

Registre de Commerce et des Sociétés

Numéro RCS : B218666

Référence de dépôt : L220218841

Déposé et enregistré le 05/10/2022

FGVXLAP20220811T13540701_002

RCSL Nr. : B218666

Matricule : 2017 2456 554

eCDF entry date : 04/10/2022

BALANCE SHEET**Financial year from** ⁰¹ 01/01/2021 **to** ⁰² 31/12/2021 (in ⁰³ EUR)

GomSpace Luxembourg S.à r.l.

11, boulevard du Jazz
L-4370 Esch-sur-Alzette**ASSETS**

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 <u>717.322,56</u>	110 <u>997.932,56</u>
I. Intangible assets	1111 _____ <u>Note 3</u>	111 <u>714.012,56</u>	112 <u>997.932,56</u>
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 <u>243.720,00</u>	116 <u>255.356,00</u>
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 <u>243.720,00</u>	118 <u>255.356,00</u>
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 <u>470.292,56</u>	124 <u>742.576,56</u>
II. Tangible assets	1125 _____ <u>Note 4</u>	125 <u>3.310,00</u>	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

The notes in the annex form an integral part of the annual accounts

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131 3.310,00	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135	135	136
1. Shares in affiliated undertakings	1137	137	138
2. Loans to affiliated undertakings	1139	139	140
3. Participating interests	1141	141	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Investments held as fixed assets	1145	145	146
6. Other loans	1147	147	148
D. Current assets	1151	151 5.289.752,71	152 6.143.541,58
I. Stocks	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163	163 4.347.723,43	164 1.465.292,36
1. Trade debtors	1165	165 1.012.602,95	166 1.241.402,05
a) becoming due and payable within one year	1167	167 1.012.602,95	168 1.241.402,05
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171	171 3.217.193,73	172 18.781,59
a) becoming due and payable within one year	1173	173 3.217.193,73	174 18.781,59
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183	183 117.926,75	184 205.108,72
a) becoming due and payable within one year	1185	185 117.926,75	186 205.108,72
b) becoming due and payable after more than one year	1187	187	188

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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>942.029,28</u>	198 <u>4.678.249,22</u>
E. Prepayments	1199 _____	199 _____	200 _____
	TOTAL (ASSETS)	201 <u>6.007.075,27</u>	202 <u>7.141.474,14</u>

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 <u>Note 6</u>	301 <u>558.465,76</u>	302 <u>1.300.118,53</u>
I. Subscribed capital	1303 _____	303 <u>12.000,00</u>	304 <u>12.000,00</u>
II. Share premium account	1305 _____	305 <u>1.000.000,00</u>	306 <u>1.000.000,00</u>
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>33.650,00</u>	310 _____
1. Legal reserve	1311 _____	311 <u>1.200,00</u>	312 _____
2. Reserve for own shares	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 <u>32.450,00</u>	430 _____
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 <u>32.450,00</u>	434 _____
V. Profit or loss brought forward	1319 <u>Note 14</u>	319 <u>254.468,53</u>	320 <u>-4.716,17</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>-741.652,77</u>	322 <u>292.834,70</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
C. Creditors	1435 <u>Note 7</u>	435 <u>4.264.538,25</u>	436 <u>3.657.618,84</u>
1. Debenture loans	1437 _____	437 _____	438 _____
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 _____	446 _____
i) becoming due and payable within one year	1447 _____	447 _____	448 _____
ii) becoming due and payable after more than one year	1449 _____	449 _____	450 _____
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361	362
a) becoming due and payable within one year	1363	363	364
b) becoming due and payable after more than one year	1365	365	366
4. Trade creditors	1367	778.840,99	1.019.978,39
a) becoming due and payable within one year	1369	778.840,99	1.019.978,39
b) becoming due and payable after more than one year	1371	371	372
5. Bills of exchange payable	1373	373	374
a) becoming due and payable within one year	1375	375	376
b) becoming due and payable after more than one year	1377	377	378
6. Amounts owed to affiliated undertakings	1379	3.258.276,66	2.483.974,99
a) becoming due and payable within one year	1381	3.258.276,66	2.483.974,99
b) becoming due and payable after more than one year	1383	383	384
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	386
a) becoming due and payable within one year	1387	387	388
b) becoming due and payable after more than one year	1389	389	390
8. Other creditors	1451	227.420,60	153.665,46
a) Tax authorities	1393	Note 14 102.664,00	394 105.616,08
b) Social security authorities	1395	30.024,72	396 16.618,50
c) Other creditors	1397	94.731,88	398 31.430,88
i) becoming due and payable within one year	1399	94.731,88	400 31.430,88
ii) becoming due and payable after more than one year	1401	401	402
D. Deferred income	1403	Note 8 1.184.071,26	404 2.183.736,77
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	6.007.075,27	406 7.141.474,14

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B218666

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Audited annual accounts

as at and for the year ended December 31, 2021

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Independent auditor's report

To the Board of Managers of
GomSpace Luxembourg S.à r.l.
11, boulevard du Jazz
L-4362 Esch-sur-Alzette

Opinion

We have audited the financial statements of GomSpace Luxembourg S.à r.l. (the "Company"), which comprise the balance sheet as at 31 December 2021, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Managers and those charged with governance for the financial statements

The Board of Managers is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Managers determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Managers is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d’entreprises agréé” for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of Board of Managers’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d’entreprises agréé” to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d’entreprises agréé”. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Oana Bentel

NOTE 1 – GENERAL INFORMATION

GomSpace Luxembourg S.à r.l. (the “Company”), a Luxembourg *société à responsabilité limitée* governed by the Luxembourg Law of August 10, 1915 on Commercial Companies (as amended), was incorporated on October 10, 2017. The Company is formed for an unlimited duration.

The purpose of the Company is to perform all activities directly or indirectly related to, in general, the advanced research and development of space technology and more specifically, nanosatellites, as well as all processes from design to manufacture of nanosatellites for all types of customers, whether in academic, government or commercial markets. The Company may also operate in any other field related to its main activity and particularly in the import and export of all types of equipment.

The Company’s financial year begins the first day of January and ends on the last day of December of each year except for the first financial year which started on October 10, 2017 and ended on December 31, 2018.

The Company has its registered office at 11, Boulevard du Jazz, 4370 Esch-sur-Alzette, Grand Duchy of Luxembourg and is registered with the Luxembourg Register of Commerce under the number RCS B218666.

The Company is a wholly owned subsidiary of GomSpace Group AB, an entity incorporated under the laws of Sweden. GomSpace Group AB is a listed company at Nasdaq First North Stockholm (GOMX.ST).

The Company’s accounts are included in the consolidated accounts of GomSpace Group AB, its ultimate parent, representing the biggest and the smallest entity of which the Company is a subsidiary. These consolidated accounts can be obtained from GomSpace Group AB, Ulls Väg 29A, SE-756 51 Uppsala, Sweden.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention.

Accounting policies and valuation rules are besides those prescribed by the Law of 19 December 2002, as amended, determined and applied by the Board of Managers.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed.

Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2 Significant accounting policies

The principal accounting policies applied in the preparation of these annual accounts are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.1 Foreign currency translation

These annual accounts are expressed in Euros (EUR). The translation at the balance sheet is made according to the following principles:

Monetary items are converted at the exchange rates effective at the balance sheet date whereas non-monetary items are converted at the exchange rate effective at the time of the transaction. The realized and unrealized exchange losses are recorded in the profit and loss account, whereas the realized exchange gains are recorded in the profit and loss account at the moment of their realization. Unrealized exchange gains are not recognized.

2.2.2 Intangible fixed assets

a) Licenses and trademarks

Intangible fixed assets are valued at purchase price including the expenses incidental thereto. Intangible fixed assets are depreciated over their estimated useful economic lives, as follows:

- Licenses and trademarks rights and software: 3-5 years

Depreciation is calculated on a straight-line basis.

Where the Company considers that an intangible fixed asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

b) Development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- its intention to complete and its ability and intention to use or sell the asset
- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. During the period of development, the asset is tested for impairment annually.

- Development costs: 3-5 years

Where the Company considers that development costs have suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.3 Tangible fixed assets

a) IT equipment

Tangible fixed assets are valued at purchase price including the expenses incidental thereto. Tangible fixed assets are depreciated over their estimated useful economic lives, as follows:

- IT equipment: 3-5 years

Depreciation is calculated on a straight-line basis.

Where the Company considers that a tangible fixed asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.4 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments when their recovery is compromised.

2.2.5 Contract work in progress

Contract work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognized to date less progress billings and recognized losses, if any. Contract work in progress is presented in the balance sheet for all contracts in which costs incurred plus recognized profits exceed progress billings. If progress billings exceed costs incurred plus recognized profits, then the excess is presented as deferred revenue in the statement of financial position.

2.2.6 Prepayments

Prepayments include expenditures incurred during the current year but relating to a subsequent financial year.

2.2.7 Cash at bank and in hand

Highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

2.2.8 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions for taxation corresponding to the difference between the tax liability estimated by the Company and the advance payments for the financial years for which the tax return has not yet been filed are recorded under the caption "Provision for taxation".

2.2.9 Deferred income

This liability item includes income received during the financial year but relating to a subsequent financial year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.10 Expense recognition

Expenses are charged in the year they are incurred and they are stated on an accrual basis.

2.2.11 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at cost at the commencement of the lease at the inception date. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit or loss. A leased asset is depreciated over the useful life of the asset.

An operating lease is a lease other than a finance lease. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

2.2.12 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received.

Recognition – Customer contracts

Revenue from customer contracts is recognized to the stage of completion. Stage of completion is measured by reference to labour hours and other costs incurred to date as a percentage of total estimated labour hours and other cost for each contract. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

NOTE 3 – INTANGIBLE FIXED ASSETS

The movements of the year in intangible assets are as follows:

	2021 EUR			2020 EUR
	Intangible assets under development	Intangible assets acquired for valuable consideration	Total	Total
Cost				
Opening balance	742 577	677 000	1 419 577	1 344 664
Additions	-	-	-	74 912
Closing balance	742 577	677 000	1 419 577	1 419 577
Amortization				
Opening balance	-123 763	-297 881	-421 644	-162 480
Amortization charge of the year	-148 521	-135 399	-283 920	-259 164
Closing balance	-272 284	-433 280	-705 564	-421 644
<u>Net book value</u>				
Opening balance	618 814	379 119	997 933	1 182 184
Closing balance	470 293	243 720	714 013	997 933

Intangible assets include software “GSWEB” purchased in 2018 from a Group Company for an amount of EUR 677 000 and the capitalized development costs for the software under development “MCOP” amounting to EUR 742 577 as at 31.12.2021 (2020: EUR 742 577).

NOTE 4 – TANGIBLE FIXED ASSETS

The movements of the year in tangible assets are as follows:

	IT equipment EUR	Total EUR
Cost		
Opening balance	-	-
Additions	3 970	3 970
Closing balance	3 970	3 970
Amortization		
Opening balance	-	-
Amortization charge of the year	-660	-660
Closing balance	-660	-660
<u>Net book value</u>		
Opening balance	-	-
Closing balance	3 310	3 310

NOTE 5 – DEBTORS

Debtors are mainly composed as follows:

	2021 EUR			2020 EUR
	Within 1 year	After 1 year and within 5 years	Total	Total
Amounts owed by affiliated undertakings	3 217 194	-	3 217 194	18 782
Trade debtors	1 012 603	-	1 012 603	1 241 402
Other debtors	117 927	-	117 927	205 109
Total	4 347 724	-	4 347 724	1 465 293

5.1 Amounts owed by affiliated undertakings

Amounts owed by affiliated undertakings consist of the sum of transactions entered into at arms-length between the Company and its affiliate entity, GomSpace A/S, for the provision of technical support on projects, as well as the balance of payments made between the Company and GomSpace A/S related to group treasury transactions.

NOTE 6 – CAPITAL AND RESERVES

6.1 Share capital

The authorized share capital of the Company totals 12 000 shares at a par value of EUR 1 each.

6.2 Legal reserve

On an annual basis, if the Company reports a net profit for the year, Luxembourg law requires appropriation of an amount equal to at least 5% of the annual net profit to a legal reserve until such reserve equals 10% of the subscribed capital. This reserve is not available for dividend distribution.

6.3 Changes in shareholders' equity

The changes in shareholders' equity for the period is shown below:

	Share capital EUR	Share premium EUR	Legal reserve EUR	Other non-distributable reserves * EUR	Profit or loss brought forward EUR	Profit or loss for the financial year EUR	Total capital and reserves EUR
Balance as at 31 December 2020	12 000	1 000 000	-	-	-4 716	292 835	1 300 119
Profit or loss brought forward	-	-	1 200	32 450	259 185	- 292 835	-
Loss for the financial year	-	-	-	-	-	-741 653	-741 653
Balance as at 31 December 2021	12 000	1 000 000	1 200	32 450	254 469	-741 653	558 466

* Other non-distributable reserves consist of a reserve for net wealth tax to be kept in place for a period of five years from the date of creation, being up to and including 31 December 2026.

NOTE 7 – CREDITORS

Creditors are mainly composed as follows:

	2021 EUR			2020 EUR
	Within 1 year	After 1 year and within 5 years	Total	Total
Amounts owed to affiliated undertakings	3 258 276	-	3 258 276	2 483 975
Trade creditors	778 841	-	778 841	1 019 978
Tax and social security debts	132 689	-	132 689	122 235
Other creditors	94 732	-	94 732	31 431
Total	4 264 538	-	4 264 538	3 657 619

NOTE 8 – CONTRACT WORK IN PROGRESS

Contract work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. A positive work in progress balance is classified as an asset and a negative balance is classified in liability.

The Company has 18 contracts in 2021 (2020: 14) under which revenue is recognised. The details are as follows:

	2021 EUR	2020 EUR
Revenue recognised based on percentage of completion	8 675 442	6 574 537
Less: Progress billings	- 9 859 513	- 8 758 274
Contract work in progress	- 1 184 071	- 2 183 737

NOTE 9 – NET TURNOVER

Net turnover principally comprises revenue from customer contracts recognised based on percentage of completion. The turnover is primarily within the science and commercial segments and deliveries are mainly in the European Union.

In 2021, the Company has 18 contracts with a total contracts value of EUR 18 844 401. The percentage of completion of the contracts is 46% as at December 31, 2021. Revenue recognised under these contracts is EUR 4 230 394 in 2021 and EUR 8 675 442 since the start of the contracts.

In 2020, the Company had 14 contracts with a total contracts value of EUR 16 790 470. The percentage of completion of the contracts was 71.2% as at December 31, 2020. Revenue recognised under these contracts was EUR 5 137 977 in 2020 and EUR 6 574 537 since the start of the contracts.

NOTE 10 – OTHER EXTERNAL EXPENSES

Other external expenses are composed as follows:

Total audit fees for the financial year, part of professional fees, amount to EUR 34 650 (2020: EUR 24 000).

	2021	2020
	EUR	EUR
Outsourcing	1 450 884	2 625 486
Marketing and communication costs	83 602	92 941
Management fee	469 949	304 544
Professional fees	195 582	124 835
IT costs	47 424	18 036
Rental expenses	212 937	162 105
Other external expenses	27 000	34 429
Total	2 487 378	3 363 376

NOTE 11 – STAFF COSTS

The average number of permanent employees during 2021 was 20 (2020: 16).

NOTE 12 – COMMITMENTS AND CONTINGENCIES

The company has an operational commitment to supplier and service provider in the normal course of its business. Operating leases comprise building rental.

Total operating lease expenses are as follows:

	2021	2020
	EUR	EUR
Office Rental	212 937	162 105
Total	212 937	162 105

GomSpace Luxembourg S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS AS AT DECEMBER 31, 2021

NOTE 13 – RELATED PARTIES’ TRANSACTIONS

The Company conducts transactions with its parent company and subsidiaries thereof. These transactions may include loans granted to/by group entities, interest on these loans, and intercompany recharges in connection with delivery / reception of services.

	2021 EUR	2020 EUR
Sales to affiliated undertakings		
Sales to GomSpace A/S	427 567	516 911
Total	427 567	516 911
Purchases from affiliated undertakings		
Purchases from GomSpace A/S	153 454	733 741
Purchases from GomSpace Group AB	541 234	304 544
Purchases from GomSpace Sweden AB	-1 579	165 300
Total	693 109	1 203 585
Interest income		
Interest on receivable from GomSpace A/S	12 508	-
Total	12 508	-
Interest expense		
Interest on payable to GomSpace Group AB	75 413	32 032
Interest on payable to GomSpace Sweden AB	5 648	299
Total	81 061	32 331

	2021 EUR	2020 EUR
Amounts owed by affiliated undertakings		
Receivable from GomSpace A/S	3 217 194	18 782
Total	3 217 194	18 782
Amounts owed to affiliated undertakings		
Payable to GomSpace Group AB	3 089 326	2 424 156
Payable to GomSpace Sweden AB	168 950	165 599
Total	3 258 276	2 589 755

NOTE 14 – PRIOR PERIOD ERROR

In the prior period there was an error in the correction of a provision for net wealth tax in 2020, which was processed in 2021. This led to an overstatement of the amount owed to tax authorities as well as the loss brought forward from the prior year. The effect on the profit and loss account was zero.

	2021 (restated) EUR	2021 EUR	Difference
Creditors			
Tax authorities	105 616	107 221	(1 605)
Total	105 616	107 221	(1 605)
Capital and reserves			
Loss brought forward	(4 716)	(6 321)	1 605
Total	(4 716)	(6 321)	1 605

NOTE 15 – SUBSEQUENT EVENTS

With effective date June 1, 2022, the Company entered into a contribution agreement with its sole Partner, GomSpace Group AB. As per this agreement, the receivable balance held by GomSpace Group AB on December 31, 2020 of EUR 2 424 156 was contributed in kind to the Company’s capital contribution account (account 115 “*apport en capitaux propres non rémunéré par des titres*” of the Luxembourg standard Chart of Accounts).

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People’s Republic and Lugansk People’s Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against Ukraine on 24 February 2022.

Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets, as well as a significant depreciation of the ruble against the US dollar and the euro. It is expected that these events may affect the activities of Russian enterprises in various sectors of the economy.

The Company regards these events as non-adjusting events after the reporting period

Although neither the company’s performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Board of Managers continues to monitor the evolving situation and its impact on the financial position and results of the company.

Other than these events, there has been no subsequent event to the date these annual accounts were available to be issued, which requires adjustment of or disclosure in the annual accounts or notes.