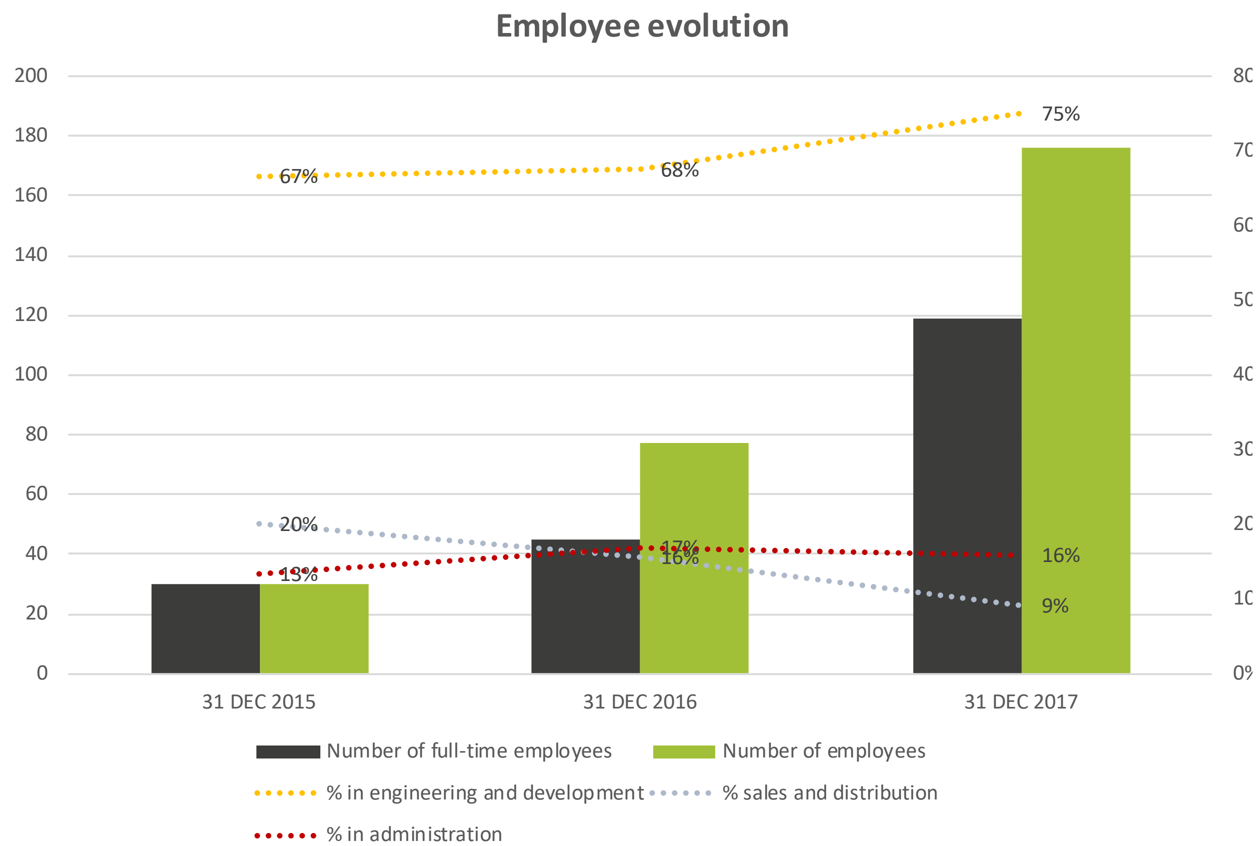
In second quarter of 2017, we recognized a gain regarding launch service from the subsidiary GomSpace Orbital ApS, however, this launch service was outsourced to an external launch provider in the fourth quarter. The reversal of the gain had a negative effect on expenses at an amount of T.SEK 2,859.

As mentioned under the section on Revenue we recategorized a customer project as a development project, this had a positive effect on expenses at an amount of T.SEK 1,027.

1 JANUARY – 31 DECEMBER 2017 (2016)
Operating expenses for the year 2017 amounted to T.SEK 164,015 (68,652), corresponding to an increase of 139%. Sales, distribution, development and administrative costs increased to T.SEK 94,494 (39,711), corresponding to an increase of 138%.



Financial Performance (continued)



Employees
As at 31 December, GomSpace Group AB had 176 (77) employees, corresponding to 119 (45) full-time/year employees. Employees working within cost of goods sold and in development totalled 132 (52), with sales and distribution 16 (12), and in administration there were 28 (13) employees.

Profitability
1 OCTOBER – 31 DECEMBER 2017 (2016)
In the fourth quarter 2017, gross profit amounted to T.SEK 7,682 (3,641), corresponding to an increase of 111% compared with the same period in 2016. In the fourth quarter 2017, the gross margin is 26% compared with the same period in 2016 where the gross margin was 21%. The impact of partial elimination is a decrease of T.SEK 1,760. The underlying gross margin without partial elimination is 29%.

As a result of re-estimating our projects the margins were lowered as expected.

As mentioned under the section on Revenue we recategorized a customer project as a development project which had a negative effect on gross profit at an amount of T.SEK 837, equivalent to a change in gross margin of 1% in the fourth quarter.

In the fourth quarter 2017, operating loss amounted to T.SEK 23,096 (operating loss 16,722).

1 JANUARY – 31 DECEMBER 2017 (2016)
In the year 2017, gross profit amounted to T.SEK 26,884 (25,201), corresponding to an increase of 7% compared with the same period in 2016. In the year 2017, the gross margin is 28% compared with the same period in 2016 where the gross margin was 47%. The impact of partial elimination is a decrease of T.SEK 3,563. The underlying gross margin without partial elimination is 29%.

In the year 2017, operating loss amounted to T.SEK 67,610 (operating loss 14,510).

Financial Performance (continued)

Share of profit from associates
In fourth quarter 2017, the share of profit from associates amounts to T.SEK 5,610 which is a value adjustment of the gain on the partial disposal of Aerial & Maritime Ltd.

Financial income and expenses
1 OCTOBER – 31 DECEMBER 2017 (2016)
Net financial items for the fourth quarter of 2017 had a positive effect on profit, mainly due to exchange rate adjustments. Net financial items amounted to T.SEK 141 (a negative 374).

1 JANUARY – 31 DECEMBER 2017 (2016)
Net financial items for the year 2017 had a negative effect on profit. Net financial items amounted to a negative T.SEK 3,496 (a negative 1,389).

Tax and deferred tax
1 OCTOBER – 31 DECEMBER 2017 (2016)
The Group recognized a deferred tax asset at a total amount of T.SEK 1,774 relating to tax loss carry-forward. The parent company, GomSpace Group AB, recognized a lowered deferred tax asset at a total amount of T.SEK 129 in the fourth quarter of 2017 relating to tax loss carry-forward.

GomSpace Group had an effective tax rate of 30.3% (-97.5%) in the fourth quarter 2017.

1 JANUARY – 31 DECEMBER 2017 (2016)
The Group recognized a deferred tax asset at a total amount of T.SEK 20,249 relating to tax loss carry-forward. The parent company, GomSpace Group AB, recognized a deferred tax asset at a total amount of T.SEK 2,255 relating to tax loss carry-forward, the main part of this amount is attributable to last year.

GomSpace Group had an effective tax rate of 18.8% (-63.7%) for the year 2017.

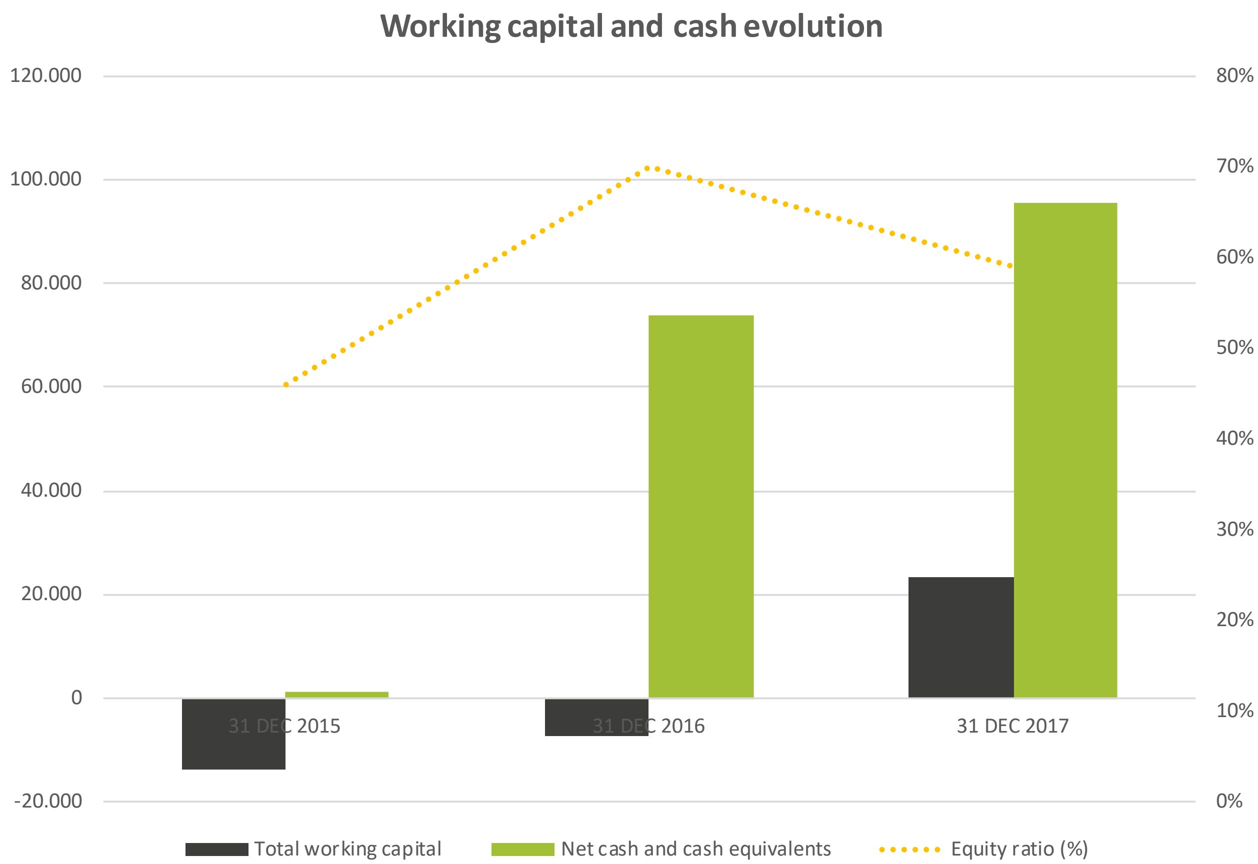
Shareholder's equity
As at 31 December 2017, total shareholder's equity amounted to T.SEK 185,315 (146,106). During the period, there is a retail transaction cost in relation to the initial public offering of T.SEK 550. On 5 April, the Group issued 1.75 million new shares and received T.SEK 95,376. Cost in relation to increasing capital amounts to T.SEK 4,904 and is deducted in the share premium. In the fourth quarter 2017, an amount of T.SEK 1,218 is recognized as share-based payments in relation to the warrant program established for the Group's employees and T.SEK 6,143 for the year.

Investments
1 OCTOBER – 31 DECEMBER 2017 (2016)
Investments in intangible assets amounted to T.SEK 15,618 (4,800) in relation to in-house development. Investments in property, plant and equipment amounted to T.SEK 10,415 (2,180). The investment activity was high during the fourth quarter as we had to complete development projects for customer cases – we had to allocate extra resources for this.

During the fourth quarter, two thirds of investments in property, plant and equipment were related to the alterations to the premises and acquisition of office furniture to create a sound physical environment for our employees. Moreover, investments were made in IT acquisitions in relation to onboarding of new employees and licenses for specialized software for our R&D department.

1 JANUARY – 31 DECEMBER 2017 (2016)
Investments in intangible assets amounted to T.SEK 38,908 (8,000) in relation to in-house development. Investments in property, plant and equipment amounted to T.SEK 18,610 (6,447). In 2017, major investments in property, plant and equipment were related to the relocation to the new premises during the summer, including acquisition of office furniture which constitute 50% of the investments. We also had a large onboarding during 2017, and therefore we made extensive investments in minor IT acquisitions as well as investments were made in equipment for the R&D and production areas.

Financial Performance (continued)



Cash and cash equivalents, financing and financial position

1 OCTOBER – 31 DECEMBER 2017 (2016)

Cash flow from operating activities amounted to T.SEK 19,575 (a negative 12,719) during the fourth quarter.

Cash flow from investing activities amounted to a negative T.SEK 29,081 (a negative 9,850). The main part of the investment activities is related to in-house development projects.

1 JANUARY – 31 DECEMBER 2017 (2016)

Cash flow from operating activities amounted to a negative T.SEK 4,445 (a negative 17,368) during the year 2017. Working capital has decreased which is mainly due to the decrease in trade receivables. These receivables primarily relate to payment received from the associated company Aerial & Maritime Ltd.

Cash flow from investing activities amounted to a negative T.SEK 83,901 (a negative 14,972). The main part of the investment activities is related to cash contribution to the associated company Aerial & Maritime Ltd. and in-house development investments.

Cash and cash equivalents amounted to T.SEK 95,567 (73,803) at the end of the fourth quarter. GomSpace Group's working capital totalled T.SEK 23,606 (a negative 7,399).

Acquisitions

In 2017, there were some minor adjustments to the purchase price allocation regarding the acquisition of Nanospace AB. The adjustment to the purchase price allocation at 16 October 2016 concerns pre-existing contractual relationship regarding contract work (T.SEK 2,045), which should have been recognized separately from the business combination. Furthermore, an adjustment is made due to known repayments of grants not recognized (T.SEK 1,000 before tax) in the purchase price allocation. The recognized tax effect of the adjustments made is T.SEK 735.

Financial Performance (continued)

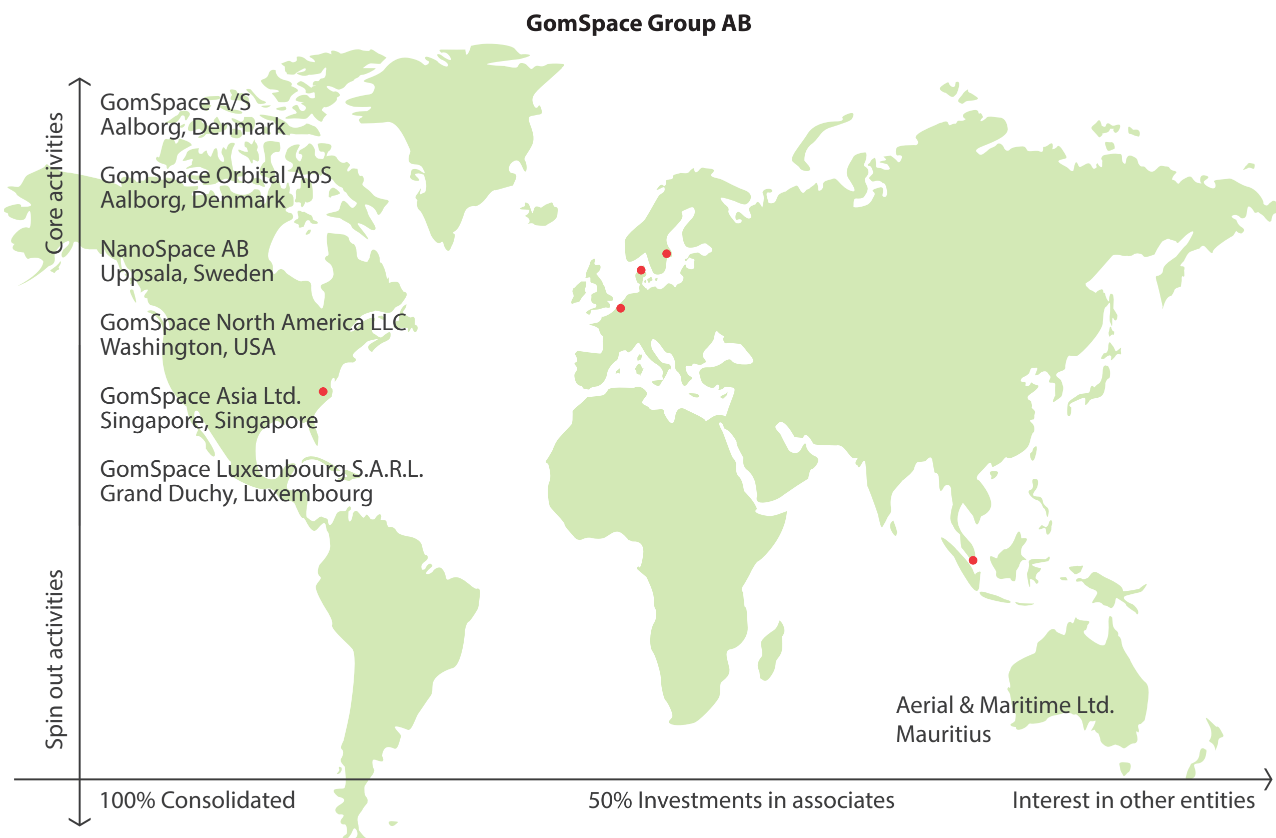
Credit risks

The Group is exposed to credit risks and other financial risks, such as market risks, including foreign exchange, interest and liquidity risks. These risks are described in the Annual Report and in the Consolidated Financial Statements for 2016.

Parent Company

The parent company had total revenues of T.SEK 6,046 (830) in the fourth quarter of 2017 and T.SEK 21,482 (1,708) for the year of 2017. The parent company incurred total costs of T.SEK 7,582 (5,693) in the fourth quarter and T.SEK 27,849 (7,846) for the year 2017. A total of T.SEK 5,454 is attributable to the capital increase and has been deducted from the share premium. The operating result for the fourth quarter 2017 is a negative T.SEK 1,536 (a negative 4,863) and a negative T.SEK 6,367 (a negative 6,138) for the year 2017. The net profit for the fourth quarter is T.SEK 423 (a net loss of 5,082) and a net loss of T.SEK 2,112 (a net loss of 6,368) for the year 2017.

The Group consists of GomSpace Group AB (Reg. No. 559026-1888), GomSpace A/S (Reg. No. 30899849), NanoSpace AB (Reg. No. 556643-0475), GomSpace Orbital ApS (Reg. No. 38173561), GomSpace ASIA Pte Ltd (Reg. No. 201707094C), GomSpace North America LLC (Reg. No. S667083-2) and GomSpace Luxembourg S.A.R.L.



Market Development

Nano- and micro-satellites are having a disruptive effect on the markets as the technology brings competitive advantages in terms of low cost and high flexibility to address many business areas, incl. areas that were previously considered niche areas and areas which did not previously justify an investment in space-based infrastructure.

More than 6,200 small satellites are expected to be launched over the next 10 years, driven by anticipated roll-out of multiple constellations – mainly for commercial operators – which is expected to account for more than 70 percent of that total*. The market is expected to grow at a Compound Annual Growth Rate (CAGR) of 23.7% from USD 1.21 billion in 2017 to USD 3.49 billion in 2022**. With the addition of new professional services such as managing the new constellations in orbit and integrating the space systems with operational business systems in the respective end user segments, e.g. air traffic control, we see the full market potential as double of that amount.

As a pioneer and innovator in the market, GomSpace, through its own actions, is a significant force in driving the growth in the market as our investments in satellite platform technology, network technology and payload technology enable new opportunities for our customers. This has for instance been demonstrated in our activities related to space-based aircraft tracking.

The market growth is expected to be driven by earth observation and radio applications to customers in the Commercial, Civil (science and non-profit service) and Defence areas **.

We expect GomSpace's growth to remain significantly above the market CAGR due to:

- Our focus on radio technology-related missions which in general scale to constellations with more satellites than other application areas.
- Our market traction with contracts to leading constellations customers, incl. Sky and Space Global Ltd., AISTECH as well as Aerial and Maritime Ltd.
- Our investments in increasing our international activities in growth markets, incl. establishment in the US (51% market, 24% CAGR **) and Singapore (Asia: 15% of market, 22% CAGR **).
- Our continued investments in new technology and products to demonstrate and enable new applications.

Further, our announcement to establish satellite operations services out of Luxembourg over time will extend the scope of our offerings to address a larger part of the value chain and through new products it will ensure that the scalability of satellite operations will not become a bottleneck for the market development.

Many new applications and opportunities for nanosatellites will be developed in the coming years, both due to our investments (see Product Development section) and the estimated over 200 academic and commercial organizations world-wide doing research in this area.

* Satellitetoday: http:///www.satellitetoday.com/newspace/2017/08/14/total-smallsat-market-reach-30-billion-10-years/

** MarketsAndMarkets: http:///www.marketsandmarkets.com/Market-Reports/nanosatellite-and-microsatellite-market-130496085.html

Product Development

During the fourth quarter, we have progressed on developing competitive nanosatellite platforms ready for sale late in 2018.

As part of a customer program, we are developing different deployable tracking solar panels, a high-capability power-system, improved reaction-wheels and a state-of-the-art cold gas propulsion system. Like our other product platforms, the 8U platform is fully modular and in line with our continued effort to increase the capabilities of the satellites to accommodate a broad range of customer needs.

Regarding the payload, we are improving the onboard processing capability using microcontrollers having the highest ratio of performance relative to power consumption. Focus is at being adaptable to customer requirements. This is driven by the need to use satellites as routing devices in the constellations as well as by the increased need for future extraction and compression of surveillance data.

To further increase the capabilities of the satellites, we need to expand our portfolio of radio solutions to other than VHF and UHF frequencies. We initiated the development of our first radio products with X-band radios and have agreed activities with external partners for developing Ka-band radios.

Within improved reliability of our products and to meet 5 years of expected life in space, we are running a product and design improvement program. We are making good progress on the testing campaign which is our own internal qualification of design as well as technology program.

For 2018, the focus in R&D and product development will be to execute on the activities above, document already developed products to a level at which they are producible without engineering support and then prepare for product platform design. That is modular hardware and software product platforms. The analysis phase will include product family master planning to optimize the design vs customers, markets and in what areas we may need flexibility in the design.

Group
- Key Figures and Ratios

	2017 JAN-DEC T.SEK	2016 JAN-DEC T.SEK
KEY FIGURES		
Net revenue	96,405	54,142
Gross profit	26,884	25,201
Operating profit (loss)	-67,610	-14,510
Share of profit from associates	4,591	21,386
Net financial items	-3,496	-1,389
Profit (loss) before tax	-66,515	5,487
Profit (loss) for the period	-53,989	8,981
Investments in PPE	18,610	6,447
Total assets	313,069	209,093
Equity	185,315	146,106
Total liabilities	127,754	62,987
RATIOS		
Gross margin	28%	47%
Operating margin	-70%	-27%
Net margin	-56%	17%
Return on invested capital (%)	-17%	4%
Return on equity (%)	-33%	13%
Equity ratio (%)	59%	70%
Earnings per share, basic	-2.09	0.62
Earnings per share, diluted	-2.08	0.62
Number of outstanding shares basic, average	25,805,411	14,592,504
Number of outstanding shares as at 31 December 2017	26,257,334	24,507,334

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

Consolidated Income Statement

	2017 OCT-DEC T.SEK	2016 OCT-DEC T.SEK	2017 JAN-DEC T.SEK	2016 JAN-DEC T.SEK
Net revenue	29,619	17,062	96,405	54,142
Cost of goods sold	-21,937	-13,421	-69,521	-28,941
Gross profit	**7,682**	**3,641**	**26,884**	**25,201**
Sales and distribution costs	-10,491	-6,140	-30,996	-15,473
Development costs	-7,606	-3,356	-25,277	-6,812
Administrative costs	-12,681	-10,867	-38,221	-17,426
Operating profit (loss)	**-23,096**	**-16,722**	**-67,610**	**-14,510**
Share of profit from associates	5,610	21,386	4,591	21,386
Finance income	2,439	244	4,077	525
Finance expenses	-2,298	-618	-7,573	-1,914
Profit (loss) before tax	**-17,345**	**4,290**	**-66,515**	**5,487**
Tax	5,260	4,184	12,526	3,494
Profit (loss) for the period	**-12,085**	**8,474**	**-53,989**	**8,981**
Profit (loss) is attributable to:				
Owners of GomSpace Group AB	-12,085	8,474	-53,989	8,981
	-12,085	**8,474**	**-53,989**	**8,981**
Earnings per share, basic, SEK	-0.46	0.35	-2.09	0.62
Earnings per share, diluted, SEK	-0.46	0.35	-2.08	0.62
Earnings per share, diluted, SEK based on the same method as in the combined financial statements 2013-2015	-	0.35	-	-
Number of outstanding shares basic, average	26,257,334	24,401,839	25,805,411	14,592,504
Number of outstanding shares diluted, average	26,447,701	24,401,839	25,896,226	14,592,504
Number of outstanding shares, average based on the same method as in the combined financial statements 2013-2015	-	24,401,839	-	-

Consolidated Statement of Comprehensive Income

	2017 OCT-DEC T.SEK	2016 OCT-DEC T.SEK	2017 JAN-DEC T.SEK	2016 JAN-DEC T.SEK
Profit (loss) for the period	-12,085	8,474	-53,989	8,981
Items which may be reclassified to the income statement:				
Foreign exchange rate adjustments	-2,669	-307	-2,867	890
Other comprehensive income for the period, net of tax	**-2,669**	**-307**	**-2,867**	**890**
Total comprehensive income for the period	**-14,754**	**8,167**	**-56,856**	**9,871**
Total comprehensive income for the period is attributable to:				
Owners of GomSpace Group AB	-14,754	8,167	-56,856	9,871
	-14,754	**8,167**	**-56,856**	**9,871**

Consolidated Statement of Financial Position

	2017 31 DEC T.SEK	2016 31 DEC T.SEK
Goodwill	3,710	3,710
Technology	11,000	11,800
Completed development projects	6,363	6,033
Development projects in progress	26,576	6,197
Other intangible assets	18,425	3,317
Intangible assets	**66,074**	**31,057**
Property, plant and equipment	21,333	6,365
Property, plant and equipment	**21,333**	**6,365**
Investments in associates	**41,892**	**36,723**
Deferred tax	9,297	4,828
Other non-current assets	3,376	0
Non-current assets	**12,673**	**4,828**
Total non-current assets	**141,972**	**78,973**
Raw materials and consumables	9,763	4,266
Inventories	**9,763**	**4,266**
Contract work	22,237	28,237
Trade receivables	30,765	13,933
Tax receivable	5,426	2,529
Other prepayments	1,500	656
Other receivables	5,830	6,686
Receivables	**65,758**	**52,041**
Marketable securities	**9**	**10**
Cash and cash equivalents	**95,567**	**73,803**
Total current assets	**171,097**	**130,120**
Total assets	**313,069**	**209,093**

Consolidated Statement of Financial Position

	2017 31 DEC T.SEK	2016 31 DEC T.SEK
Share capital	1,839	1,716
Share premium	227,136	137,337
Translation reserve	-1,782	1,085
Retained earnings	-41,878	5,968
Total equity	**185,315**	**146,106**
Credit institutions	29,201	6,179
Deferred taxes	0	3,143
Total non-current liabilities	**29,201**	**9,322**
Current portion of non-current liabilities	4,794	1,534
Credit institutions	0	5,752
Trade payables and other payables	16,326	29,565
Contract work	38,391	7,134
Prepayments	7,953	1,627
Corporation tax	58	0
Other liabilities	31,031	8,053
Total current liabilities	**98,553**	**53,665**
Total liabilities	**127,754**	**62,987**
Total equity and liabilities	**313,069**	**209,093**

Consolidated Statement of Changes in Equity

	SHARE CAPITAL T.SEK	SHARE PREMIUM T.SEK	TRANSLATION RESERVE T.SEK	RETAINED EARNINGS T.SEK	TOTAL EQUITY T.SEK
Equity 01.01.2016	**973**	**15,661**	**195**	**-3,013**	**13,816**
For comprehensive income for the period	0	0	890	8,981	9,871
For comprehensive income for the period	**0**	**0**	**890**	**8,981**	**9,871**
Transactions with owners in their capacity as owners					
Increase in share capital	743	143,758	0	0	144,501
Increase in share capital, costs	0	-22,082	0	0	-22,082
	743	**121,676**	**0**	**0**	**122,419**
Equity 31.12.2016	**1,716**	**137,337**	**1,085**	**5,968**	**146,106**
Equity 01.01.2017	**1,716**	**137,337**	**1,085**	**5,968**	**146,106**
For comprehensive income for the period	0	0	-2,867	-53,989	-56,856
For comprehensive income for the period	**0**	**0**	**-2,867**	**-53,989**	**-56,856**
Transactions with owners in their capacity as owners					
IPO costs	0	-550	0	0	-550
Increase in share capital	123	95,253	0	0	95,376
Increase in share capital, costs	0	-4,904	0	0	-4,904
Share-based payments	0	0	0	6,143	6,143
	123	**89,799**	**0**	**6,143**	**96,065**
Equity 31.12.2017	**1,839**	**227,136**	**-1,782**	**-41,878**	**185,315**

Consolidated Cash Flow Statement

	2017 OCT-DEC T.SEK	2016 OCT-DEC T.SEK	2017 JAN-DEC T.SEK	2016 JAN-DEC T.SEK
Profit (loss) before tax	-17,345	4,290	-66,515	5,487
Reversal of financial items	-141	374	3,496	1,389
Depreciation and amortizations	3,436	1,285	8,695	2,798
Non-cash items	-6,350	-20,954	331	-20,954
Changes in inventories	-2,357	-344	-5,297	-1,078
Changes in trade receivables	-12,995	-7,505	-15,896	-4,677
Changes in other receivables	5,222	-973	8,888	-12,308
Changes in trade and other payables	48,345	11,517	62,265	13,314
Cash flows from primary operating activities	**17,815**	**-12,310**	**-4,033**	**-16,029**
Received interest	4,675	181	6,312	461
Paid interest	-3,968	-590	-8,982	-1,800
Tax received	1,090	0	2,404	0
Tax paid	-37	0	-146	0
Cash flow from operating activities	**19,575**	**-12,719**	**-4,445**	**-17,368**
Investments in non-current assets	-29,176	-6,950	-64,090	-12,076
Proceeds deducted from investments in non-current assets	3,005	0	3,005	0
Proceeds from sale of property, plant and equipment	1,272	0	1,298	4
Investments in associates	-4,182	-2,900	-24,114	0
Acquisition of a subsidiary, net of cash acquired	0	0	0	-2,900
Cash flow from investing activities	**-29,081**	**-9,850**	**-83,901**	**-14,972**
Borrowings	26,982	0	26,982	3,740
Repayment of borrowings	-5,648	5,752	-6,885	-1,383
Capital increase	0	588	95,375	125,000
Capital increase, costs	0	0	-5,454	-22,082
Cash flow from financing activities	**21,334**	**6,340**	**110,018**	**105,275**
Net cash flow for the period	**11,828**	**-16,229**	**21,672**	**72,935**
Cash and cash equivalents, beginning of the period	83,325	90,016	73,803	1,268
Unrealized exchange rate gains and losses on cash	414	16	92	-400
Cash and cash equivalents, end of the period	**95,567**	**73,803**	**95,567**	**73,803**
Reconciliation of cash and cash equivalents				
Cash and cash equivalents according to the balance sheet	95,567	73,803	95,567	73,803
Cash and cash equivalents according to the cash flow statement	**95,567**	**73,803**	**95,567**	**73,803**

Parent Company Income Statement

	2017 OCT-DEC T.SEK	2016 OCT-DEC T.SEK	2017 JAN-DEC T.SEK	2016 JAN-DEC T.SEK
Net revenue	6,046	830	21,482	1,708
Gross profit	**6,046**	**830**	**21,482**	**1,708**
Administrative costs	-7,582	-5,693	-27,849	-7,846
Operating profit (loss)	**-1,536**	**-4,863**	**-6,367**	**-6,138**
Finance income	2,106	17	2,378	17
Finance expenses	-18	-236	-379	-247
Profit (loss) before tax	**552**	**-5,082**	**-4,368**	**-6,368**
Tax	-129	0	2,256	0
Profit (loss) for the period	**423**	**-5,082**	**-2,112**	**-6,368**
Profit (loss) is attributable to:				
Owners of GomSpace Group AB	423	-5,082	-2,112	-6,368
	423	**-5,082**	**-2,112**	**-6,368**
Earnings per share, basic, SEK	0.02	-0.21	-0.08	-0.44
Earnings per share, diluted, SEK	0.02	-0.21	-0.08	-0.44

Parent Company Statement of Other Comprehensive Income

	2017 OCT-DEC T.SEK	2016 OCT-DEC T.SEK	2017 JAN-DEC T.SEK	2016 JAN-DEC T.SEK
Profit (loss) for the period	423	-5,082	-2,112	-6,368
Items which may be reclassified to the income statement:				
Other comprehensive income for the period, net of tax	**0**	**0**	**0**	**0**
Total comprehensive income for the period	**423**	**-5,082**	**-2,112**	**-6,368**
Total comprehensive income for the period is attributable to:				
Owners of GomSpace Group AB	423	-5,082	-2,112	-6,368
	423	**-5,082**	**-2,112**	**-6,368**

Parent Company Statement of Financial Position

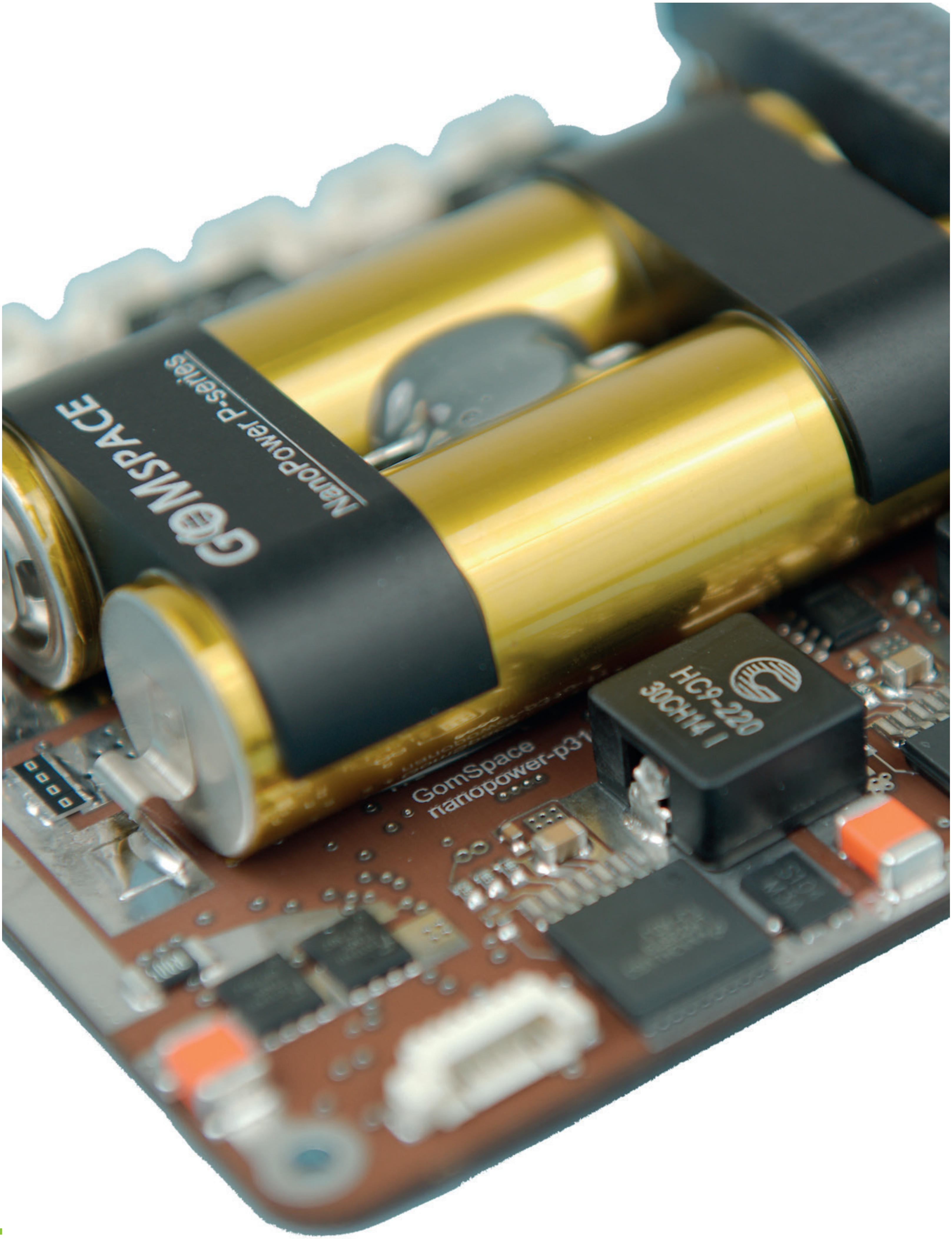
	2017 31 DEC T.SEK	2016 31 DEC T.SEK
GomSpace A/S	110,971	36,891
NanoSpace AB	34,056	23,850
GomSpace Orbital ApS	65	65
GomSpace Luxembourg S.A.R.L.	115	0
GomSpace Asia	2,142	0
GomSpace North America	1,105	0
Investments in subsidiaries	**148,454**	**60,806**
Aerial & Maritime Ltd.	24,115	19,932
Investments in associates	**24,115**	**19,932**
Fixed asset investments	**172,569**	**80,738**
Deferred tax	2,255	0
Other non-current assets	**2,255**	**0**
Total non-current assets	**174,824**	**80,738**
Trade receivables from subsidiaries	11,523	285
Trade receivables from associates	111	25
Other prepayments	153	90
Other receivables	120	1,879
Receivables	**11,907**	**2,279**
Cash and cash equivalents	**38,144**	**70,434**
Total current assets	**50,051**	**72,713**
Total assets	**224,875**	**153,451**

Parent Company Statement of Financial Position

	2017 31 DEC T.SEK	2016 31 DEC T.SEK
Share capital	1,839	1,716
Share premium	223,848	134,049
Retained earnings	-2,338	-6,368
Total equity	**223,349**	**129,397**
Payables to subsidiaries	111	2,087
Payables to associates	0	19,932
Trade payables and other payables	826	2,035
Other liabilities	589	0
Total current liabilities	**1,526**	**24,054**
Total liabilities	**1,526**	**24,054**
Total equity and liabilities	**224,875**	**153,451**

Parent Company
Statement of Changes in Equity

	SHARE CAPITAL T.SEK	SHARE PREMIUM T.SEK	RETAINED EARNINGS T.SEK	TOTAL EQUITY T.SEK
Equity 01.01.2016	**50**	**0**	**0**	**50**
Total comprehensive income for the period	0	0	-6,368	-6,368
Total comprehensive income for the period	**0**	**0**	**-6,368**	**-6,368**
Increase in share capital	1,736	156,530	0	158,266
IPO costs	0	-22,551	0	-22,551
Decrease in share capital	-70	70	0	0
	1,666	**134,049**	**0**	**135,715**
Equity 31.12.2016	**1,716**	**134,049**	**-6,368**	**129,397**
Equity 01.01.2017	**1,716**	**134,049**	**-6,368**	**129,397**
Total comprehensive income for the period	0	0	-2,112	-2,112
IPO costs	0	-550	0	-550
Increase in share capital	123	95,253	0	95,376
Increase in share capital, costs	0	-4,904	0	-4,904
Share-based payments	0	0	6,142	6,142
	123	**89,799**	**4,030**	**93,952**
Equity 31.12.2017	**1,839**	**223,848**	**-2,338**	**223,349**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Notes to the Interim Consolidated Financial Statements

1. Accounting policies

Basis of preparation

The establishment of GomSpace Group AB was performed in relation to listing the company at First North Premier in Stockholm and the consolidated financial statements of GomSpace Group AB will be prepared as a continuation of GomSpace A/S, as the transaction whereby GomSpace Group AB is established as the new parent company is merely a reorganization of the Group in which GomSpace A/S is the accounting parent company. Accordingly, the consolidated financial statements of GomSpace Group AB have been prepared on this basis. The consolidated financial statements of GomSpace Group AB are, in all essential aspects, consistent with the combined financial statements presented in the Prospectus /combined financial statements 2013-2015.

This implies that the predecessor values of GomSpace A/S, which have been reported internally on a consolidated basis in accordance with IFRS as adopted by the EU, have been used. No adjustments have been made to the values of the assets and liabilities compared with the historically reported values.

GomSpace Group AB applies International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting principles adopted are consistent with those described in the Annual Report (available at https://gomspace.com/UserFiles/Invester%20relations/Annual% 20reports/GomSpace_Annual-Report_2016_UK.pdf).

With effect from 1 January 2017, GomSpace Group AB has implemented the following new or altered standards and contributions to the interpretation:

- Amendments to IAS 7 on disclosure requirements regarding the cash flow statement
- Amendments to IAS 12 on recognition of deferred tax assets for unrealized losses
- Part of the Annual Improvements to IFRSs 2014-2016

In the Annual Improvements to IFRSs 2014-2016 it is solely the alteration for IFRS 12 Disclosure of interest in other entities with clarification of the scope of the disclosure requirements in IFRS 12 which are effective from 1 January 2017. The remaining part of the Annual Improvements to IFRSs 2014-2016 will not apply until from 1 January 2018.

The new disclosure requirements in IAS 7 are not compulsory for interim reports and therefore this will not have effect until the Annual Report 2017.

None of the above alterations have had effect on recognition and measurement in this interim report.

This interim report has 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.

At the time of publishing the current fourth quarterly report, IASB issued new and altered accounting standards and interpretative aids which are not mandatory for GomSpace Group AB when preparing the consolidated financial statements and the annual report for 2017. The approved standards which have not taken effect as well as interpretative aids are implemented in line with these becoming mandatory to the group. From the new and altered accounting policies as well as interpretative aids, it is assessed that solely IFRS 9, IFRS 15 and IFRS 16 to a certain extent may potentially influence recognition and measurement in the consolidated financial statements and the annual report. The group has completed an analysis of the expected effect of IFRS 9 and IFRS 15 whereas the Group has solely performed a preliminary analysis of the expected effect of IFRS 16. A description of the result is given below.

IFRS 15 *Revenue from Contracts with Customers* which replaces the current revenue standards (IAS 11 and IAS 18) as well as interpretative aids introduces a new model for recognition and measurement of revenue concerning sales contracts with customers. This standard becomes effective for financial years commencing on 1 January 2018 or later. The Group has performed an analysis of the expected influence of the new standards. Based on analyses of the Group's current income as well as contract types, it is assessed that there is an insignificant effect on recognition and measurement.

Notes to the Interim Consolidated Financial Statements (continued)

1. Accounting policies (continued)

IFRS 9 *Financial Instruments* which replaces IAS 39 alters the classification and the derived measurement of financial assets and liabilities. This standard becomes effective for financial years commencing on 1 January 2018 or later. A new impairment model for financial assets is for instance introduced. The so-called "expected loss" model will require a more timely recognition of the expected loss, both upon initial recognition as well as subsequently compared to the current model where impairment is not recognized until there is an indication of loss ("incurred loss" model). The Group has performed an analysis of the expected impact of the new standard. Based on analyses of the Group's current financial assets, it is assessed that there is an insignificant effect on recognition and measurement.

IFRS 16 *Leases* was published mid-January 2016. The standard which becomes effective for financial years commencing on 1 January 2019 or later, significantly alters the accounting treatment regarding the lease contracts which are currently treated as operating leases. Thereby, the standard requires that all lease contracts, regardless of the type – with a few exceptions – must be recognized in the lessee's balance sheet as an asset, including lease obligation. At the same time, the lessee's income statement will be influenced as the annual costs related to the lease in future will consist of two elements – partly amortization and partly interest costs – in contrast to today where the annual costs concerning operating leases are recognized as one amount under operating expenses. Finally, it is expected that the cash flow statement of the group will be influenced as the operational lease payments which are current presented as cash flow from operating activities, in future these will be presented as financial activities. Based on a preliminary analysis of the importance of the new standard, the group assesses that this will have some significance on the group's balance sheet and cash flow statement whereas result for the year based on the current lease agreement portfolio will be affected to a minor degree.

Key ratios definitions

Gross margin $= \dfrac{\text{gross profit}}{\text{net revenue}}$

Operating margin $= \dfrac{\text{operating profit}}{\text{net revenue}}$

Net margin $= \dfrac{\text{profit}}{\text{net revenue}}$

Return on invested capital $= \dfrac{\text{profit}}{\text{total assets}}$

Return on equity $= \dfrac{\text{profit}}{\text{average equity}}$

Equity ratio $= \dfrac{\text{equity}}{\text{total assets}}$

Earnings per share $= \dfrac{\text{profit}}{\text{number of shares}}$

Working capital = Inventory + Contract work + Trade receivables + Other Prepayments + Other receivables - Trade payables and Other payables - Contract work - Prepayments - Other liabilities

Notes to the Interim Consolidated Financial Statements (continued)

2. Significant accounting estimates and judgments

In preparing this Interim Report, Management makes various estimates and assumptions which form the basis of presentation, recognition and measurement of the Group's income statement, assets and liabilities. The most significant accounting estimates and judgments are presented below. The Group is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

For development projects in progress an impairment test is performed annually. The impairment test is performed on the basis of various factors, including future expected use of the outcome of the project, the fair value of the estimated future earnings or savings, interest rates and risks.

Recognized revenue on contract work is based on percentage of completion based on costs spent on the contract as a percentage of the total costs estimated to complete the project. Management estimates on an ongoing basis the costs required to complete the projects and whether the costs can be recovered through the contract.

The Group has established a warrant program from 27 April 2017 to 27 April 2021. 100% of the warrants in the first grant is vested and the mangement expects that 85% of the warrants will be vested in the fourth grant.

For development projects in progress, Management estimates on an ongoing basis whether each project is likely to generate future economic benefits for the Group in order to qualify for recognition. The development projects are evaluated on technical as well as commercial criteria. The carrying amount of development projects in progress is disclosed in note 4.

Regarding deferred tax there is a recognized tax asset concerning tax loss carry-forward. It is Management's opinion that the tax loss can be utilized.

3. Income tax and deferred tax

The Group had a recognized deferred tax loss carry-forward at a total amount of T.SEK 20,249. The parent company, GomSpace Group AB, had a non-recognized deferred tax loss carry-forward at a total amount of T.SEK 6,161. This amount can only be used by the Swedish entities and no tax profit is expected to be generated within a foreseeable future. Once the amount is recognized, this is done over equity as it regards deferred tax concerning expenses booked on equity.

DEFERRED TAX ASSET RELATES TO:	2017 31 DEC T.SEK	2016 31 DEC T.SEK
Intangible assets	-13,415	0
Property, plant and equipment	1,720	0
Short-term assets	743	735
Tax loss carry-forwards	20,249	4,093
	9,297	**4,828**

Notes to the Interim Consolidated Financial Statements (continued)

4. Intangible assets

GROUP	GOODWILL T.SEK	TECHNOLOGY T.SEK	DEVELOPMENT PROJECTS IN PROGRESS T.SEK	FINISHED DEVELOPMENT PROJECTS T.SEK	OTHER INTANGIBLE ASSETS T.SEK	TOTAL T.SEK
Cost price at 1 January 2017	3,710	12,000	6,197	12,054	3,623	37,584
Additions during the year	0	0	21,819	0	17,089	38,908
Reclassification	0	0	-2,108	2,108	0	0
Exchange rate adjustment	0	0	668	347	131	1,146
Cost price at 31 December 2017	3,710	12,000	26,576	14,509	20,843	77,638
Amortization at 1 January 2017	0	-200	0	-6,021	-306	-6,527
Amortization	0	-800	0	-1,917	-2,098	-4,815
Exchange rate adjustment	0	0	0	-208	-14	-222
Amortization at 31 December 2017	0	-1,000	0	-8,146	-2,418	-11,564
Carrying amount at 31 December 2017	**3,710**	**11,000**	**26,576**	**6,363**	**18,425**	**66,074**
Cost price at 1 January 2016	0	0	5,970	6,784	0	12,754
Additions during the year	0	0	4,839	0	1,209	6,048
Acquired in a business combination	3,710	12,000	0	0	2,400	18,110
Reclassification	0	0	-4,922	4,922	0	0
Exchange rate adjustment	0	0	310	348	14	672
Cost price at 31 December 2016	3,710	12,000	6,197	12,054	3,623	37,584
Amortization at 1 January 2016	0	0	0	-4,332	0	-4,332
Amortization	0	-200	0	-1,460	-301	-1,961
Exchange rate adjustment	0	0	0	-229	-5	-234
Amortization at 31 December 2016	0	-200	0	-6,021	-306	-6,527
Carrying amount at 31 December 2016	**3,710**	**11,800**	**6,197**	**6,033**	**3,317**	**31,057**

Impairment test

The annual impairment test for goodwill is performed as at 31 December after completion of budgets and strategy plans for the next 5 years. As at 31 December 2017 management assesses that there is no indication of impairment regarding the net asset values for goodwill and intangible assets with an indefinite useful life.

Notes to the Interim Consolidated Financial Statements (continued)

5. Classification of financial assets and liabilities

	FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS HELD FOR TRADING T.SEK	INVESTMENTS HELD TO MATURITY T.SEK	LOANS AND RECEIVABLES T.SEK	OTHER FINANCIAL LIABILITIES T.SEK	TOTAL T.SEK	CARRYING AMOUNT T.SEK	FAIR VALUE LEVEL 1 T.SEK
31 DECEMBER 2017							
ASSETS							
Trade and other receivables	0	0	58,832	0	58,832	58,832	0
Marketable securities	9	0	0	0	9	0	9
Cash and cash equivalents	0	0	95,567	0	95,567	95,567	0
Total assets	**9**	**0**	**154,399**	**0**	**154,408**	**154,399**	**9**
LIABILITIES							
Credit institutions	0	0	0	33,995	33,995	33,995	0
Trade payables and other payables	0	0	0	47,357	47,357	47,357	0
Prepayments	0	0	0	46,344	46,344	46,344	0
Total liabilities	**0**	**0**	**0**	**127,696**	**127,696**	**127,696**	**0**
31 DECEMBER 2016							
ASSETS							
Trade and other receivables	0	0	48,856	0	48,856	48,856	0
Marketable securities	10	0	0	0	10	0	10
Cash and cash equivalents	0	0	73,803	0	73,803	73,803	0
Total assets	**10**	**0**	**122,659**	**0**	**122,669**	**122,659**	**10**
LIABILITIES							
Credit institutions	0	0	0	13,465	13,465	13,465	0
Trade payables and other payables	0	0	0	36,618	36,618	36,618	0
Prepayments	0	0	0	6,716	6,716	6,716	0
Total liabilities	**0**	**0**	**0**	**56,799**	**56,799**	**56,799**	**0**

Notes to the Interim Consolidated Financial Statements (continued)

5. Classification of financial assets and liabilities (continued)

Fair value of credit institutions and other non-current loans are deemed to be the equal to the total carrying amount, as these items are of a short-term nature.

The fair values of financial instruments traded in an active market (such as financial instruments held for trading and available-for-sale financial instruments) are based on quoted market prices as at the balance sheet date. A market is regarded as active if quoted prices from an exchange, broker, industry group, pricing service or regulatory authority are easily and regularly available, and provided these prices represent actual and regularly occurring arm's length market transactions. The quoted market price used for the Group's financial assets is the current bid price. These instruments belong to Level 1.

The fair values of financial instruments which are not traded in an active market are determined with the help of valuation techniques. Market data is used as far as possible when such data is available. If all significant inputs required for the fair value measurement of an instrument are observable, the instrument belongs to Level 2.

In cases where one or several significant inputs are not based on observable market information, the instrument is classified as Level 3.

The above table shows financial instruments carried at fair value based on their classification in the fair value hierarchy. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly in the form of quoted prices or indirectly, i.e. derived from quoted prices (Level 2)
- Inputs for the asset or liability which are not based on observable market data (non-observable inputs)(Level 3)

In the fourth quarter of 2017, no transfers between levels were made.

Notes to the Interim Consolidated Financial Statements (continued)

6. Share-based payment

GomSpace Group AB (publ) established warrant programs as an incentive for all the Group's employees. Board members of the Company will not be allowed to paticipate. The warrant activity for the year is outlined below.

	2017 OCT-DEC T.SEK	2016 OCT-DEC T.SEK	2017 JAN-DEC T.SEK	2016 JAN-DEC T.SEK
Outstanding warrants as at 27 April 2017	10,709	0	10,709	0
Granted	-2,895	0	-2,895	0
Exercised	0	0	0	0
Outstanding warrants	**7,814**	**0**	**7,814**	**0**

At the annual general meeting in April 2017 and at an extraordinary general meeting in August 2017, shareholders approved a warrant program for all the Group's employees. Board members of the company will not be allowed to paticipate. Up to 460,380 warrants may be issued under this program and the exercise price is 100% of the volume weighted average last closing price for the Company's share on Nasdaq First North Premier during the period from and including 20 April 2017 until and including 26 April 2017. The exercise price thus calculated shall be rounded off to the nearest whole SEK 0.10, whereupon SEK 0.5 shall be rounded upwards. The exercise price may never be below the quotient value of the shares.

The fair value of the warrants, expected to be granted until April 2020, is an amount of up to T.SEK 11,577, using the so-called Black&Scholes model based on the assumptions below.

Volatility	70%
Risk-free interest rate	0.00%
Dividend yield	0.00%
Year to maturity	4
Exercise price	54.1

The costs of this program will be recognized as cost in the consolidated income statement over the service period. Further details of the Warrant Program can be found on our website:
https://gomspace.com/UserFiles/Invester%20relations/General%20meeting%202017/Board_s_complete_pr opos-al_to_issue_warrants_(incentive_programme)_-_37192241_v91.pdf.

Notes to the Interim Consolidated Financial Statements (continued)

7. Related parties

Group and GomSpace Group AB
Related parties comprise the associated companies, the Board of Directors and the management team. Furthermore, related parties comprise companies in which the above-mentioned persons have significant interests.

Related parties also comprise subsidiaries in which GomSpace Group AB has controlling influence.

The Group has the following transactions with related parties:

	2017 JAN-DEC T.SEK
Transactions with related parties	
Sale of goods and services to associates	10,797
Administration costs from Board of Directors and management team	3,745
Receivables from associates on the balance sheet date	12,966

Financial Calendar

Annual Report 2017	week 13
Annual General Meeting	26 April 2018
Interim report, January - March 2018	31 May 2018

COMPANY INFORMATION
GomSpace Group AB
Stureplan 4 C
SE-114 35 Stockholm

Org.nr.	559026-1888
Municipality of reg. office	Stockholm
Telephone	+45 71 741 741
Website	www.gomspace.com
E-mail	info@gomspace.com
Subsidiaries	GomSpace A/S, 100% Langagervej 6 9220 Aalborg East Denmark
	GomSpace Orbital ApS, 100% Langagervej 6 9220 Aalborg East Denmark
	NanoSpace AB, 100% Uppsala Science Park 751 83 Uppsala Sweden
	GomSpace North America LLC, 100% 500 Montgomery Street Suite 400 22314 Alexandria, VA USA
	GomSpace ASIA Pte Ltd, 100% 8 Shenton Way #50-01 AXA Tower (office space 19) Singapore 068811 Singapore
	GomSpace Luxembourg S.A.R.L., 100% 9, avenue des Hauts-Fourneaux L-4362 Esch-sur-Alzette Grand-Duché de Luxembourg Luxembourg

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 at 31 December 2017, and of the results of the Group's and the parent company's operations and cash flow for the period 1 October - 31 December 2017.

Stockholm, 21 February 2018

Executive Board

Niels Buus
CEO

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

GomSpace Group AB • Stureplan 4 C • SE-114 35, Stockholm • Sweden
www.gomspace.com • info@gomspace.com • +45 71 741 741