

Press release
Stockholm
May 29, 2019

GomSpace (provider of nanosatellites) announces its quarterly results for the first quarter 2019

Stockholm, May 29, 2019. GomSpace Group AB (the "Company") announces its interim report for the first quarter of 2019. The report is available on the Company's homepage (www.gomspace.com). The following is taken from the quarterly report:

"In the first quarter, we had an unexpected decline in the order intake. We are however already seeing an improvement in the second quarter where we till date have met our expectations.

The net revenue in the first quarter of 2019 amounted to T.SEK 29,877 compared to T.SEK 37,738 in the same period of 2018. This corresponds to a decline of 21% which is due to delayed order intake. The gross margin amounts to 1%.

The reason the revenue for the first quarter is lower than expected is that the financing of the start-ups in the new space segment has been slower than we anticipated by the end of 2018. Some of our customers have not had the next phases of their business case financed as quickly as expected and others have, in the beginning of this year, decided to slow down execution of their next phase, because they do not want to burn cash too quickly.

The margins in the first quarter are influenced by an overcapacity of resources due to the constellation project for Sky and Space Global being put on hold during the fourth quarter of 2018 but also because of the low order intake in the first quarter. In addition to that we have had execution problems with the manufacturing of a customized propulsion product. The overall situation has meant that we are still focusing on reducing cost to ensure that we are improving our margins."

CEO Niels Buus commented.

First quarter summary

1 January – 31 March 2019 (2018)

- Order intake increased to T.SEK 14,788 (14,712)
- Net revenues decreased to T.SEK 29,877 (37,738), a decline of 21%. Without the partial elimination of the associated company, the decline was 21%
- Gross margin decreased to 1% (35%)
- Operating profit (loss) decreased to a negative T.SEK 27,630 (a negative 15,093)
- Earnings per share were a negative SEK 0.58 (a negative 0.52)
- Both the gross margin and the operating profit (loss) were under pressure due to overcapacity and delayed order intake
- Order book amounts to T.SEK 712,949 as at 31 March 2019. In 2019, we expect to convert between SEK 60-70 million of the order backlog into revenue
- GomSpace received payment at an amount of T.SEK 20,819 for the critical design review regarding the outstanding payment from 2018 from Sky and Space Global.

Subsequent events

- GomSpace and ESA have signed a contract to adapt and improve smallsat systems and subsystems for science missions in deep space. The contract value is EUR 3,900,000 over 18 months

- GomSpace informs that the customer Sky and Space Global Ltd. has disclosed a Supplementary Prospectus on April 16, 2019. The potential new agreement with Sky and Space Global, the "Heads of Agreement", is therefore conditional upon secured financing by Sky and Space Global Ltd.

For more information, please contact:

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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, info@fnca.se, +46-8-528 00 399 is the Company's Certified Adviser. For more information, please visit our website on www.gomspace.com.

Miscellaneous

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, 8:00 a.m. CET on May 29, 2019.