



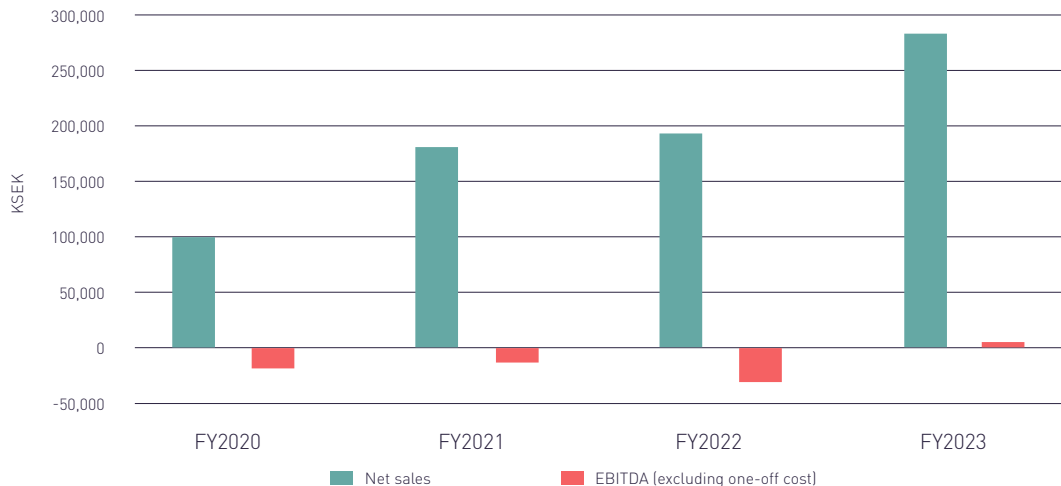
AAC  
CLYDE  
SPACE

ANNUAL REPORT AND ACCOUNTS  
2023

# WORKING IN SPACE TO IMPROVE LIFE ON EARTH

# 2023 HIGHLIGHTS

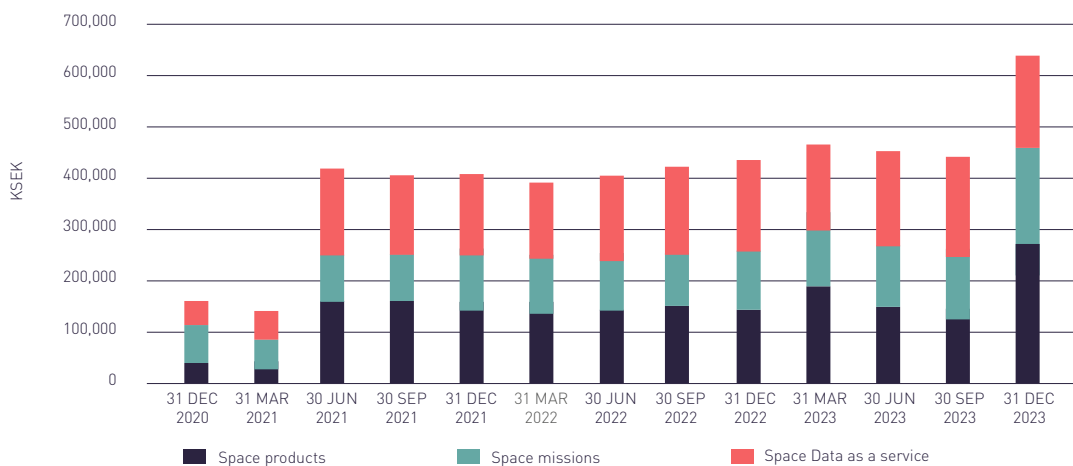
## NET SALES AND EBITDA



## NET SALES - ROLLING 12 MONTHS



## ORDER BACKLOG



## FINANCIAL PERFORMANCE 2023

(2022 comparison)

Net sales increased 41% to

**SEK 276.6M**

(SEK 196.7M)

Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to

**SEK +1.0M**

(SEK -38.6M)

Our order backlog grew 47% to

**SEK 630.3M**

(SEK 427.8M)

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### Annual General Meeting

Annual General Meeting of AAC Clyde Space AB (publ) takes place on Thursday the 23 May 2024 at 13.00 at AAC Clyde Space, Dag Hammarskjölds väg 48 in Uppsala.

We publish two versions of the annual report, a Swedish and an English version, where the Swedish version should prevail since it has been subject to audit.

**OUR VISION IS  
TO DELIVER HIGH  
QUALITY, TIMELY  
DATA FROM SPACE  
FOR A BETTER  
LIFE ON EARTH**

**SAFER LIVES  
AT SEA**

**OUR DATA CAN  
BE USED TO  
TARGET EARTH'S  
MOST PRESSING  
CHALLENGES**



• **IMPROVE AGRICULTURAL  
MANAGEMENT**

• **BETTER  
FORESTRY  
MANAGEMENT**

• **CLEAR EARTH'S  
ORBIT**

• **PREDICT EARTH'S  
CRISES**

• **ECONOMICAL AND  
SUSTAINABLE  
TRAVEL (MARITIME)**

• **EXPAND EARTH'S  
DATA COVERAGE**

• **CLEAN EARTH'S  
OCEANS**

# AT A GLANCE

>25

years' operational experience

>180

employees across UK, Sweden, Netherlands, the US and South Africa

40

satellites designed, manufactured and launched to date

47

countries receive our satellite products

## WHAT WE DO

**AAC Clyde Space is continuing to invest in technology to address urgent challenges on earth.**

We are developing technology to serve sectors where we can make the biggest impact to help society. By doing so, we are changing the economics and applications of space data.

AAC are trusted by an increasing array of prestigious clients to deliver data and cutting edge satellite technology. Over the years, our clients have included ORBCOMM, Wyvern, Eutelsat, OHB, Intuitive Machines, Orbital Micro Systems, UK Space Agency, European Space Agency, and we've delivered solutions and platforms for multiple NASA programmes.

We are a market leader in micro satellite technologies (satellites up to 50 kg) and services that enable a growing number of commercial, government and educational organisations to access high-quality, timely data from space. This data has a vast range of applications, from weather forecasting to precision farming to environmental monitoring, and is essential to creating more resilient processes and industries, which improves life on Earth.

The global small satellite market is expanding rapidly, driven by an insatiable demand for data. Technological advances and falling costs together with our pedigree means we are best placed to capitalise on unprecedented interest in using data from a space perspective. AAC Clyde Space is backed by over 25 years' operational experience and our in-house expertise spans from subsystems through to advanced sensors and data delivery. Our combined workforce brings expertise to bear across three core areas (see our divisions).

## OUR BRANDS



### Our operations and structure

The Group's main operations are located in Sweden, the United Kingdom, the Netherlands, the USA and South Africa, with partner networks in Japan and South Korea. Shares of the Group's Swedish Parent Company, AAC Clyde Space AB, are traded on Nasdaq First North Premier Growth Market in Stockholm and on the OTCQX Market in the USA.

WHAT WE DO

## AAC DATA & SERVICES



Timely, high-quality data from space delivered directly to clients. We take care of the process – from design through to build, launch, operation and data delivery – so clients can focus on their core business. Read more on page 18.

## AAC MISSIONS



Fully assembled micro and nano satellite platforms (1-50kg) and customisable mission services, available for direct sale or as a comprehensive package including: mission design, manufacturing and integration of components, launch and ground services. Our turnkey offering empowers clients to both customise and streamline their space missions. Read more on page 20.

## AAC PRODUCTS



A full range of off-the-shelf and tailor-made subsystems and sensors for cube and small satellites (approximately 500kg), for use in our own platforms and by third parties and customers. Read more on page 22.

## OUR PROGRESS

# 2023 WAS A TRANSFORMATIVE YEAR FOR AAC CLYDE SPACE

NET SALES

**277M**  
SEK

WE ACHIEVED A POSITIVE EBITDA OF

**1.0M**  
SEK

For the first time in 2023

IMPROVED FEMALE/MALE  
RATIO IN 2023

**+7%**

**10**



SATELLITES IN AAC'S  
CONSTELLATION

**6** SATELLITES ADDED TO  
OUR CONSTELLATION IN  
2023

**11** SATELLITES IN TOTAL  
LAUNCHED IN 2023

WE REACHED  
POSITIVE  
OPERATIONAL  
CASHFLOW  
IN 2023



# 2024 WILL BE A YEAR OF DELIVERY

EXPECTED NET SALES IN 2024

**430-500M**  
SEK

SALES SECURED IN BACKLOG

**280M**  
SEK

already secured in backlog  
as of December 2023

2024 EBITDA-MARGIN TARGET

**+5 to 10%**

SATELLITES ADDED TO AAC'S  
CONSTELLATION COMING IN 2024

**4** 

# EARTH OBSERVATION



## THE VIEW FROM ABOVE

Earth observation has historically been served by two markets, the institutional organisations and the giant established players. The institutional organisations provide medium resolution imagery to the market for free, with resolutions of around 15m.

At the other end of the spectrum are the big established players, their data is far more costly, but for your investment you get super high-resolution of 30-50cm.

We are looking further afield finding new forms of observation data that will benefit our clients, such as thermal, infrared, and hyperspectral imagery.

# HELPING OUR CLIENTS SEE THE FULL PICTURE



## MOVING CLOSER TO THE END USER

This year we will continue to grow our constellation so we can provide more data to our clients. In addition, we will look to move closer to our end-client as we seek to grow outside of the space sector and go direct to the user market. This change can already be seen through our work with Scottish Forestry.



## FILLING A GAP IN THE MARKET

We are building our own data provision capacity and filling a gap in the market with innovative solutions. Through our products and missions, we are supporting these new players with components, both hardware and software, to allow them to deliver for their clients.

We provide a valuable service for clients looking for high resolution imagery but do not need the higher price points of the super high-resolution players. We can deliver imagery at a resolution of 1.5m at a much more reasonable price.

As we enter the market, we are serving civil applications, such as agriculture and forestry management. We help to manage the growth of crops, helping farmers to manage their crops over greater distance, and we help forestry agents to find and identify diseases and pests.

—  
**1.5 metres**

**DELIVERING 1.5 METRES RESOLUTION BY 2025**

A constellation of four satellites will be coming soon, starting in Spring 2025 to deliver 1.5 metres high resolution imaging.

# CEO LETTER

## LUIS GOMES

# HELLO

2023 was a year of transformation for our business, but one in which we achieved some important long-term targets.



Two big highlights of these targets are our positive operational cash flow and positive EBITDA, which we finished the year with for the first time. As we look to the year ahead, the direction of the market, alongside our own actions and performance, stands us in a great position for continued growth and positive results.

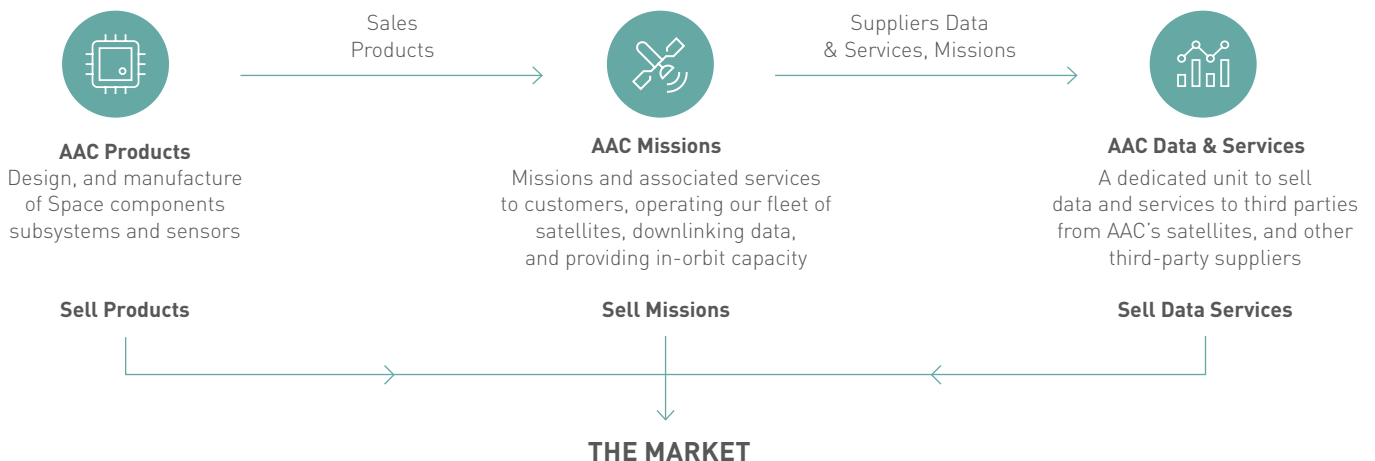
### The growing demand for data

The demand for data from space is larger than ever and still growing. As new technologies are created, new markets see the possibilities that space data can bring. This means more opportunities for all three of our business lines. This increasing demand is prevalent in our key client sectors as in any others, with agriculture, forestry, marine transport and safety, and weather all part of the trend of growing demand.

The short-term is also showing increasing demand from military clients. As the war in Ukraine continues, and new areas of confrontation arise, the demand for Earth Observation satellites and their data increases. Combine these factors with the falling costs of launch and the market is providing better conditions for our success than ever before. This increase in demand for data also drives increasing demand for our other business lines. As we and our clients both look to launch more satellites that feeds our missions business line, which in turn means greater need for the products and components required to build the satellites.

Our history of delivery in the market has proven we can deliver across each of these areas. We've learnt a lot in the past five years and now we can really push on at speed. The numbers we've seen this year have been a demonstration of this.

## INTERCONNECTIVITY OF OUR BUSINESS LINES



**Transformation enables improved delivery**

If 2023 was a year of transformation, 2024 will be a year of delivery. We will reap the rewards of everything we have sowed over the past few years. We have constellations in place and will now begin to deliver more and more data to our clients.

To make our offering clearer and our business more streamlined we have changed the shape of our business lines. We will from 2024 function through three business lines of AAC Data & Services, AAC Missions and AAC Products instead of by site. This will allow our teams to specialise more as they focus on their specific areas. It will help us benefit from higher levels of knowledge sharing between our sites. Each of these business lines will have its own Presidents overseeing operations. Andrew Carrel will lead AAC Data & Services, Richard McKay will lead AAC Missions and Frederic Menard will lead AAC Products.

**Looking forward**

As we look forward to the coming year, I am particularly excited to see us improve our positive financial performance as we continue to grow the business. This growth will be led by our SDaaS offering, which drives further growth for our AAC Missions to launch our satellites and AAC Products to build the components that make up those missions.

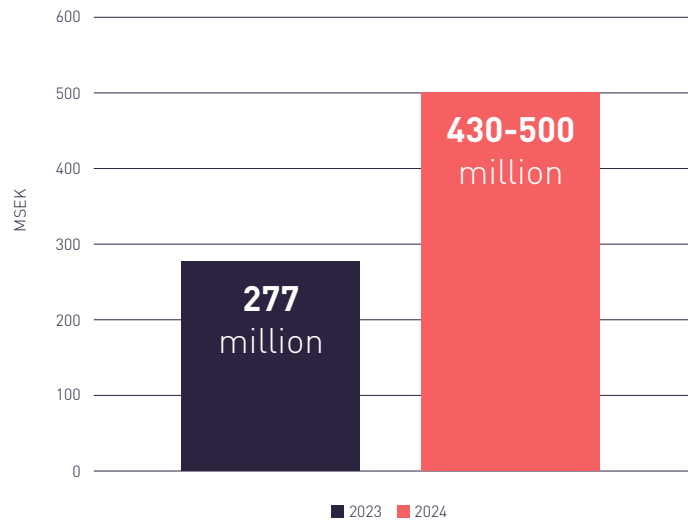
We will see a new constellation born from the xSPANCION project and continue to grow our business through Maritime Communications and Earth Observation. These will be grown as we find new customers and we build and launch new satellites in 2024 and beyond.

For our teams, we want this year to be one of continuous learning, simplification and empowerment. We want to take all the learnings from the past years and put them into action, we want to simplify the business making it easier for customers to buy and for us to work together internally, and we want to empower people so they can be more flexible and responsive, providing a better service for our clients.

I want to thank my colleagues for their fantastic work making 2023 a success and look forward to us all working together to generate more successes, for individuals and for the business, over the coming year.

**Luis Gomes**  
CEO

**NET SALES GREW TO 277M IN 2023, ALONG TOWARDS A TARGET OF SEK 430-500M FOR 2024**



**NET SALES SEK PER BUSINESS LINE IN 2023**



■ AAC DATA & SERVICES	23,975k
■ AAC MISSIONS	28,268k
■ AAC PRODUCTS	193,785k
<b>TOTAL</b>	<b>246,028k</b>

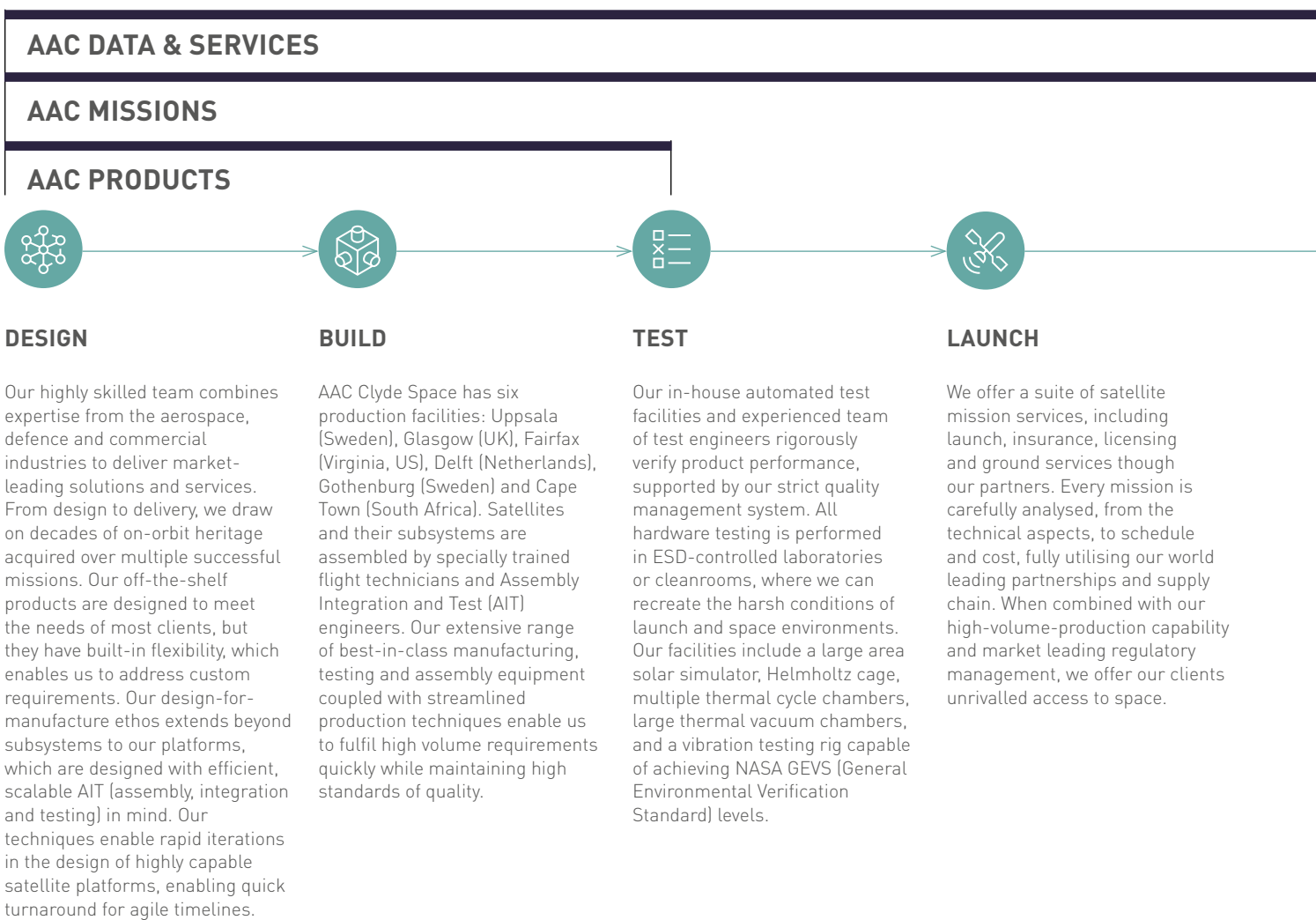
Net sales excluding income from royalties.

# BECOMING A WORLD LEADER IN SUPPLYING CRITICAL DATA FROM SPACE AND SATELLITE SOLUTIONS



## BUSINESS MODEL

# MARKET-LEADING ACCESS TO SPACE



## STRENGTHS WE RELY ON

PEOPLE AND EXPERTISE

ON-ORBIT HERITAGE

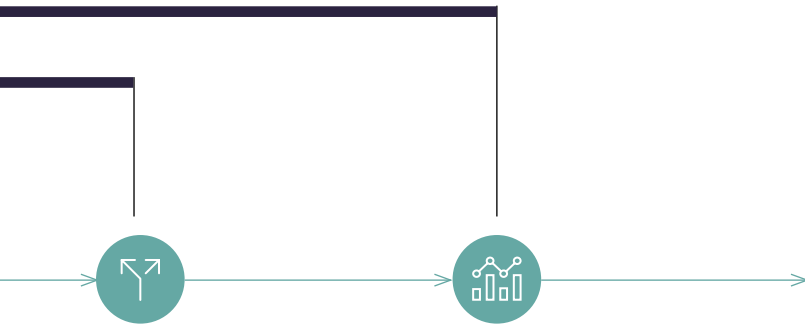
GLOBAL FOOTPRINT

CUSTOMER RELATIONSHIPS

VERTICAL INTEGRATION

MANAGED GROWTH





### OPERATE

Through our own ground stations and agreements with multiple ground network operators, we are able to facilitate command and control of space assets globally, regardless of their orbits or communications frequency. With the acquisition of SpaceQuest, our ground station network now spans Sweden, the UK and US (Alaska, Hawaii and Virginia).

### DELIVER DATA

In addition to delivering data from space on a mission-by-mission basis, we also own and operate a constellation of satellites, which enables us to offer a pure data service to clients. This is where we take care of everything, from spacecraft design to satellite operations, providing clients only with the high-quality, timely data they need. This Space Data as a Service model is a key avenue of growth for AAC Clyde Space and, through projects such as xSPANCION, we are developing new technologies that will revolutionise our offering in this area: for example, intersatellite link capability, to optimise data capture, and a new cloud-based, application-focused customer interface.

## CREATING LONG-TERM VALUE

#### SHAREHOLDERS

Long-term value development and improved results.

#### CLIENTS

Enabling a growing range of businesses to access data from space, flexibly, affordably and reliably.

#### EMPLOYEES

Creating challenging roles and development opportunities to attract and retain talent. We are committed to improve inclusiveness, diversity and equality in the space industry and across our Group.

#### COMMUNITIES

Fostering an understanding of our business and commitment through local community and STEM science technology engineering and mathematics initiatives.

#### ENVIRONMENT

Ensuring that space technology works to the benefit of the Earth and space environment.

#### SUPPLIERS AND PARTNERS

Generating growth and development opportunities for the businesses that support and work with us.

## LIVING BY OUR VALUES



#### Excellence

We believe that excellence happens by making the right choices over and over again.



#### Innovation

We are continuously moving forward, anticipating market needs and pioneering new ideas.



#### Team

We treat each other fairly and with respect. We want everyone to be part of the team.



#### Customer focus

Strong relationships with our customers are vital to our business. We recognise that a client's perception is their reality.



#### Integrity

We act openly and with honesty. We stand behind our promises.

# AAC DATA & SERVICES



SEK  
24.0M

+42%  
Revenue 2023 (vs. 2022)  
SEK 23,975k (16,934k)

## DATA DELIVERY

CUSTOMER PORTAL

PROTECTED DATA

AAC Data & Services provides Space Data as a Service, delivering high-quality data to our clients and helping them to improve life on earth.

Through this service, we operate satellites delivering the data or communications our clients need. Our services allow customers to subscribe to our space-based data for a fixed period with the option for a longer duration, as well as working together to define and deliver a custom data-set for a bespoke service. We can provide that data through an individual tailored mission, where we build, own and operate the satellite bringing you the data you need.

Through AAC SpaceQuest we already own and operate a constellation and ground station network, collecting Automatic Identification System (AIS) and Radio Frequency (RF), to deliver a highly successful service.

Our Space Data as a Service offering also helps clients in agriculture and forestry management and is working to create a new approach to maritime communications. As we grow our constellations, we grow our ability to deliver timely, high-quality data to our clients, helping them to improve their own business as well as life on Earth.

SEK  
174.0M

+4%  
Order backlog 2023 (vs. 2022)  
SEK 173,985k (166,824k)

**“OUR SPACE DATA AS A SERVICE MODEL CAPITALISES ON A DEMAND IN THE MARKET AND IS HELPING TO MEET THE NEEDS OF OUR SOCIETY, THROUGH TRANSFORMING FOOD SYSTEMS AND AGRICULTURE, ENABLING SAFER LIVES AT SEA AND MORE SUSTAINABLE MARITIME TRAVEL.”**

Luis Gomes, CEO

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## **XSPANCION: MAKING SPACE DATA MORE ACCESSIBLE**

The xSPANCION project, which includes the development of 10 CubeSats focused on communications and earth-communications, is progressing well. Six of these satellites are earmarked for clients with the remaining four to our own constellation. The technology and processes we are developing will allow us to share space data and services with customers quickly and at significantly lower cost. Having successfully completed phase two in 2022, we kicked-off phase three.

The project, valued at EUR 19,7 M (approx. SEK 202 M) across all phases, is being co-funded by public and private partners, including the UK Space Agency via the European Space Agency (ESA). Outside the project, we intend to enter into customer service agreements for data delivery from the constellation.

xSPANCION is transformational: it lays the groundwork for us to provide space data and services quickly and at low cost to organisations who are eager to harness the power of satellites to tackle on-earth problems – from climate change to maritime communications – without investing in space-based architecture or expertise themselves. As part of the project, we will collaborate with partners to optimise the process for satellite design, manufacturing, licensing and launch coordination at scale, as well as to develop new technologies for the future constellation, including in the areas of propulsion, intersatellite communications, safe and secure transmission of data and client interface.

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## **MARITIME COMMUNICATIONS**

**We continued to work with our customers in the US to supply AIS data. This form of communications remains an all-important part of life at sea. It is the way that ships communicate with the shoreline and is a mandated part of ship building for ships over a certain size.**

We also worked on the next generation of maritime communications, VHF Data Exchange System, VDES. This new system will encompass AIS but will go further and create new possibilities. It enables two-way communications between ship and shore, as well as ship-to-ship. It is also not limited to sharing the data for which it was created, as it has capabilities for future data formats and content to be added, allowing the system to grow and improve over time, adapting to the needs of the sector.

Over the past year we have worked with our partners and clients to test VDES systems, with our Ymir-1 CubeSat being launched and delivering data as part of in-orbit testing.

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**“THE BOTTOM LINE IS THAT SPACE DATA AS A SERVICE PRESENTS A HUGE OPPORTUNITY FOR AAC TO CHANGE THE WAY WE ALL USE AND BENEFIT FROM SPACE TECHNOLOGY, FROM WEATHER FORECASTING TO MARITIME COMMUNICATIONS. WE SHOULD ALL BE PROUD OF THE WORK WE ARE DOING ACROSS THE GROUP IN HELPING TO BUILD A SAFER, HEALTHIER MORE EFFICIENT PLANET AND IMPROVE OUR QUALITY OF LIFE ON EARTH.”**

**Luis Gomes, CEO**

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## **FORESTRY MANAGEMENT**

**In 2023, we worked alongside Scottish Forestry, a government agency, to test earth observation data’s capability to manage forests. The new data will replace helicopter surveys to provide data on pests, disease and other tree health issues. This will allow the agency to intervene and protect their woodlands without the need for the surveys, and providing wider coverage than is currently available.**

The project is part of an accelerated programme that brings Scottish government agencies together with technology providers to fulfil future needs. The process saw 21 applicants, with 6 moving forwards, and AAC were one of the final two chosen, alongside another contenders that focuses on a separate area for Scottish Forestry.

# AAC MISSIONS



**SEK**  
**28.3M**

-29%  
Revenue 2023 (vs. 2022)  
SEK 28,268k (39,661k)

**SEK**  
**189.1M**

+65%  
Order backlog 2023 (vs. 2022)  
SEK 189,092k (114,738k)

## LAUNCH SERVICES

BROKERAGE

LICENSING

INSURANCE

INTEGRATION

## GROUND SERVICES

FREQUENCY FILING

DAILY TMTC

PLANNING

## EPIC SPACECRAFT

EPIC-1U

EPIC-3U

EPIC-6U

EPIC-12U

We offer turnkey solutions that empower customers to streamline their space missions. We operate in the premium segment of the 1-50kg satellite market, manufacturing fully assembled satellite platforms for direct sale or as a comprehensive mission package, including: mission design, manufacturing and integration of components, launch and ground services.

AAC Clyde Space's standardised satellite platform range, EPIC spacecraft, is designed with satellite constellation users in mind. These platforms are CubeSats and come in a range of standard sizes with 3U and 6U as the most popular size at present. For sizes bigger than 16U we can build customised structures using the same components. Our flight proven EPIC spacecraft can be used in a wide range of applications and can be supplied to the client either for integration with their payload, or as a fully integrated platform. Underpinned by next-generation technology and flight-proven avionics, the EPIC range offers unparalleled reliability for customer missions. Through AAC Omnisys, we've expanded our ability to develop pioneering payloads to meet customers' needs.

EPIC spacecraft are supplied to our customers as a fully integrated platform, with optional services available, including launch, operations, and data delivery.

### EPIC MISSIONS AND SERVICES

Comprehensive mission & services programme. Launch & operation services available.

### GET ON ORBIT FAST

Designed for manufacture. Multi-Launch vehicle compatible.

### FLEXIBLE FORM FACTOR

Available 1-16U.

### OPTIMISED OPERATIONS

Powerful performance for at least 5 years.

### MULTI-MISSION

Application and orbit configurable.

### EPIC-SAFE

Always on 'operation capable'.

### YMIR-1

The Ymir-1 satellite, launched in 2023, is a great example of a project that runs through all our business lines. It was built by AAC missions, with components from AAC products, and will be operated by AAC Data & Services. It's VDES payload allows for two-way communications between ships and the shore and will be used to prove the capabilities of this new system. VDES will lead to greater maritime safety and a greener shipping industry.

“YMIR-1 REPRESENTS A SIGNIFICANT MILESTONE FOR THE WORLD-WIDE MARITIME COMMUNITY, OFFERING IMPROVED NAVIGATION AND COMMUNICATIONS. TOGETHER WITH OUR PARTNERS, AAC CLYDE SPACE IS HELPING TO MAKE MARITIME OPERATIONS SAFER, BETTER CONNECTED, AND GREENER.”

Luis Gomes, CEO



# AAC PRODUCTS



**SEK**  
**193.8M**

+42%  
Revenue 2023 (vs. 2022)  
SEK 193,785k (136,361k)

**SEK**  
**267.2M**

+83%  
Order backlog 2023 (vs. 2022)  
SEK 267,245k (146,228k)

## CUBESAT TECHNOLOGY

BATTERIES

POWER SYSTEMS

COMMUNICATIONS

SOLAR ARRAYS

STRUCTURES

PAYLOADS

ADCS STEERING SYSTEM

PROPULSION

COMMAND &  
DATA HANDLING

SMALLSAT TECHNOLOGY

Market-leading technology is the bedrock of our business. We manufacture standardised, miniaturised, advanced subsystems and components for cube and small satellites (up to 500kg), for use in our own platforms and missions and for direct sale.

We have supplied thousands of subsystems for a range of successful space missions. Our off-the-shelf subsystem range includes power, ADCS and on-board data handling solutions, which can be customised to meet the demands of specific missions. We also supply communication systems both traditional radio frequency based systems and cutting edge laser communication terminals, and are working to create AI capabilities for small satellites, with backing from the European Space Agency (ESA).

### INTUITIVE MACHINES LUNAR MISSION

In 2024, Intuitive Machines' Nova-C cargo lander, named Odysseus; became the first U.S. spacecraft to soft land on the lunar surface since 1972. The U.S. company Intuitive Machines thereby became the first commercial company to succeed with a Moon landing. AAC Clyde Space is part of this mission and Intuitive Machines' future mission as a supplier of power systems, battery solutions and engineering services.

Nova-C can carry up to five NASA-provided and other commercial payloads. It landed on a dark region on the Moon, called Oceanus Procellarum, and transmit scientific data back to Earth during 13.5 days of activity on the moon.

Intuitive Machines uses the Starbuck Mini, our most powerful and cost-efficient power system for advanced space missions. It has a strong flight heritage, excellent performance, and, thanks to its modular design, it is easy to scale and integrate on different types of mission, from lunar exploratory and deep space scientific missions to commercial constellation applications.

**“WE CONGRATULATE INTUITIVE MACHINES ON THIS HISTORIC ACHIEVEMENT OF SUCCESSFULLY LANDING A SPACECRAFT ON THE LUNAR SURFACE. AAC CLYDE SPACE ARE EXCITED TO BE PART OF THIS NEW ERA OF LUNAR EXPLORATION AIMING TO PAVE THE WAY FOR A SUSTAINABLE HUMAN PRESENCE ON THE MOON BY THE END OF THE DECADE. WE ARE DELIGHTED THAT INTUITIVE MACHINES OPTED FOR THE STARBUCK POWER SYSTEM.”**

**Luis Gomes, CEO**

**ARCTIC WEATHER SATELLITE**

AAC Clyde Space supplies the European Space Agency’s Arctic Weather Satellite mission’s main instrument as well as core avionics. In 2023, it passed its critical design review after the payload’s integration. This mission will change the way we predict weather, making it easier to monitor changes and manage the impacts of those changes on Earth. The mission is planned to launch in 2024.

**LASER COMMUNICATIONS**

AAC Clyde Space, alongside its partners, have successfully transferred data from a compact laser satellite communications terminal, called SmallCAT, on-board a spacecraft in Low Earth Orbit to Earth. This demonstrates that the laser satellite communications technology works under spaceflight conditions. AAC contributed electronics and firmware to the laser communication terminal.

This is a milestone on the forefront of space technology development. The demand for these laser communications systems is growing and caters to the needs of several sectors, so this achievement is a step towards the future of space-based communications.

**SOLUTIONS**

**COMMAND & DATA HANDLING**

- KRYTEN series: a powerful computer, popular for CubeSat missions
- SIRIUS series: on-board computers and data storage subsystems, ideal for advanced missions

**BATTERIES**

- CubeSat battery

**POWER SYSTEMS**

- STARBUCK electrical power systems

**COMMUNICATIONS**

- Hyperion CubeCAT lasercomm module
- Hyperion gigabit detector
- PULSAR-DATA series: compact transmitter solutions designed for advanced missions
- PULSAR-TMTC series: compact telemetry and command radio solutions
- SpaceQuest AIS receiver
- SpaceQuest & Hyperion satellite GNSS receivers

**SOLAR ARRAYS**

- Photon CubeSat Solar Arrays

**STRUCTURES**

- Lightweight, robust & adaptable CubeSat Structures (ZAPHOD structure range)

**PAYLOADS**

- Payload Processor module
- Hyperion Optical Imager
- Spacequest AIS receiver/decoder (Ship Tracking System)

**ADCS STEERING SYSTEM**

- Hyperion propulsion module
- Hyperion Integrated ADCS
- Hyperion Star Tracker
- Hyperion Sun Sensor
- SpaceQuest GNSS Receiver
- Reaction wheels

**PROPULSION**

- PM200 propulsion mode

**SMALLSAT TECHNOLOGY**

- PCDU
- ACDS
- Command & data handling
- Payloads
- Communications

## FINANCIAL REVIEW

# DELIVERING CORE FINANCIAL OBJECTIVES

In 2023, AAC Clyde Space met its core financial objectives as it grew its capabilities. The Company reached positive EBITDA and operational cash flow across the year for the first time, while growing revenues and strengthening its order backlog.

Net sales grew 41% to SEK 276M, while EBITDA was a positive SEK 980k and would have been even better if not for unfavourable currency exchange fluctuations. At the same time, 2023 closed with a backlog of SEK 630M, a record for the Company that gives confidence to successfully execute the 2024 plan. Q4 saw more than SEK 200M of new orders, showing the strength of demand for products. This build-up of momentum should be maintained throughout the year as revenues grow and the backlog remains strong.

2024 will see a growing demand for products and missions, with new constellations driving that demand. The increased need for good quality Space data, and new satellites to provide that data, will result in yet more improvements to the financials for the year. Sales in 2023 are expected to be between SEK 430M and SEK 500M, approximately SEK 280M of which is already secured in the December 2023 backlog. In 2024, an EBITDA of between 5% and 10% will be targeted, alongside another year of achieving positive cash flow.

### ORDER BACKLOG TOTAL

**SEK 630.3M**

(SEK 427.8)

+47%

### FINANCIAL PERFORMANCE 2023 (2022 COMPARISON)

#### NET SALES 2023

**SEK 276.6M**

(SEK 196.7M)

41% growth

#### TOTAL REVENUE 2023 INCLUDING CAPITALISED WORK

**SEK 325.4M**

(SEK 243.7M)

34% growth

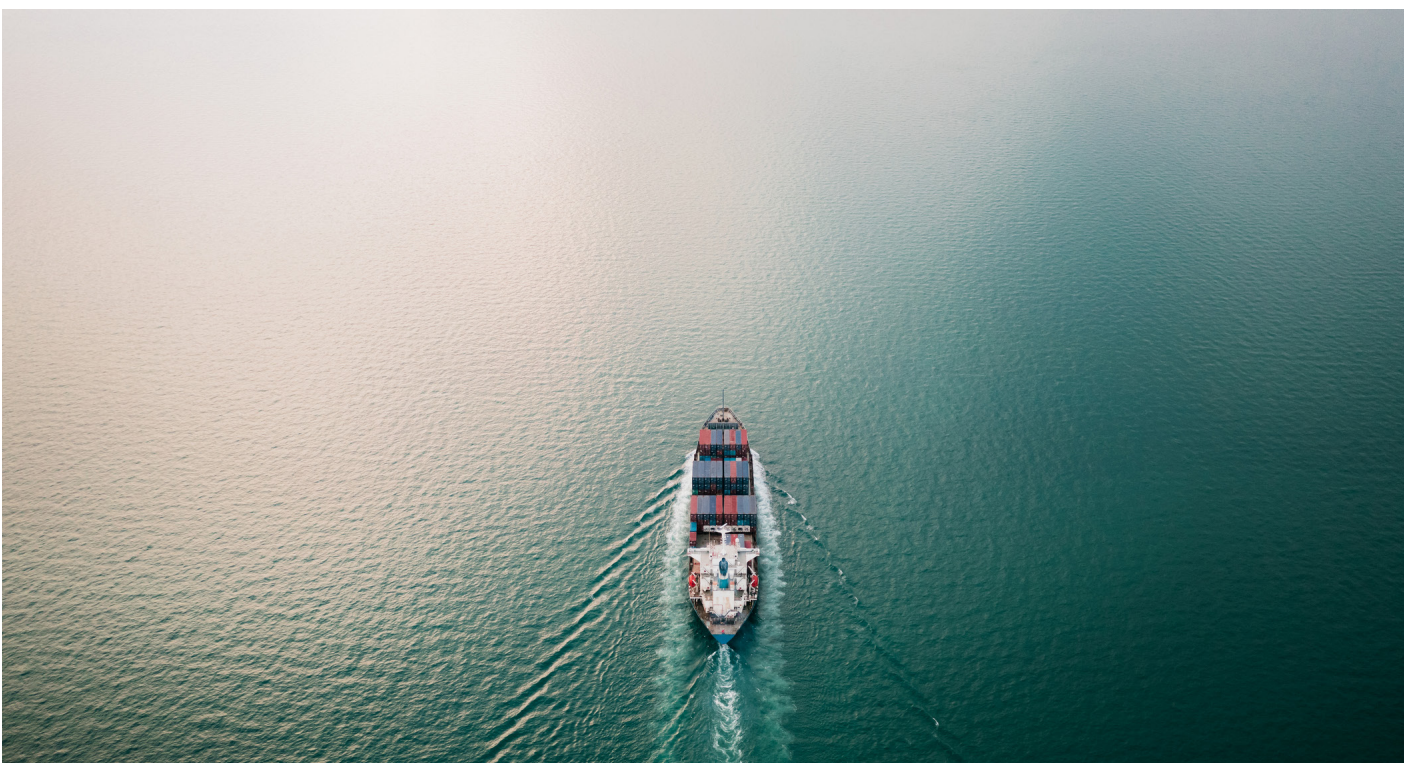
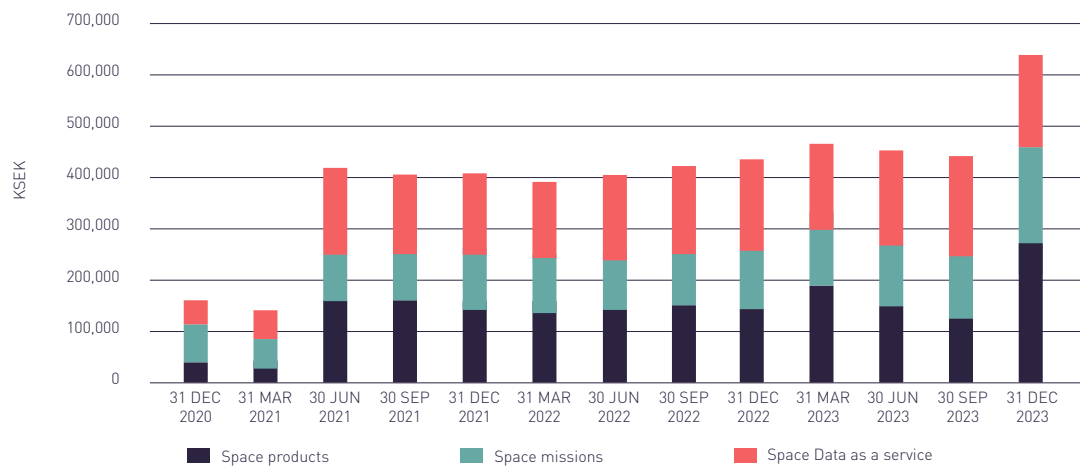
#### EBITDA 2023

**SEK +1.0M**

(SEK -38.6M)



## ORDER BACKLOG



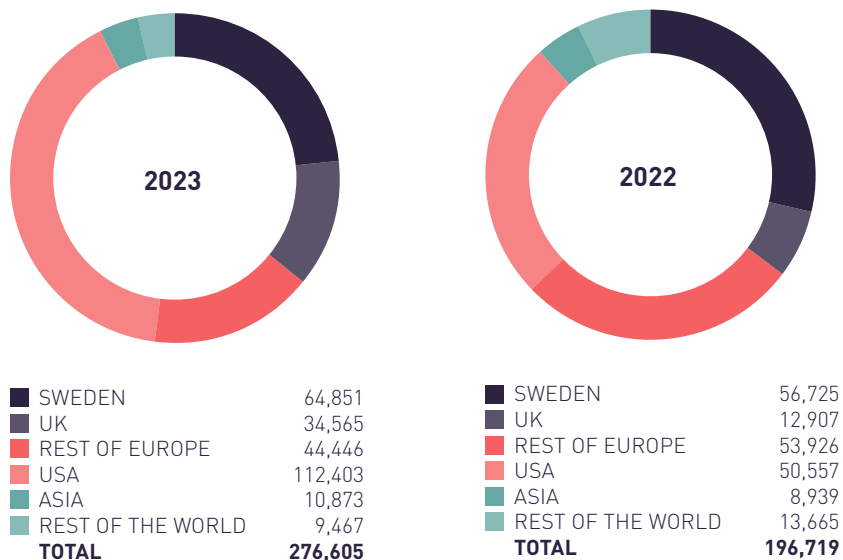
# FINANCIAL REVIEW

## YEAR-ON-YEAR COMPARISON

kSEK	Full-Year 2023	Full-Year 2022
Net sales	276,605	196,718
EBITDA	980	-38,599
EBIT	-36,832	-67,006
Basic and diluted earnings per share, SEK*	-8.73	-11.82
Equity ratio	71%	75%
Cash flow from operating activities	3,354	6,435
Cash flow for the period	7,824	-44,711
Cash and cash equivalents	59,546	52,100
Order backlog	630,322	427,790

\*Basic and diluted earnings per share has been recalculated after the consolidation of shares in November 2023.

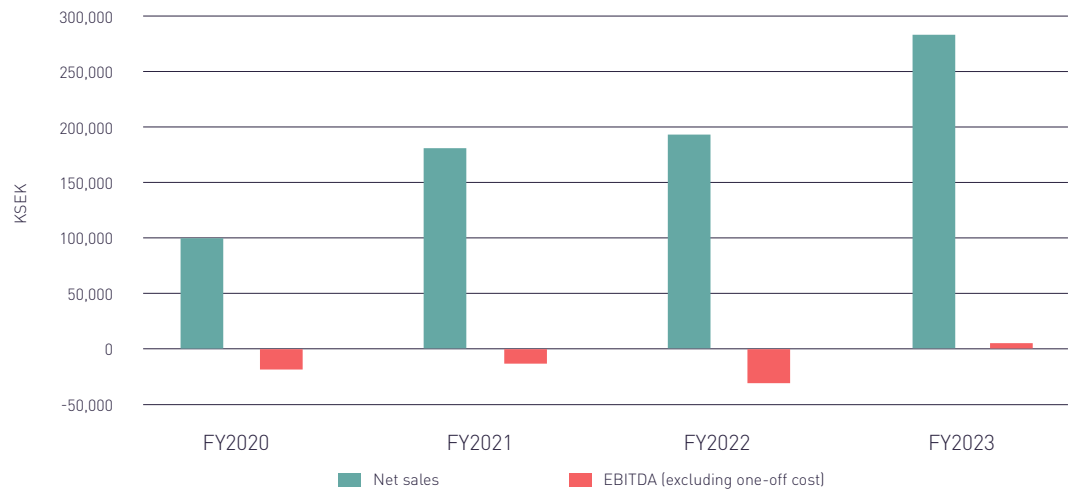
## NET SALES BY GEOGRAPHY



### NET SALES - ROLLING 12 MONTHS



### NET SALES AND EBITDA



# MARITIME COMMUNICATIONS



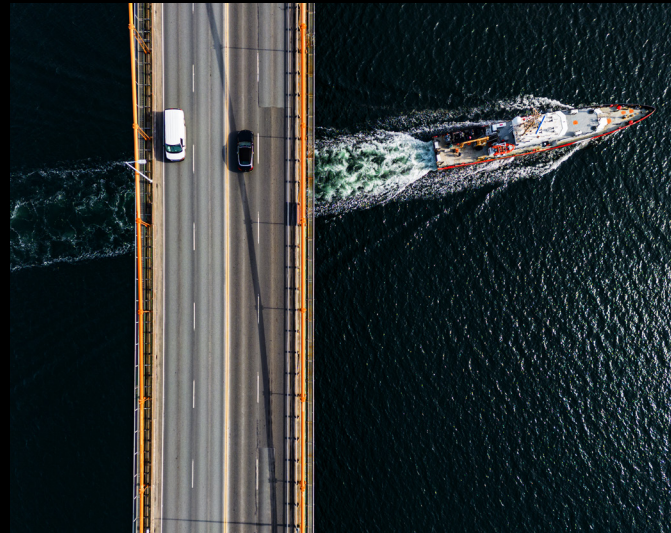
## A SWELL OF CHANGE

Today, all ships over a certain size are compelled by regulation to use AIS data. This data is widely available, and many companies are still finding new and innovative ways to use it to make life at sea safer and more sustainable. The future of maritime communications data lies in a new system, called VDES. The upgrade from AIS to VDES is allowed at low cost for the ship owner.

This new system allows for two-way communications, opening up a whole new range of options for the way that ships speak to each other and to the shore. This system is coming closer to fruition each year. New ships are now being fitted with the advanced VDES systems, rather than AIS, and ships are replacing their AIS systems with VDES.

# GREENER TRANSPORT AND SAFER LIVES AT SEA





## VDES IS THE FUTURE

The future of AAC Clyde Space and maritime communications sits firmly in the VDES market. One highlight contract, in addition to those already mentioned, will see us build 1 and deliver 11 satellite kits forming a 12 satellite VDES constellation to deliver communications data to the market.

We are also working alongside our partners to develop innovative technology, both hardware and software, so that we own our own IP and trademarks when VDES becomes ubiquitous in the market.

Through these projects we will have our own data capacity, enabling us to engage directly with the user markets and expand our footprint beyond the space industry.

## VDES

VHF Data Exchange System (VDES) is a radio communication system that operates between ships, shore stations and satellites on Automatic Identification System (AIS), Application Specific Messages (ASM) and VHF Data Exchange (VDE) frequencies in the Marine Mobile VHF band.



## AIS IS THE PRESENT

AAC Clyde Space is active in the AIS market today but also has its eyes on the future through VDES. AAC SpaceQuest is launching two satellites in 2024, the Sedna-1 and Sedna-2 satellites, designed to deliver AIS data. Sedna-2 will also carry the capability to deliver VDES data, it is one of three in-orbit demonstrations that AAC Clyde Space is currently involved in, similar to the Ymir-1 satellite launched in 2023.

## OUR PEOPLE

# EMBEDDING A HIGH- PERFORMANCE CULTURE

The focus for 2023 was to find and spread best practice from across the business. We have grown skills and put more processes in place and thereby improved our business. The progress can be seen, among other things, in the reduction of our staff turnover by 16% compared with the previous year.

A stability is great news for the business. It means we're able to retain the knowledge and experience gained from working on our exciting projects, as well as bringing new perspectives and talent into the business.

We have been working to drive stability through strengthening our Company culture, engaging more with our employees, fostering strong working relationships and ensuring we deliver for our clients, in line with our vision and values.

### Creating a consistent approach

This year we continued the engagement with our employee survey. Along with other employee experience feedback we gained important insights into how our employees feel at work, and what they need to be better able to perform their roles. We continue to review these and uncover new opportunities for improvement, based on discussions at local level, informing the direction we take as we improve the employee experience.

One of the key takeaways from the survey was that we have pockets of really great practice across the business but the key to our future success will be in standardising our best practice through the different sites.

### Unlocking our potential

In 2024, we will look to focus more on embedding a high-performance culture. In 2023, we saw the launch of our employee forum. We will now look to use this tool, and others we have in place, to help our managers create and deliver in-depth, meaningful, actionable feedback for our colleagues, helping them to improve and further their careers at AAC Clyde Space.

### Introducing whistleblowing

Another key point of action for the coming year will be our whistleblowing programme. We have been working with an independent platform to launch a programme for our employees to raise concerns should they arise. This will help us to ensure that we continue to do work ethically and that should any issues be found they are reported so that we can take action to solve them.

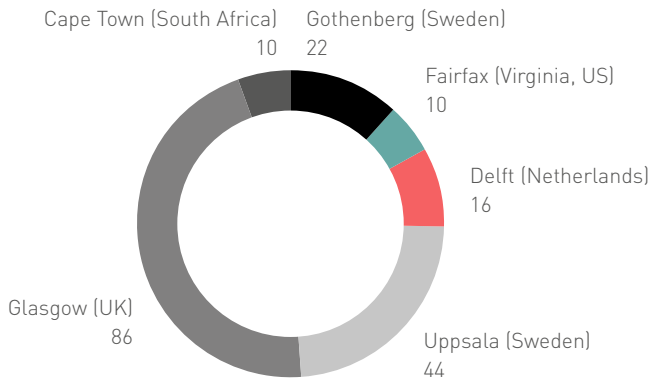
We look forward to a year where we will build on the previous year's successes as we improve the employee experience. There is still work to do, but we are making good progress as we create a more consistent approach across the business. We look forward to seeing how our people can grow their careers and skillsets as we all work together to deliver a high-performance culture.



AAC Uppsala

## EMPLOYEES

This year grew our headcount from 183 to 188.



**7%**

We have improved our male/female gender split by 7%

**16%**

Staff attrition rate fell by 16%

**“WE ARE PRIVILEGED TO HAVE SUCH A PASSIONATE WORKFORCE AT AAC CLYDE SPACE WITH A BROAD RANGE OF SKILLS AND EXPERIENCE. IT IS THE BASIS FOR BEING ABLE TO IMPLEMENT OUR STRATEGY. AS OUR BUSINESS EVOLVES, WE CONTINUE TO DEVELOP OUR PEOPLE PROCESSES AND EMBED A HIGH-PERFORMANCE CULTURE SO WE CAN HELP OUR COLLEAGUES REALISE THEIR POTENTIAL AND TO FULFIL OUR COMPANY VISION.”**

Kulwinder Bhumbra, Chief People Officer

## LEADING OUR NEW BUSINESS LINES



**Dr. Andrew Carrel**  
 President Data & Services



**Richard McKay**  
 President Missions

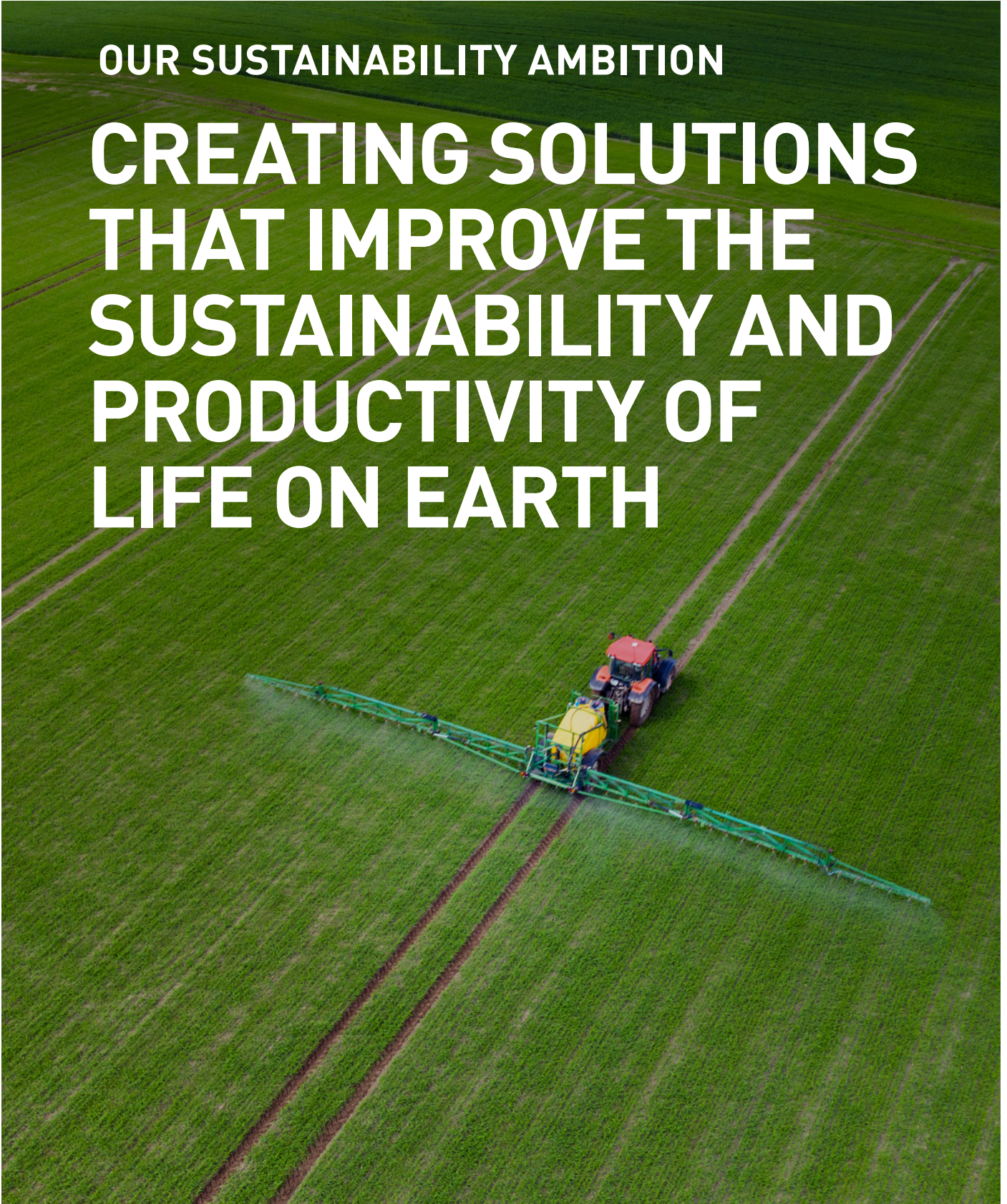


**Frederic Menard**  
 President Products

# SUSTAINABILITY

OUR SUSTAINABILITY AMBITION

CREATING SOLUTIONS  
THAT IMPROVE THE  
SUSTAINABILITY AND  
PRODUCTIVITY OF  
LIFE ON EARTH





In 2023, we began work to define our own sustainability ambition and build a roadmap for how we will achieve that. We conducted a materiality process to uncover the sustainability topics that were most important to our business success as well as the topics where we can have the largest impact. These topics are grouped together in our ambition table under the headings of People, Policy and Product.

<h2>PEOPLE</h2> <p>Create a workplace where everyone can thrive</p> 	<h2>POLICY</h2> <p>Play our part in developing a sector that benefits life on Earth</p> 	<h2>PRODUCT</h2> <p>Help our clients create change that benefits society</p> 
<p><b>Talent enablement</b>            Identify our colleagues' potential and help them reach it.</p>	<p><b>Space Policy</b>            Be part of shaping space industry sustainability and regulation.</p>	<p><b>Agricultural efficiency</b>            Provide frequent, global high-resolution satellite imagery that enables more efficient use of limited agricultural land.</p>
<p><b>Safety and wellbeing</b>            Put employee safety and wellbeing at the centre, helping our colleagues feel happy and valued at work.</p>	<p><b>Business ethics</b>            Take a consistent, active and robust approach to being an ethical business.</p>	<p><b>Marine transport efficiency and safety</b>            Create a new, low-cost satellite communications network for maritime users, aligned with international standards for navigation and safety.</p>
<p><b>Diversity Equity and Inclusion</b>            Treat everyone with respect and value individual differences to create a more diverse, equal and inclusive workplace.</p>	<p><b>Fair treatment of suppliers and human rights</b>            To protect human rights in our supply chain.</p>	<p><b>Forest monitoring</b>            Regularly map tree health at scale and help woodland managers and national agencies protect forests.</p>
	<p><b>Data security and privacy</b>            Ensure the security, integrity and confidentiality of Data.</p>	<p><b>Weather forecast</b>            Provide state of the art sensors to allow better forecasting including catastrophe prevention.</p>
	<p><b>GHG emissions</b>            Assess our emissions in 2025-26 to inform development of a reduction plan.</p>	
	<p><b>Space waste management</b>            Adhere to licence obligations by implementing minimal to zero debris policy.</p>	

# SUSTAINABILITY

# FACILITATING SUSTAINABILITY

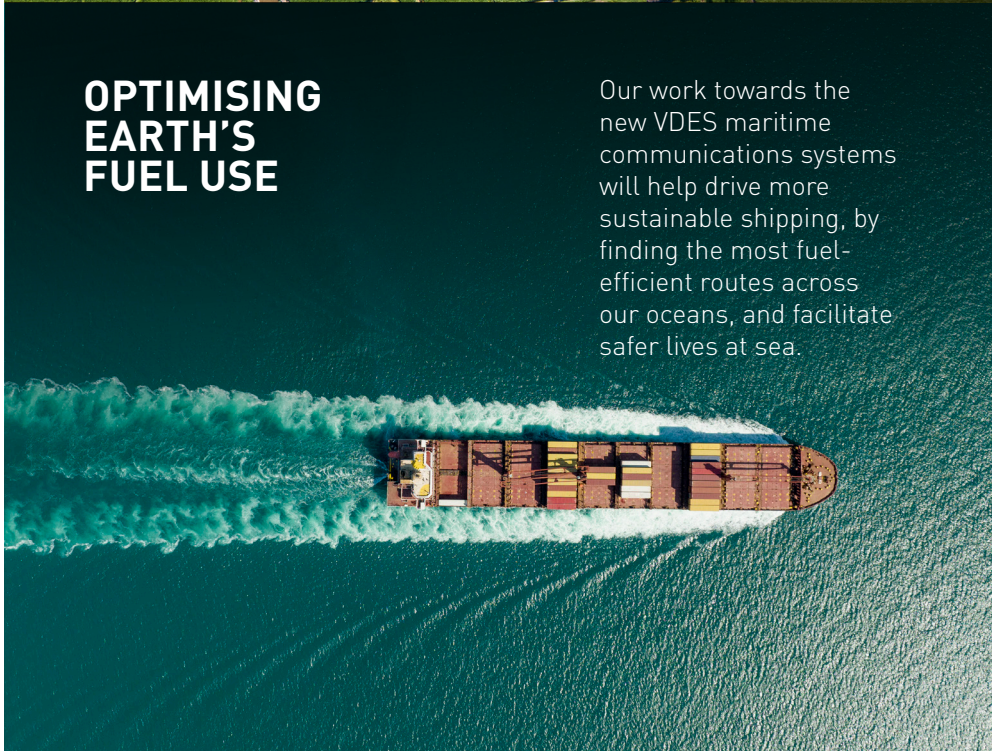


## OBSERVING EARTH'S FOOD SYSTEMS

Our data is helping to improve land usage, making food sources more stable and reducing water waste.

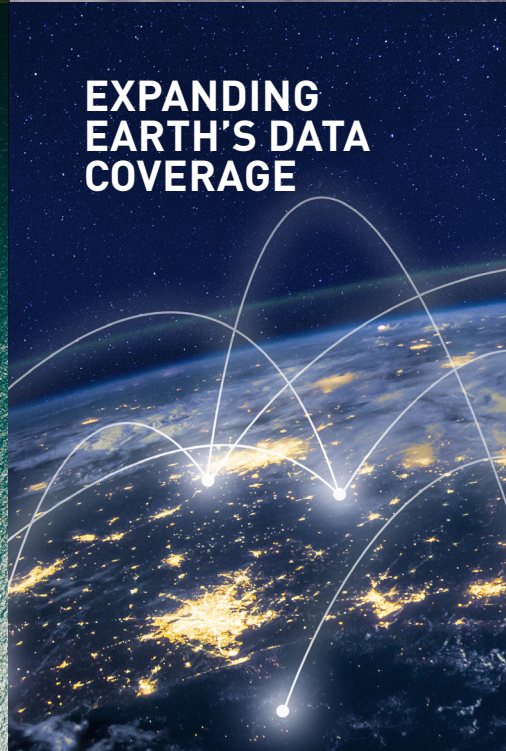


## PREDICTING EARTH'S CRISES



## OPTIMISING EARTH'S FUEL USE

Our work towards the new VDES maritime communications systems will help drive more sustainable shipping, by finding the most fuel-efficient routes across our oceans, and facilitate safer lives at sea.



## EXPANDING EARTH'S DATA COVERAGE

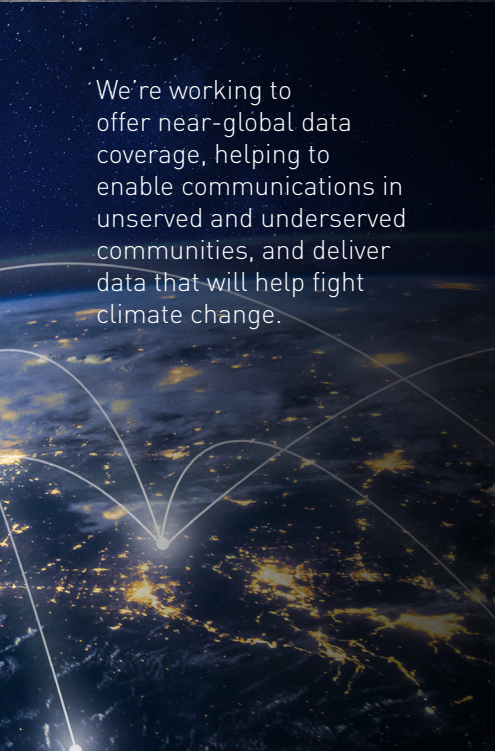


Our innovative payload systems will help to improve weather forecasting accuracy, providing greater warning of severe weather events to people across the globe.



## MONITOR EARTH'S FORESTS

We're working with government agencies to find new ways to highlight potential problems, enabling a proactive approach to managing issues and maintaining forest health.



We're working to offer near-global data coverage, helping to enable communications in unserved and underserved communities, and deliver data that will help fight climate change.



## CLEARING EARTH'S ORBIT

Our products are being used to safeguard Earth's orbits, ensuring they can be used in a safe and responsible way for years to come. With satellite numbers constantly rising, this is important work to keep the planet safe.

## MILITARY



## GLOBAL SECURITY

As the global security situation deteriorated in the last few years, there has been a marked increase of interest in how Newspace can play a role in growing the space capabilities for defence and security applications. Europe, in particular, with its fleet of military and commercial satellites increasingly needs independent space monitoring and surveillance capabilities. These recent developments have driven a need for space data, new constellations, and the products required to build them.

# SECURITY THROUGH DATA AND SERVICES



## EXPANDING OUR OFFER

AAC Clyde Space will continue to expand its offering of Products for security missions, working with partners and mission primes to deliver solutions for military missions. Additionally, as part of our SDaaS business, we will grow the delivery of security-related data & services, particularly for the maritime domain, in addition to the ship tracking capabilities that we already provide.



## GROWING ORDERS

AAC Clyde Space has a history of supplying products for defence & military space missions, but saw a significant uptick of orders in 2023, driven by the growth in defence-related constellations. Also in 2023, the Company secured its first major order from the European Defence Fund, as part of the Naucrates consortium. The satellite will not be trackable from ground radar, optical telescope or radio telescope and is set to be the first European GEO satellite for Space Situational Awareness (SSA) in GEO.

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## Maritime security

Our security data and services will initially focus on the maritime sector.

# GOVERNANCE

# LIVING BY OUR VALUES

## CLEAR DIVISION OF RESPONSIBILITIES

Our Board is responsible for ensuring the sound running of the Group for all our stakeholders, including our shareholders, in accordance with best practice corporate governance. It monitors and reviews all significant aspects of the Group's activities, including overall internal control and risk management systems and succession planning, and oversees the executive management to ensure the Group's long-term success.

The Board's key responsibilities include:

- setting the strategic direction and governance framework of the Group.
- ensure the Company has a business plan in accordance with the strategy.
- ensuring that the necessary financial, technical and human resources are in place.
- oversee the Company's culture, values and ethics.
- reporting to shareholders on its stewardship of the Group.

Responsibility for developing and implementing our strategy and commercial objectives is delegated to the chief executive who is supported by the finance director and deputy CEO. They, in turn, are supported in the day-to-day management of the Group by a wider Group management team which meets regularly to consider operational matters affecting the Group as a whole.

In line with the Swedish Corporate Governance Code, the Board delegates certain responsibilities to committees, who make recommendations and report back to the Board on decisions and actions taken. Based on its size and composition, the Board has appointed a Remuneration Committee (Rolf Hallencreutz and Will Whitehorn) and an Audit Committee (Per Aniansson, Per Danielsson and Rolf Hallencreutz).

The Nomination Committee evaluates the characteristics and performance of Board members and is responsible for selecting the best candidates for each seat on the Board. AAC Clyde Space's Nomination Committee for the 2024 Annual General Meeting consists of:

- Dino Lorenzini, representing himself as single largest shareholder in AAC Clyde Space
- Nils Bernhard
- Mathias Dittrich, appointed by Soltorpet AB
- Rolf Hallencreutz, Chair of the Board of AAC Clyde Space AB

## KEY RESPONSIBILITIES

### Chair of the Board

- leads the Board and ensures efficient and effective work
- sets the agendas for Board meetings
- ensures effective communication with our shareholders

### Chief Executive Officer

- is responsible for the Group strategic objectives
- develops and implements Group strategy as approved by the Board

### Chief Financial Officer & deputy CEO

- manages the Group's financial affairs
- supports the Chief Executive Officer in the implementation and delivery of Group strategy

### Board members

- use respective knowledge base to contribute to the work of the Board
- constructively challenge the executive directors in all areas and help develop proposals on strategy
- monitor delivery of the strategy within the risk and control framework set by the Board
- satisfy themselves on the integrity of the financial information and the effectiveness of financial controls and risk management systems
- determine appropriate levels of remuneration for the executive directors

# 20

Board meetings in 2023

## SWEDISH COMPANIES ACT

AAC Clyde Space complies with the Swedish Companies Act's rules on corporate governance. In doing so, the Board has drawn up rules of procedure for its work, instructions regarding the division of work between the Board and the CEO, which deals with its duties and reporting obligations, and has established instructions for the financial reporting. The rules of procedure are reviewed annually.

## AUDITOR

Öhrlings PricewaterhouseCoopers AB is the elected auditor with the Chief Auditor Johan Engstam.

## CALENDAR OF EVENTS

**16** INTERIM REPORT Q1 2024  
**MAY**

**23** ANNUAL GENERAL MEETING  
**MAY**

**15** INTERIM REPORT Q2 2024  
**AUG**

**07** INTERIM REPORT Q3 2024  
**NOV**

**20** INTERIM REPORT Q4 2024  
**FEB**

## ANNUAL GENERAL MEETING

Annual General Meeting of AAC Clyde Space AB (publ) takes place on Thursday the 23 May 2024 at 13.00 at AAC Clyde Space, Dag Hammarskjölds väg 48, in Uppsala.

### Notification

Shareholders who wish to participate in the General Meeting must be registered in the shareholders' register maintained by Euroclear Sweden AB on Wednesday 15 May 2024 and give notice of attendance so that it is the company at hand no later than 16.00 CEST on 17 May 2024 by post under the address AAC Clyde Space AB, Uppsala Science Park, 751 83 Uppsala, or by email to [finance@aac-clydespace.com](mailto:finance@aac-clydespace.com).

The notification of attendance shall include name, personal identification number or corporate registration number, address and telephone number and registered shareholding. A notification form is available at the Company's office website, [www.aac-clydespace.com](http://www.aac-clydespace.com). If the shareholder intends to bring one or two representatives to the General Meeting, such participation is to be reported to the Company as above.

### Nominee registered shares

Shareholders who have their shares registered in the name of a nominee must request temporary entry in the transcription of the register of shareholders kept by Euroclear Sweden AB in order to be entitled to participate and vote for their shares at the meeting. The shareholder must inform the nominee well in advance of 15 May 2024, at which time the register entry must have been made.

### Proxy

Shareholders who intend to attend by proxy must issue a dated power of attorney for the proxy. If the power of attorney is issued by a legal entity, it must be accompanied by a copy of registration certificate or equivalent. Validity of power of attorney may be specified for a maximum of five years from its issuance. The original version of the power of attorney as well as any registration certificate should well in advance be sent to the Company at the address above.

The company keeps authorisation forms available on the Company's website [www.aac-clydespace.com](http://www.aac-clydespace.com).

## BOARD AND EXECUTIVE MANAGEMENT

# EXPERIENCED LEADERSHIP WITH PROVEN CAPABILITIES

Our Board and executive management team brings a wide range of business and sector-specific expertise to support the long-term success of the group.

According to the Articles of Association, AAC Clyde Space's Board of Directors shall consist of at least three and no more than seven Board members with no more than three deputies.

The assignment for all Board members is valid until the end of the next Annual General Meeting.

Group management has consisted of CEO Luis Gomes, CFO & Deputy CEO Mats Thideman, CCO Peter Andersson, CTO Andrew Strain, President Data & Services Dr Andrew Carrel, CSO Dr Dino Lorenzini and CPO Kulwinder Bhumbra.

The Group management combines entrepreneurial leadership experience with solid engineering expertise.

### BOARD OF DIRECTORS



#### **ROLF HALLENCREUTZ**

Chairman of the Board since 2014

*M.Sc., Logistics and Finance, Chalmers University of Technology*

Rolf Hallencreutz has experience from start-up and major multinational companies within IT, industrial companies, life science and logistics. Rolf's experiences range from Chairman of the Board, CEO to Sales Manager within, among other, fast-growing companies as well as an extensive experience from M&A and financing.



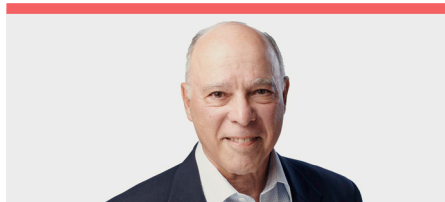
#### **PER ANIANSSON**

Board member since 2014

*M.Sc., Technical Physics, Chalmers University of Technology; MBA, Finance and Entrepreneurship, INSEAD Business School*

Per Aniansson is an Investment Director at Karolinska Development and has previously held leading roles within venture capital-owned companies, most recently as Investment Director for state-owned Fouriertransform, CEO and Financial Management roles within leading venture capital-owned companies.



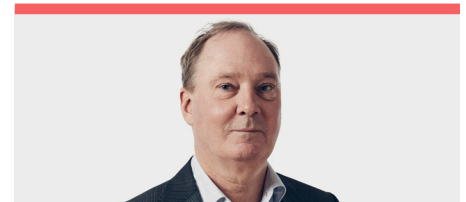


**DR. DINO LORENZINI**

Board member since 2023

*B.Sc., USAF Academy; S.M, Astronautical Engineering, MIT; ScD, Astronautical Engineering, MIT; MBA, Auburn University*

Dino, a retired US Air Force Colonel, brings a wealth of space programme know-how and industry experience spanning over six decades. He tested the Apollo Lunar Module navigation system, early GPS development, DARPA Space-Based Laser, and the Strategic Defense Initiative. An entrepreneur at heart, Dino founded the Eyetel IoT system, Ellipso Mobile Satellite System, Aprize Satellite and SpaceQuest (now AAC SpaceQuest), where he served as CEO for the past 25 years.



**PER DANIELSSON**

Board member since 2014

*M.Sc., Chalmers University of Technology*

Per Danielsson, expert in evaluating European Union (EU) applications, carries out assignments for the EU as a business coach for small businesses. His business experience encapsulates everything from organisational development, strategy, international business and financing, through to executing company sales to large global groups.



**WILL WHITEHORN**

Board member since 2018

*Master's degree in History, University of Aberdeen*

Will Whitehorn was formerly a Director of Virgin Group and President of Virgin Galactic until 2010. He has since pursued a private equity and non executive career. He is currently Chair of Seraphim Space Investment Trust PLC, Good Energy PLC and Craneware PLC. He has recently been appointed to the UK Government's Space Exploration Advisory Committee.

# BOARD AND EXECUTIVE MANAGEMENT

The Group management combines entrepreneurial leadership experience with solid engineering expertise.

## EXECUTIVE MANAGEMENT

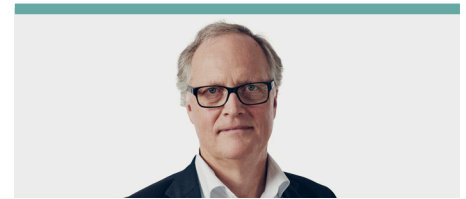


### **LUIS GOMES**

CEO since 2019

*M.Sc., Satellite Technology, University of Surrey;  
B.Sc., Applied Physics, University of Lisbon*

Luis has 25 years of experience in the space industry, specialising in the small satellite field. He most recently comes from the British SSTL, where he was CTO and Executive Director with responsibility for defining and conducting technical and commercial strategies.



### **MATS THIDEMAN**

CFO and Deputy CEO since 2014

*M.Sc., Industrial Economics, Linköping Institute of Technology*

Mats is responsible for finance and IR. Mats has a long experience as CFO within growing industrial companies, as well as public and venture capital owners, such as Åkerströms, Image Systems (publ.), TracTechnology (publ.), and most recently, Cortus Energy AB (publ.).



### **ANDREW STRAIN**

CTO, employed since 2006

*M.Eng., Electrical and Electronic Engineering with Business Studies, University of Strathclyde*

Andrew has over a decade of experience in developing and delivering small satellites. In his role as CTO, Andrew contributes a wide range of relevant skills such as systems engineering knowledge, product development, manufacturing, project management, quality and business development.



### **PETER ANDERSON**

CCO, employed since 2015

*B.Eng., Mechanical Engineering, University of Glasgow; PgDip., Computer Aided Engineering and Analysis, University of West Scotland*

Peter is responsible for the commercial strategy and development of the business through marketing, sales, product development and customer service activities to drive business growth and market share. Peter brings over 17 years' experience across a variety of engineering and management roles.



**DR. ANDREW CARREL**

President Data & Services since 2021

*BA, M.Sc., Natural Sciences, University of Cambridge; M.Sc., Astronautics & Space Engineering, Cranfield University; PhD Electronic Engineering, University of Surrey Space Centre*

Andrew is responsible for the Data and Services business line, which brings the benefits of space data to industries operating on land and at sea. His technical background includes space missions and artificial intelligence, with over 20 years of experience spanning the satellite manufacture and downstream application sectors.



**DR. DINO LORENZINI**

CSO since 2021

*B.Sc., USAF Academy; S.M., Astronautical Engineering, MIT; ScD, Astronautical Engineering, MIT; MBA, Auburn University*

Dino, a retired US Air Force Colonel, brings a wealth of space programme know-how and industry experience spanning over six decades. He tested the Apollo Lunar Module navigation system, early GPS development, DARPA Space-Based Laser, and the Strategic Defense Initiative. An entrepreneur at heart, Dino founded the Eytel IoT system, Ellipso Mobile Satellite System, Aprize Satellite and SpaceQuest (now AAC SpaceQuest), where he served as CEO for the past 25 years.



**KULWINDER BHUMBRA**

CPO, employed since 2021

*M.Sc., Human Resource Management University of Strathclyde*

Kulwinder has more than 10 years experience working with both private and not-for-profit sectors with a broad portfolio of HR experience. She focuses on partnering with business leaders at strategic and operational levels to contribute to maximising business performance through our people processes, employee experience and strengthening our culture. She is responsible for engaging with the Executive Leadership Team to lead in developing our People Strategy to support our long-term business plan.

# RISK

## EXPERIENCED LEADERSHIP WITH PROVEN CAPABILITES

An account of the Group’s material financial and business risks can be found in the administration report and under Note 3.

The ongoing war in Ukraine has not so far affected operations. It remains difficult to estimate the final impact of the war on the Group. No further significant risks are deemed to have arisen during the period.

RISK
<p><b>Regulation</b> AAC operates in a regulated environment. Any non-compliance could result in fines and/or effect on the ability to perform AAC services.</p>
<p><b>Customers</b> The New Space market has attracted many new start-ups with limited funding. There could be a financial risk that these companies are not able to fulfil contractual obligations.</p>
<p><b>Supplier insolvency/delays</b> Disruptions to our supply chain could have knock-on effects on our production lines and our ability to deliver contracts. Delays from major suppliers has a direct impact on the Group’s ability to recognise revenues and thereby the financial targets.</p>
<p><b>New technology</b> New innovations in technology could result in current products and satellites to be less competitive.</p>
<p><b>Market</b> The New Space market is a competitive market where established and new companies offer competitive solutions.</p>
<p><b>Sales cycle</b> The sales cycles are long and require considerable efforts from AAC business development team. The long sales cycle makes it difficult to forecast when an order is won and it can be challenging to foresee capacity needs and predict cash flows.</p>
<p><b>In orbit failure of Space Data as a Service satellites</b> Satellites in orbit may fail before they reach their expected lifetime. This can be due to a faulty part, radiation damage, design fault, etc. The fault can be caused by an AAC-designed unit or on one supplied by a third-party.</p>
<p><b>Launch of satellites</b> Failure of the rocket or deployer carrying a satellite to orbit is possible.</p>
<p><b>Personnel</b> New Space is a competitive market. The Company is depending on attracting and retaining skilled employees.</p>

**MITIGATING ACTIVITY**

AAC Clyde Space follows closely current and coming regulations and adopts to follow them.

AAC undertakes a Know Your Customer activity when working with new customers, including a credit check of selected customers to minimise potential customer losses.

AAC manage the suppliers regularly to mitigate any delays.

AAC continuously invests in the technology road-map in order to be able to offer state-of-the-art offerings to the market.

AAC closely follows what competitors do and proactively responds to customer demands and what competitors offer.

AAC goes through a bid/no-bid process before investing in preparing a proposal for a new customer opportunity. Operations are involved during the sales cycle in order to secure/plan for capacity in case the opportunity is won.

AAC satellites undergo extensive testing before launch, going through a rigorous program of reviews. AAC also normally insures the satellites it owns to cover losses associated with the loss of the satellite.

AAC chooses reliable launch providers and insures the satellite to cover losses associated with the loss of the satellite.

AAC offers an inclusive and attractive work environment with competitive remuneration terms and incentive programmes for all employees.

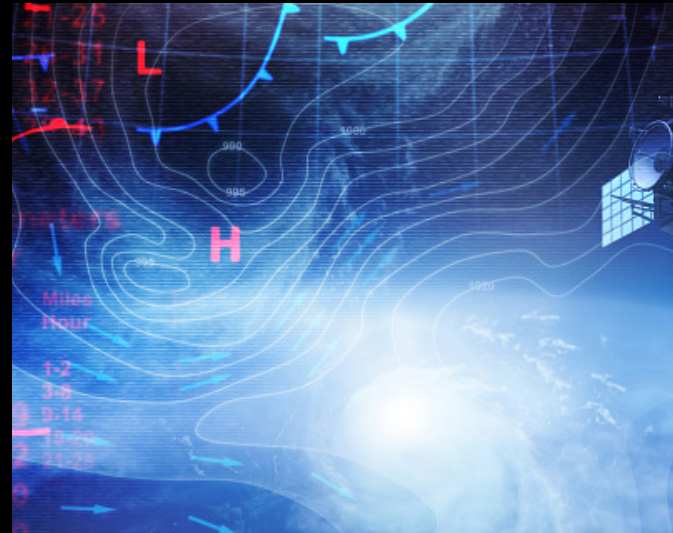
# WEATHER



## DEVELOPING NEW SYSTEMS

Historically, satellite weather data focuses on finding and reporting levels of water and oxygen in the atmosphere. As the science of space has progressed this has started moving into new areas of detection, with ice and other gasses as the new frontiers. As the systems become more sophisticated, the demand for new satellites increases, as customers want the most accurate and complete data set they can get their hands on, in order to properly predict the weather and providing warnings for major events.

# INNOVATIVE SYSTEMS TO MEASURE WHAT MATTERS



## DEFINING A CLEARER PICTURE

Our current systems are in place looking for the historical data set, but we can adapt that same technology to measure other conditions, providing a fuller picture.



## WORKING ON AWS

Through our work with the Arctic Weather Satellite, AAC Clyde Space has shown its commitment to create better weather prediction systems. We not only build the satellite, but we also build the hardware as well as the instruments of measurement.

We have delivered payload and microwave sounding systems to help build a full picture of atmospheric conditions affecting weather on Earth. Our work in this area has shown our ability to innovate and work alongside customers to create bespoke solutions to fit their needs. Over time, this has shown us as a leader in gigahertz and terahertz technologies.

## Leaders in technology

We are a leader in gigahertz and terahertz technologies.

# BOARD OF DIRECTORS' REPORT

**The Board of Directors and the CEO of AAC Clyde Space AB (publ), corporate registration number 556677-0599, hereby submit the annual report and consolidated accounts for the financial year from 1 January 2023 to 31 December 2023.**

**The results of the year's operations are presented in subsequent financial reports, which shall be adopted at the Annual General Meeting.**

## Operations

The business model is to design and manufacture standardised, advanced satellite platforms as well as subsystems and sensors. Furthermore, using these technologies, to deliver satellite services ranging from launch and satellite operation to fully-fledged "Space Data as a Service" offerings that provide customers with data.

### Registered office of Parent Company

AAC Clyde Space AB (publ)'s registered office is in Uppsala, Sweden, at Uppsala Science Park, SE-751 83, which is also the Company's head office.

### Significant events during the year

AAC Clyde Space expanded its overdraft bank facility from SEK 5 M to SEK 30 M to enable the Group to deliver on its expanding order backlog, by strengthening the working capital to an appropriate level for current business activities.

A rights issue raised a total of approx. SEK 47.6 M before transaction costs.

In July, AAC Clyde Space and its partners, agreed to move into phase 3B of the xSPANCIION project, in which the project will be completed with the manufacturing of 10 novel spacecraft of which four will be launched within the project's framework. The UK Space Agency, through the ESA Pioneer Partnership Projects, will co-fund the Group's investments in the project with EUR 4.5 M (approx. SEK 51.7 M).

Royalties from a license agreement were recognised for the period 2023 totalling USD 3.045 M (approx. SEK 30.6 M) relating to its power and data handling systems, triggered by the licensee's start of production.

An Extraordinary General Meeting resolved to consolidate shares, combining 50 shares into 1 new share, as well as on items to enable the share consolidation. Shares in the Company were subsequently consolidated with trading in the new shares starting on 13 November 2023. The total number of shares in the Company decreased from 285,191,750 to 5,703,835 through the consolidation.

In December, AAC Omnisys won a EUR 12.0 M (approx. SEK 137 M) order to build 80 radio astronomy receivers for the SKA-observatory.

The Group was selected by Iota Technology to execute an end-to-end satellite mission as part of MagQuest, a multimillion-dollar competition to advance how to measure Earth's magnetic field. The mission will see a 4U EPIC satellite, equipped with Iota Technology's magnetometer payload, launched to measure the Earth's magnetic field. AAC Clyde Space will handle the manufacturing, launch, commissioning, and operation of the satellite for a 3-year period. The total order value amounts to GBP 1.94 M (approx. SEK 25.5 M).

## Significant events after the end of the year

AAC Clyde Space with its partner TNO, successfully transferred data from a compact laser satellite communications terminal, called SmallCAT, on-board a spacecraft in Low Earth Orbit (LEO) to Earth, thereby demonstrating that the laser satellite communication technology works under spaceflight conditions. AAC has contributed electronics and firmware to the laser communication terminal.

AAC Clyde Space received payment for an insurance claim on Kelpie-1 valued at approximately SEK 13.5 M. The claim was triggered by the satellite payload delivering less data than expected, not meeting key performance indicators.

AAC Clyde Space won a GBP 4.3 M (approx. SEK 56.2 M) order for 11 satellite kits from Portuguese company LusoSpace to be delivered in the fourth quarter of 2024. The EPIC 8U variant will be co-designed by AAC Clyde Space and LusoSpace, and built in Portugal.

## Group structure

As of 31 December 2023, the Group consisted of the Parent Company AAC Clyde Space AB, with its registered office in Uppsala, and five operational subsidiaries, refer to Note 14.

## Profit and loss and financial position

### Group

#### *Sales and earnings*

Net sales increased by 41% to SEK 276.6 M (196.7). Total revenue amounted to SEK 325.4 M (243.7). EBITDA amounted to SEK +1.0 M (-38.6). Operating loss after depreciation and impairment of intangible non-current assets amounted to SEK -36.8 M (-67.0) including impairment of SEK -6.5 M (0.0) of a total loss of a satellite and the loss after tax amounted to SEK -41.4 M (-46.5).

#### *Investments*

The Group's investments in fixed assets amounted to SEK 51.0 M (40.9), of which SEK 33.8 (27.7) M pertained to intangible non-current assets.

#### *Cash flow, liquidity and financial position*

Available cash and cash equivalents at 31 December 2023 amounted to SEK 59.5 M (52.1). Used bank overdraft facility amounted to SEK 25.2 M (0.0) of the total available overdraft facility of SEK 30.0 M (5.0). The Board's assessment is that the operations are financed for the next 12 months.

Other receivables increased to SEK 87.0 M (55.9) mainly due to accrued royalties. Other liabilities increased to SEK 213.0 M (140.3) mainly due to increased prepayments from customers and utilisation of the overdraft facility.

As of 31 December 2023, the equity to assets ratio was 71% (75).



### Staff

At year-end there were 188 (183) employees.

### Parent Company

The Parent Company's net sales amounted to SEK 108.3 M (68.6) and the result after tax amounted to SEK +7.5 M (-80.1). The loss after tax in 2022 includes impairment of shares in subsidiary Clyde Space Ltd of SEK 58.7 M. The impairment loss corresponds to the shareholders' contribution made by the Parent Company to Clyde Space in September 2022. Investments in fixed assets amounted to SEK 1.5 M (1.8).

The equity to assets ratio was 87% (88).

### Corporate responsibility

The Group does not conduct operations that require a permit. For information about the Group's sustainability initiatives, see pages 32-35.

### Risks and uncertainties in the business

The Board decides on the level of risk-taking in the business and makes final decisions based on proposals from the CEO. The Company continuously collaborates with suppliers to secure deliveries as far as possible. The management team maintains an internal Business Continuity Plan on an ongoing basis to ensure that products and services are delivered as expected. The ongoing war in Ukraine has so far not affected the business.

### Guidelines for remuneration to senior executives

Information regarding the guidelines can be found in Note 8. Guidelines for remuneration to senior executives regarding 2024 can be found in the notice of the Annual General Meeting 2024.

### The share

AAC Clyde Space's shares are traded under the ticker AAC on Nasdaq First North Premier Growth Market. The share is also traded on the US OTCQX market under the symbol ACCMF. During the fourth quarter of 2023, the Company undertook a reverse split of its share, where 50 shares were consolidated into 1 new share. On 31 December 2023, 5,703,835 shares were issued with a quotient value of SEK 2.0. All shares have equal rights to the Company's profits and assets. The number of shareholders at 31 December 2023 was 12,188. The largest single owners on 31 December 2023 were AAC SpaceQuest founder Dino Lorenzini and his wife Lucille Lorenzini with 624,000 shares corresponding to 10.9% of votes and capital. For more information about AAC Clyde Spaces shares and shareholders, see the Share section on page 116.

### Incentive scheme

An Extraordinary General Meeting on 1 November 2023 resolved to consolidate shares, combining 50 shares into 1 new share. Fifty (50) warrants are now required to subscribe for one (1) share, previously one (1) warrant was required to subscribe for one (1) share. The subscription prices have also been recalculated following the consolidation.

The Annual General Meeting of AAC Clyde Space in June 2020 resolved on the directed issue of warrants to the Board and to employees in Sweden and the UK. Fifty warrants entitled the holder to subscribe for one new share at the subscription price of SEK 211.11 per share. The warrants could be exercised to subscribe for shares during the period through 1 July 2023 until 31 December 2023. The warrants were issued free of charge. The warrants were not transferable. No exercises were carried out since the subscription price were higher than the actual share price during the period:

- As of 31 December 2023, Board members had subscribed for 192,000 warrants (incentive scheme 2020/2023:C)

- As of 31 December 2023, employees in Sweden had subscribed for 365,336 warrants (incentive scheme 2020/2023:A)
- As of 31 December 2023, employees in the UK had subscribed for 1,056,000 warrants (incentive scheme 2020/2023:B)

The Annual General Meeting of AAC Clyde Space in May 2022 resolved on a directed issue of warrants to the Board and all employees. Fifty warrants entitle the holder to subscribe for one new share at the subscription price of SEK 94.65 per share. The warrants were issued free of charge. The warrants are not transferable. The warrants can be exercised during the period through 1 July 2025 until 31 December 2025:

- As of 31 December 2023, Board members had subscribed for 291,667 warrants (incentive scheme 2022/2025:C)
- As of 31 December 2023, employees in Sweden had subscribed for 1,216,666 warrants (incentive scheme 2022/2025:A)
- As of 31 December 2023, employees outside of Sweden had subscribed for 1,685,000 warrants (incentive scheme 2022/2025:B)

A total of 3,193,333 warrants have been subscribed for, which entails a potential dilution effect of around 1% and that AAC Clyde Space will potentially raise approximately SEK 6.0 M.

The Annual General Meeting of AAC Clyde Space in May 2023 resolved on a directed issue of warrants to the Board and all employees. Fifty warrants entitle the holder to subscribe for one new share at a subscription price of SEK 37.66 per share. The warrants were issued free of charge. The warrants are not transferable. The warrants can be exercised during the period through 1 July 2026 until 31 December 2026:

- As of 31 December 2023, Board members had subscribed for 275,975 warrants (incentive scheme 2023/2026:C)
- As of 31 December 2023, employees in Sweden had subscribed for 769,825 warrants (incentive scheme 2023/2026:A)
- As of 31 December 2023, employees outside of Sweden had subscribed for 1,830,150 warrants (incentive scheme 2023/2026:B)

A total of 2,875,950 warrants have been subscribed for, which entails a potential dilution effect of around 1% and that AAC Clyde Space will potentially raise approximately SEK 2.2 M.

### Proposed appropriation of earnings

At the disposal of the Annual General Meeting (SEK):

Share premium reserve 928,670,657

Loss brought forward -373,167,433

Profit for the year 7,492,139

**Total 562,995,363**

The Board of Directors proposes that no dividend be paid and that the retained earnings of SEK 562,995,363 be carried forward.



# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

kSEK	Note	Full-year 2023	Full-year 2022
Net sales	6	276,605	196,718
Work performed by the Company for its own use and capitalised		29,349	21,781
Other operating income	9	19,500	25,248
<b>TOTAL</b>		<b>325,454</b>	<b>243,747</b>
Raw materials and subcontractors		-105,005	-82,811
Personnel costs	8	-163,463	-140,795
Other external expenses		-44,517	-43,389
Other operating expenses	10	-11,489	-15,351
<b>EBITDA</b>		<b>980</b>	<b>-38,599</b>
Depreciation/amortisation and impairment of tangible and intangible assets	15, 16, 29	-37,812	-28,407
<b>EBIT</b>		<b>-36,832</b>	<b>-67,006</b>
Financial income	11	4,414	19,732
Financial expenses	11	-8,640	-1,864
<b>Net financial items</b>		<b>-4,226</b>	<b>17,868</b>
Income tax	13	-504	2,590
<b>PROFIT/LOSS FOR THE PERIOD BEFORE NCI</b>		<b>-41,562</b>	<b>-46,548</b>
Net income attributed to Non-controlling interests		199	-
<b>PROFIT/LOSS FOR THE PERIOD ATTRIBUTED TO PARENT COMPANY SHAREHOLDERS</b>		<b>-41,363</b>	<b>-46,548</b>
<b>Other comprehensive income:</b>			
<i>Items that may be transferred to profit or loss</i>			
Exchange-rate differences		2,031	26,984
<b>Other comprehensive income for the period</b>		<b>2,031</b>	<b>26,984</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>-39,531</b>	<b>-19,564</b>
<b>Earnings per share, based on profit for the period attributable to Parent Company shareholders*</b>			
kSEK		Full-year 2023	Full-year 2022
Earnings per share, before and after dilution		-8,73	-11,82

\*A consolidation of shares 1:50 took place in November 2023. Historical earnings per share have been recalculated to have a fair comparison.

## CONSOLIDATED BALANCE SHEET

kSEK	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
	16		
Goodwill		511,487	510,248
Brands		23,186	23,066
Customer relationships		3,550	6,612
Technology		48,633	61,859
Capitalised expenditure for development		84,177	62,346
Other intangible assets		1,573	1,326
<b>Total intangible assets</b>		<b>672,606</b>	<b>665,456</b>
<b>Tangible assets</b>			
Plant and equipment	15	56,665	46,045
Inventories	15	1,112	324
Right-of-use assets	29	15,790	16,822
<b>Total tangible assets</b>		<b>73,567</b>	<b>63,191</b>
<b>Financial assets</b>			
Other long-term securities holdings		-	90
<b>Total financial assets</b>		<b>0</b>	<b>90</b>
<b>Total non-current assets</b>		<b>746,173</b>	<b>728,737</b>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables	20	22,088	20,237
<b>Current receivables</b>			
Accounts receivable	19	23,513	24,452
Current tax assets	21	8,191	15,718
Contract assets	27	34,608	33,838
Other receivables	21	1,710	2,038
Prepaid expenses and accrued income	22	42,543	4,280
Cash and cash equivalents	23	59,546	52,100
<b>Total current assets</b>		<b>192,197</b>	<b>152,664</b>
<b>TOTAL ASSETS</b>		<b>938,370</b>	<b>881,401</b>

kSEK	Note	31 Dec 2023	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Parent Company shareholders</b>			
Share capital	24	11,408	8,192
Other contributed capital		928,670	892,848
Reserves		68,427	66,462
Retained earnings (including earnings for the year)		-344,939	-303,996
<b>Total equity attributable to Parent Company shareholders</b>		<b>663,565</b>	<b>663,506</b>
Non-Controlling Interest		-813	-
<b>Total equity</b>		<b>662,753</b>	<b>663,506</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	25	-	-
Additional purchase consideration		-	5,646
Other non-current liabilities		354	-
Lease liability		10,150	11,041
Deferred tax liabilities	26	15,724	19,243
<b>Total non-current liabilities</b>		<b>26,228</b>	<b>35,930</b>
<b>Current liabilities</b>			
Accounts payable	17	36,412	41,503
Liabilities to credit institutions	25	25,152	685
Lease liability	29	5,501	5,487
Other liabilities		30,433	14,908
Contract liabilities	27	122,676	85,891
Additional purchase consideration		8,506	6,303
Accrued expenses and deferred income	28	20,708	27,187
<b>Total current liabilities</b>		<b>249,389</b>	<b>181,965</b>
<b>Total liabilities</b>		<b>275,617</b>	<b>217,895</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>938,370</b>	<b>881,401</b>

## CONSOLIDATED CHANGES IN EQUITY

kSEK	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit/loss for the period	Total equity attributable to shareholders	Non-controlling interests	Total equity
<b>Opening balance, 1 January 2022</b>	<b>7,688</b>	<b>889,723</b>	<b>39,478</b>	<b>-258,077</b>	<b>678,812</b>	<b>0</b>	<b>678,812</b>
Profit/loss for the period	-	-	-	-46,548	-46,548	-	-46,548
Other comprehensive income	-	-	26,984	-	26,984	-	26,984
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>26,984</b>	<b>-46,548</b>	<b>-19,564</b>	<b>0</b>	<b>-19,564</b>
<b>Transactions with shareholders</b>							
Correction of conversion differences OB	-	-	-	629	629	-	629
Warrants T02020/2023	-	283	-	-	283	-	283
Warrants T02022/2025	-	482	-	-	482	-	482
Issue expenses	-	-	-	-	-	-	0
Non-cash issue – acquisition of Omnisys	504	2,360	-	-	2,864	-	2,864
<b>Closing balance, 31 December 2022</b>	<b>8,192</b>	<b>892,848</b>	<b>66,462</b>	<b>-303,996</b>	<b>663,506</b>	<b>0</b>	<b>663,506</b>
<b>Opening balance, 1 January 2023</b>	<b>8,192</b>	<b>892,848</b>	<b>66,462</b>	<b>-303,996</b>	<b>663,506</b>	<b>0</b>	<b>663,506</b>
Profit/loss for the period	-	-	-	-41,364	-41,364	-199	-41,563
Other comprehensive income	-	-	1,965	-	1,965	66	2,031
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>1,965</b>	<b>-41,364</b>	<b>-39,399</b>	<b>-133</b>	<b>-39,532</b>
<b>Transactions with shareholders</b>							
Correction of conversion differences OB	-	32	-	-	32	-	32
Reclassifications	-	-	-	-259	-259	-	-259
Transactions between owners	-	-	-	680	680	-680	0
Rights share issue	3,176	44,467	-	-	47,643	-	47,643
Issue expenses	-	-10,083	-	-	-10,083	-	-10,083
Directed share issue	18	142	-	-	160	-	160
Non-cash issue – acquisition of Omnisys	22	285	-	-	307	-	307
Warrants T02020/2023	-	84	-	-	84	-	84
Warrants T02022/2025	-	711	-	-	711	-	711
Warrants T02023/2026	-	182	-	-	182	-	182
<b>Closing balance, 31 December 2023</b>	<b>11,408</b>	<b>928,670</b>	<b>68,427</b>	<b>-344,939</b>	<b>663,565</b>	<b>-813</b>	<b>662,753</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

kSEK	Note	2023	2022
<b>Cash flow from operating activities</b>			
EBIT		-36,832	-67,006
Adjustments for non-cash items	34	35,547	29,201
Interest received		467	1,078
Interest paid		-3,324	-1,244
Income taxes paid		-1,338	161
<b>Cash flow from operating activities before changes in working capital</b>		<b>-5,481</b>	<b>-37,810</b>
<b>Cash flow from changes in working capital</b>			
Change in inventory		-1,841	-6,452
Change in operating receivables		-27,570	7,172
Change in operating liabilities		39,777	43,526
<b>Total changes in working capital</b>		<b>10,366</b>	<b>44,245</b>
<b>Cash flow from operating activities</b>		<b>4,883</b>	<b>6,435</b>
<b>Cash flow from investing activities</b>			
Investments in tangible assets		-17,105	-13,161
Investments in intangible assets		-33,866	-27,713
<b>Cash flow from investing activities</b>		<b>-50,971</b>	<b>-40,874</b>
<b>Cash flow from financing activities</b>			
New share issue		47,643	-
Issue expenses		-10,083	-
Cash payment for Earn-Out Omnisys	3	-2,500	-5,000
Outgoing repayments of lease liabilities	33	-5,613	-5,272
Utilised credit facility	25, 33	25,152	-
Repayments of borrowings	33	-686	-
<b>Cash flow from financing activities</b>		<b>53,913</b>	<b>-10,272</b>
<b>Cash flow of the year</b>		<b>7,825</b>	<b>-44,711</b>
<b>Decrease/increase in cash and cash equivalents</b>			
Cash and cash equivalents at start of period		52,100	96,110
Exchange-rate differences in cash and cash equivalents		-378	701
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>59,546</b>	<b>52,100</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 1 General information

AAC Clyde Space AB (publ) ("AAC") Corp. Reg. No. 556677-0599 is the Parent Company registered in Sweden with its registered office in Uppsala at Uppsala Science Park, Dag Hammarskjölds väg 48, SE-751 83 Uppsala, Sweden.

The financial statements were authorised for issue by the Board of Directors on 25 April 2024.

Unless otherwise stated, all amounts are in thousands of SEK (kSEK). Data in parentheses pertain to the comparative year.

## Note 2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements pertain to the Parent Company AAC Clyde Space AB (publ.) and its subsidiaries.

### Basis of preparation

The consolidated financial statements for AAC Clyde Space AB have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary rules for corporate groups, International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. They have been prepared under the historical cost convention, as modified by the revaluation of financial liabilities measured at fair value through the statement of comprehensive income.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

### New and changed standards

The following amendments to standards are applied by the Group for the first time for financial years beginning January 1 2023:

- Information on accounting principles - changes in IAS 1 Design of financial reports

### New and amended standards not yet adopted by the Group

A number of new accounting standards and interpretations have been published by the IASB that do not enter force until financial years starting 1 January 2024 or later and were not applied in advance by the Group. These standards are not expected to have any material impact on the Group's financial reporting in current or future reporting periods nor on predictable future transactions.

### Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its influence over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the carrying amount of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred and are reported in the item "Other operating expenses" in the consolidated statement of comprehensive income.

### 2.1 Foreign currency translation

#### *Functional and presentation currency*

Entities in the Group use the local currency as their functional currency, where the local currency is defined as the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Swedish kronor (SEK), which is the Parent Company's functional currency and the Group's presentation currency.



#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are recognised in the statement of comprehensive income as financial income or expenses. All other foreign exchange gains and losses are presented in the item "Other operating expenses" and "Other operating income" in the statement of comprehensive income.

#### *Foreign subsidiary translation*

The results and financial positions of foreign operations that have a functional currency different from the presentation currency are translated into the Group's presentation currency. Assets and liabilities for each statement of financial position presented are translated from the foreign operations' functional currency to the Group's presentation currency, SEK, at the closing rate at the balance sheet date. Income and expenses for each statement of profit or loss are translated into SEK at the average rate per each transaction date. All resulting exchange differences from foreign currency translation are recognised in other comprehensive income.

## **2.2 Revenue recognition**

Revenue is measured at the fair value of what has been or will be received, and is equivalent to the amount received for goods and services sold less discounts and VAT.

The Group recognises revenue when the amount can be reliably measured, when it is likely to lead to financial advantages for the Company in the future and when the below criteria have been met for each of the Group's operations.

#### *Sale of goods*

The Group develops, manufactures and sells satellite platforms and subsystems. Product sales are reported as revenue when control of the goods is transferred, which happens when they are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Income from the sale of customised satellite platforms and subsystems is recognised based on the price in the contract and degree of completion. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made.

#### *Sales of services*

The Group provides services at fixed and variable prices in the form of consulting and project fees for launching and operating satellites in orbit. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the financial year as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in the statement of comprehensive income in the period in which the circumstances that gave rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by AAC Clyde Space exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes an hourly fee, revenue is recognised based on the hours expended. Customers are invoiced on a monthly basis and the consideration is payable when invoiced.

#### *Sales of data*

The Group delivers data from its own satellites to customers. The scale of the revenue depends on the quantity of data delivered and is normally recognised in the delivery month.

#### *Sales of licences*

The Group licences IP rights (technology and manufacturing licences) for components of AAC Clyde Space's technology to help customers manufacture products they can then sell to external customers. Compensation covers the licence as well as consulting services related to adapting technology for customers. The transaction price includes fixed portions and portions dependent on future events. The portion of compensation dependent on future events is recognised as variable under revenue recognition and only when AAC Clyde Space deems it likely that the compensation will be received and the conditions for receiving remuneration have been met.

The Group decides if a licence is distinct from the consulting services that will be rendered and thereby constitutes a separate performance obligation in the contract. A licence is considered a separate performance obligation when it can be used without additional consulting services from AAC Clyde Space. If a licence is considered distinct, this means that the contract includes two obligations: a licence and consulting services. These are recognised separately.

The transaction price is allocated to the licence and to the consulting services at an amount that reflects the compensation the Group expects to have a right to in exchange for transferring the licence and consulting services to the customer. This is added to an allocated transaction price for the undertaking recognised as revenue either at a specific date or over time.

Licences identified as separate performance obligations are either "right-to-access" or "right-to-use." A "right-to-access" licence includes access to AAC Clyde Spaces IP rights over the term of the licence, meaning the IP rights in question change over time as AAC Clyde Space conducts operations that significantly affect the value of the intangible asset the customer has a right to. A "right-to-use" licence includes the right to use AAC Clyde Space IP rights as they stood at the time the licence was granted. Right-to-access licences are recognised over the period when the customer has right to exercise the licence, while right-to-use licences are recognised at a specific point in time (that is, when the customer is given control over the licence).

If consulting services are considered a separate and distinct commitment, their revenue is recognised over the period according to the accounting policies given above in "Sales of services".

If the licence is not distinct from the consulting services provided to the customer, the two items are recognised as a single performance commitment. An assessment is made of whether income for the combined performance commitment is reported at a certain date or over time, depending on when control of both the licence and the consulting services were transferred to the customer.

#### *Sales-based royalties*

Revenue from sales-based royalties pledged in exchange for a licence for an intangible fixed asset is only recognised after the later of the following events:

- Subsequent sale
- The performance commitment pertaining to the sales-based royalty has been fulfilled.

#### *Interest income*

Interest income is recognised as income using the effective interest method.

## 2.3 Leases

The Group's leases consist largely of premises and vehicles. Leases are normally signed for fixed periods of one to five years, but may have extension options, as described below. The terms are negotiated separately for each lease, and contain a large number of differing conditions.

Leases are recognised as right-of-use assets, and a corresponding liability is recognised on the day the leased asset becomes available for use by the Group. Every lease payment is distributed between repayment of the liability and financial expenses. The financial expense is allocated across the lease term so that each reporting period is charged an amount equivalent to a fixed interest rate for the liabilities recognised in each period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the useful life of the asset and the term of the lease.

Assets and liabilities arising from leases are initially recognised at present value.

The lease liabilities include the present value of the following lease payments:

- Fixed fees
- Variable lease payments dependent on an index or an interest

The lease payments are discounted using the incremental borrowing rate.

Right-of-use assets are measured at cost and include the following:

- The initial measurement of the lease liability; and
- Payments made on or before the point in time when the leased asset is made available to the lessee

For low-value leases, the practical exemption in IFRS 16 applies, which means that lease payments are expensed on a straight-line basis in profit or loss over the term of the lease and no right-of-use asset or lease liability is recognised in the statement of financial position.

#### *Options for extending and cancelling leases*

Options for extending or cancelling leases are included in the asset and the liability where it is judged reasonably certain that they will be utilised.

## 2.4 Employee benefits

### *Post-employment benefit plans*

Group companies only have defined contribution pension plans. In a defined contribution pension plan, the Group makes fixed payments to a separate legal entity.

The Group does not have any legal or informal obligations to pay additional fees if the legal entity does not have sufficient assets to pay the entire vested benefit accrued during the current or previous periods. Payments are recognised as a cost in profit or loss for the period as vested through services performed for the Company by employees during the period.

### *Share-based payments*

The Group has several employee warrant programmes. The fair value of the service that entitles employees to allotment of warrants through the Group's employee warrant programme is recognised as a personnel cost with a corresponding increase in equity.

The total sum expensed is based on the fair value of the warrants allotted: including all market-related terms and conditions (e.g., share target price), excluding any impact from terms of employment and non-market-related vesting conditions (e.g., profitability targets for sales increases and the employee remaining in the Company's employ for a set period of time) and including the impact of non-vesting conditions (e.g., any requirement for employees to save or retain the shares for a set period of time).

The total expense is recognised over the vesting period, that is the period in which all the specified vesting terms and conditions are to be fulfilled. At the end of each reporting period, the Group reviews its assessments of the number of shares expected to vest based on the non-market-related vesting conditions and the terms of employment. Any deviation compared with the initial assessments that results from the review is recognised in the income statement and corresponding adjustments are made in equity.

Social security contributions that arise from the allotment of warrants are considered an integral component of the allotment and the cost is treated as a cash-regulated share-based payment.

## 2.5 Deferred income tax

Deferred tax assets are recognised only if it is probable that future taxable surpluses will be available against which to utilise those temporary differences.

## 2.6 Intangible assets

### **Goodwill**

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration, any non-controlling interest in the acquiree and the fair value at the acquisition date of pre-existing equity interests in the acquiree over the fair value of identifiable acquired net assets.

For the purpose of testing for any impairment requirement, acquired goodwill is allocated to those cash-generating units or groups of cash-generating units that are expected to benefit from the acquisition synergies. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

### **Capitalised expenditure for development**

Costs associated with maintenance are recognised as an expense as incurred. Development expenses that are directly attributable to the design of satellite platforms and subsystems controlled by the Group are recognised as intangible assets when the criteria in IAS 38p. 57 are met.

Directly attributable costs that are capitalised as part of development include employee and external consultant costs. Other development expenses that do not meet these criteria are recognised as an expense as incurred. Development expenses previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenses are recognised as intangible assets and amortised from the point at which the asset is ready for use.

### **Customer relationships**

Customer relationships acquired as part of a business combination are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis over their estimated useful lives. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment. The estimated useful life amounts to three to five years, which reflects the estimated time it will generate cash flow.

### **Brand**

Trademarks/brands acquired in a business combination are recognised at fair value at the acquisition date. As long as brands are used, maintained and invested, they are deemed to have an indefinite useful life and are carried at cost and tested annually for impairment according to the method described for goodwill above.

### Other intangible assets

Other intangible assets include patents, software and technology. Accounting policies for these items are described below.

#### Patents

Separately acquired patents are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. The estimated useful life amounts to 10 years, which reflects the estimated time they will generate cash flow.

#### Software

Software acquired as part of a business combination is recognised at its fair value at the date of acquisition and is subsequently amortised on a straight-line basis over its estimated useful life. It has a finite useful life and is subsequently carried at cost less accumulated amortisation and impairment. The estimated useful life amounts to three years, which reflects the estimated time it will generate cash flow.

#### Technology

Technology acquired as part of a business combination is recognised at its fair value at the date of acquisition and is subsequently amortised on a straight-line basis over its estimated useful life. It has a finite useful life and is subsequently carried at cost less accumulated amortisation and impairment. The estimated useful life amounts to five to seven years, which reflects the estimated time it will generate cash flow.

#### Useful lives for the Group's intangible assets

Capitalised expenditure for development	3-5 years
Patents	10 years
Customer relationships	3-5 years
Technology	5-7 years
Software	3 years

### 2.7 Tangible assets

The accounting policies below pertain to owned assets.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Plant and equipment	3-5 years
Inventories	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of a tangible asset are determined by comparing the proceeds with the carrying amount and are recognised within "Other operating income" and "Other operating expenses", respectively, in the statement of comprehensive income.

### 2.8 Impairment of non-financial assets

Intangible assets that have an indefinite useful life (goodwill and brands) or intangible assets not ready to use (capitalised expenditure for development) are not subject to amortisation and are tested annually for impairment. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units). Nonfinancial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.9 Financial instruments – general

Financial instruments occur in several balances and are described below.

#### Classification

The Group classifies its financial assets and liabilities in the category amortised cost and financial liabilities measured at fair value through profit or loss. The classification depends on the purpose for which the financial assets or liabilities were acquired.

#### Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit losses recognised (see impairment below). Interest income from these financial assets is included in financial income using the effective interest method. The Group's financial assets at amortised cost include the items accounts receivable, other receivables, and cash and cash equivalents.

#### Financial liabilities measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trading or contingent considerations for business combinations. Derivatives are also categorised as held for trading unless they are designated as hedges. The Group has financial liabilities in the form of foreign currency forwards and contingent additional purchase considerations. Financial liabilities measured at fair value through profit or loss are also recognised in subsequent periods at fair value and the change in value is recognised in the statement of comprehensive income.

#### Financial liabilities at amortised cost

The Group's other financial liabilities are subsequently classified as carried at amortised cost using the effective interest method. Other financial liabilities consist of liabilities to credit institutions, accounts payable and current liabilities.

## Impairment of financial assets

### *Assets carried at amortised cost*

The Group assesses the future expected credit losses (ECLs) pertaining to assets carried at amortised cost. The Group recognises a loss allowance for ECLs at every reporting date. For accounts receivable, the Group applies the simplified approach to measuring loss allowances, meaning that the allowance will reflect the expected loss across the entire life of the receivable.

To measure ECLs, accounts receivable are categorised based on credit risk and days past due. The Group uses forward-looking variables for ECLs. ECLs are recognised in the item Other external expenses in the consolidated statement of comprehensive income.

## 2.10 Inventories

Inventory is stated at the lower of cost and net realisable value using the average-price principle. Net realisable value is the estimated selling price in operating activities less selling expenses.

## 2.11 Cash and cash equivalents

For the purpose of presentation in the statement of financial position and cash flow statement, cash and cash equivalents includes cash on hand and bank deposits.

## 2.12 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

## 2.13 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

## 2.14 Government grants

Grants from the Government are recognised at fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Grants accepted before the terms for recognition as revenue have been fulfilled are recognised as liabilities. This also applies to grants in the form of tax deductions.

Government assistance related to development that is capitalised as an intangible asset is recognised through the asset's carrying amount less the grant, which is recognised in profit or loss for the year under the depreciable asset's useful life in the form of lower depreciation.

## Note 3 Financial risk management

### Financial risk factors

The goals of the Group's financial activities are to:

- ensure that the Group can fulfil its payment obligations;
- manage financial risks;
- ensure access to sufficient funding; and
- optimise the Group's net finances.

Credit risk is managed by the Group management. For banks and financial institutions, only independently rated parties with a minimum credit rating of "A" are accepted. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control is made assessing the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. Compliance with credit limits is regularly monitored by the Group Management.

### Market risk

#### Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk, primarily the US dollar (USD), the British pound (GBP) and the euro (EUR).

Foreign exchange risks arise from future commercial transactions or recognised assets or liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The Group encounters foreign exchange risk in payment flows in foreign currency ("transaction exposure"), in restating balances in foreign currencies and in restating foreign subsidiaries' statements of profit or loss and statements of financial position in the Group's presentation currency (Swedish kronor, SEK) ("balance exposure").

The Group has no external borrowing in any currencies other than each entity's functional currency. However, there is inter-company borrowing in currencies other than the functional currency, which exposes the Group to a certain amount of foreign exchange risk in inter-company eliminations.

#### Sensitivity analysis – transaction exposure

Sensitivity in earnings pertaining to currency changes is primarily in EUR, USD and GBP and the risk primarily occurs through cross-boundary transactions where purchasing and invoicing are conducted in these currencies.

Accounts payable and receivable include significant balances in foreign currencies.

Accounts receivable in foreign currencies amounted to kSEK 12,952 on 31 December 2023 (31 December 2022: kSEK 7,758). Accounts payable in foreign currencies amounted to kSEK 15,378 on 31 December 2023 (31 December 2022: kSEK 13,563).

The Group uses derivatives such as foreign currency forwards to hedge large future cash flows. The Group does not meet the requirements for applying hedge accounting in accordance with IFRS 9. Change in fair value is thus recognised in other operating income or other operating expenses.

If the Swedish krona had grown weaker/stronger by 10% in relation to the euro, with all other variables remaining the same, the restated earnings after tax for the 2023 financial year would have been kSEK 334 (2022: kSEK 392) lower/higher.

If the Swedish krona had grown weaker/stronger by 10% in relation to the US dollar, with all other variables remaining the same, the restated earnings after tax for the 2023 financial year would have been kSEK 228 (2022: kSEK 58) lower/higher.

If the Swedish krona had grown weaker/stronger by 10% in relation to the British pound, with all other variables remaining the same, the restated earnings after tax for the 2023 financial year would have been kSEK 93 (2022: kSEK 2) lower/higher.

This is primarily the result of gains/losses when translating accounts receivable and payable.

#### Sensitivity analysis – translation exposure

The Group is exposed to foreign exchange risk on consolidation of subsidiaries abroad with a functional currency other than SEK. This applies primarily to GBP and USD. The Group's policy is not to hedge translation exposure attributable to net assets abroad to mitigate translation risk in the financial statements.

#### Interest rate risk

AAC Clyde Space AB had during 2023 a utilised credit facility of kSEK 25,152.

### Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and credit institutions, as well as credit exposures, including outstanding receivables.

The Group's operations are exposed to several financial risks related to accounts receivable and payable, loans and derivatives such as market risk (including primarily foreign exchange risk but also interest-rate risk), credit risk, liquidity risk and refinancing risk. The Group strives to minimise potentially unfavourable effects on the Group's financial earnings.

Historically, the Group has had low credit losses since customers are, to a great extent, public bodies or authorities, or otherwise major and well-known.

### Liquidity risk

Through prudent liquidity risk management the Group maintains sufficient cash and marketable securities to meet the needs of operating activities and the Group also ensures the availability of sufficient cash and cash equivalents to meet obligations when due.

The Group management actively works with continuously preparing funding and cash flow forecasts. The Group management monitors rolling forecasts of the Group's liquidity reserve to ensure that the Company has the necessary cash for operating activities.

The tables below analyse the Group's non-derivative financial liabilities and derivatives (foreign currency forwards), including financial liabilities, allocated by relevant maturity groupings based on their contractual maturities. The amounts included in the maturity tables are the contractual undiscounted cash flows, excluding foreign currency forwards.

Future cash flows in foreign currencies or pertaining to variable interest rates have been calculated based on the exchange and interest rates on the balance sheet date.

Foreign currency forwards that include financial liabilities are included in the interval with their fair value because the contractual maturities are not essential for an understanding of the timing of the cash flows.

As of 31 December 2022	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contracted cash flows	Carrying amount
<b>Financial liabilities (excluding derivatives)</b>							
Liabilities to credit institutions	-	685	-	-	-	685	685
Lease liability	1,256	4,524	5,577	10,266	-	21,623	16,527
Additional purchase consideration	-	6,303	5,646	-	-	11,949	11,949
Accounts payable	41,502	-	-	-	-	41,502	41,502
<b>Total Financial liabilities (excluding derivatives)</b>	<b>42,758</b>	<b>11,512</b>	<b>11,222</b>	<b>10,266</b>	<b>0</b>	<b>75,759</b>	<b>70,663</b>
Foreign currency forwards	-	-	-	-	-	-	-
<b>Total</b>	<b>42,758</b>	<b>11,512</b>	<b>11,222</b>	<b>10,266</b>	<b>0</b>	<b>75,759</b>	<b>70,663</b>
<b>As of 31 December 2023</b>	<b>Less than 3 months</b>	<b>Between 3 months and 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>	<b>Total contracted cash flows</b>	<b>Carrying amount</b>
<b>Financial liabilities (excluding derivatives)</b>							
Liabilities to credit institutions	-	25,152	-	-	-	25,152	25,152
Lease liability	1,593	4,779	6,372	5,080	-	17,824	15,651
Additional purchase consideration	-	8,506	-	-	-	8,506	8,506
Accounts payable	36,412	-	-	-	-	36,412	36,412
<b>Total Financial liabilities (excluding derivatives)</b>	<b>38,005</b>	<b>38,437</b>	<b>6,372</b>	<b>5,080</b>	<b>0</b>	<b>87,894</b>	<b>85,721</b>
Foreign currency forwards	-	-	-	-	-	-	-
<b>Total</b>	<b>38,005</b>	<b>38,437</b>	<b>6,372</b>	<b>5,080</b>	<b>0</b>	<b>87,894</b>	<b>85,721</b>

### Capital management

The Group's goal for capital structure is to secure the Group's ability to continue its operations so it can generate returns for shareholders and maintain an optimal capital structure that keeps capital expenses to a minimum.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends distributed to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the equity ratio, which is a key performance indicator equal to equity in relation to total assets. During 2023, the Group's strategy, which was unchanged from 2022, was to maintain an equity ratio within 60% to 95%. The equity ratio for each accounting year was as follows:

31 Dec 2023	71%
31 Dec 2022	75%

### Fair value measurements

The different levels of financial instruments measured at fair value have been defined as follows:

#### Level 1 financial instruments

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

#### Level 2 financial instruments

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as price listings) or indirectly (i.e. derived from price listings).

#### Level 3 financial instruments

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group has no financial assets measured at fair value.

As of 31 December 2023, the Group had financial liabilities measured at fair value in the form of contingent additional purchase considerations.

On 31 December 2023, the fair value for foreign currency forwards amounted to kSEK 0 (31 December 2022: kSEK 0). Fair values for foreign currency forwards are found in Level 2 of the fair value hierarchy.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

On 31 December 2023, the fair value for contingent purchase considerations amounted to kSEK 8,506 and was recognised under short-term liabilities in the balance sheet. The fair value is lower than the possible value as all prerequisites are deemed to be not fulfilled. Changes in value were recognised in other operating expenses in the statement of comprehensive income. Fair values for contingent purchase considerations are found in level 3 of the fair value hierarchy. The fair values of contingent purchase considerations are based on management's assessment of the likelihood of the payment being disbursed pursuant to the conditions in the share transfer agreement. The management's assessment is that the amount stated will be disbursed in full.

There were no transfers between levels for recurring fair value measurements during the year.

The following table illustrates the changes for level 3 instruments in 2023

<b>Contingent purchase considerations in conjunction with business combinations</b>	
<b>Opening balance, 1 Jan 2023</b>	<b>11,949</b>
Realised to shareholdings through fulfilled prerequisites:	-2,776
Total gains and losses during period are recognised in the statement of comprehensive income for liabilities held at the end of the reporting period:	-667
<b>Closing balance 31 Dec 2023</b>	<b>8,506</b>

## Note 4 Disclosures regarding significant estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### Impairment tests for goodwill and brands with indefinite useful lives

The Group tests annually whether goodwill and brands with indefinite useful lives have suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (see Note 16).

### Measurement of loss carry-forwards

Taxable loss carry-forwards have no final exercise date. The Group have not reported any value for loss carry-forwards. Deferred tax assets are recognised only for loss carry-forwards that are likely to be recoverable using trough offsetting against future taxable surpluses and against taxable temporary differences. For further details on loss carry-forwards and deferred tax benefits see Note 26.

### Contingent purchase considerations

Pursuant to the agreements on contingent purchase considerations in conjunction with the acquisition of Omnisys the Group will disburse additional purchase considerations on fulfilment of the set performance targets. The fair values of the agreed contingent purchase considerations are based on management's assessment of the likelihood of the payment being disbursed pursuant to the conditions in the share transfer agreement. The management's assessment is that the amount stated will be disbursed in full, see Note 3.

### Revenue recognition

The Group applies Revenue recognition. Recorded revenue achieved in project is calculated as the period's accumulated costs in relation to the project's forecasted total costs times the order value. The project total forecasted costs may be too low or too high, which in turn may mean that achieved book revenues may be too high or, too low.

## Note 5 Segment information

### Description of segments and primary activities

AAC Clyde Space's strategic steering group, consisting of its Chief Executive Officer, Chief Operating Officer (left January 2024), Chief Commercial Officer, Vice President of Future Programmes, chief People Officer, Chief Scientific Officer and Chief Financial Officer, corresponds to the chief operating decision-maker (CODM) for the AAC Clyde Space Group and evaluates the Group's financial position and performance as well as makes strategic decisions. Group management has determined the operating segments based on the information reviewed by the executive committee for the purposes of allocating resources and assessing performance.

The strategic steering group has identified six reportable segments in the Group's operations:

#### AAC Clyde Space, operations in Uppsala, Sweden

AAC Clyde Space primarily develops and produces data processing and power systems for CubeSats and small satellites (1–500 kg).

#### Clyde Space, operations in Scotland

Clyde Space offers customised, turnkey services from design, subsystems and satellite platforms from 1 to 50 kg to operation of satellite systems in orbit and delivery of data to customers.

#### Hyperion Technologies, operations in the Netherlands

Hyperion specialises in high-performing, miniaturised subsystems for small satellites. The company's focus is on high-performing and reliable electronics and mechatronic systems.

#### SpaceQuest, operations in the US

SpaceQuest delivers data from space to customers from its own constellation of satellites and ground stations. The company also supplies subsystems to many commercial aerospace companies and institutions.

#### Omnisys Instruments, operations in Gothenburg, Sweden

Omnisys develops and manufactures measuring instruments, primarily for advanced space projects. Moreover, the company has an extensive track record developing weather data sensors to create reliable weather forecasting and data for climate research.

#### AAC Space Africa, operations in South Africa

AAC Space Africa will design, build and deliver space missions to the continent from its Cape Town base in South Africa's Western Cape Province. The company is the Group's centre of competence for advanced radio communication.

The strategic steering group primarily uses adjusted earnings before interest, tax, depreciation and amortisation (EBITDA, see below) in assessing the operating segments' performance.

EBITDA	2023	2022
AAC Clyde Space	14,512	-20,737*
Clyde Space	-30,809	-33,630
Hyperion Technologies	13,448	699
SpaceQuest	10,427	9,258
Omnisys Instruments	1,895	9,408
AAC Space Africa	-5,493	-3,597
<b>Total EBITDA</b>	<b>980</b>	<b>-38,599</b>

\*Includes cost for aborted acquisition of kSEK 8,611.



A reconciliation of the Group's earnings before tax and EBITDA is shown below.

	2023	2022
<b>Total EBITDA</b>	<b>980</b>	<b>-38,599</b>
Net financial items	-4,226	17,867
Depreciation and amortisation of tangible and intangible assets	-37,812	-28,407
<b>Earnings before tax</b>	<b>-41,058</b>	<b>-49,139</b>

Non-current assets other than financial instruments and deferred tax assets are allocated by country as follows:

	2023	2022
AAC Clyde Space	111,099	111,561
Clyde Space	414,965	383,073
Hyperion Technologies	26,651	28,345
SpaceQuest	112,369	112,610
Omnisys Instruments	80,075	91,860
AAC Space Africa	1,013	1,199
<b>Total</b>	<b>746,172</b>	<b>728,648</b>

## Note 6 Net sales

### Income

Since income from external parties is reported to the strategic steering group, it is measured in a manner consistent with that in the consolidated statement of comprehensive income. The majority of income is recognised over time.

2023	Clyde Space	AAC Clyde Space	Hyperion Technologies	SpaceQuest	Omnisys Instruments	AAC Space Africa	Total
Income by segment	78,323	108,335	47,013	35,036	59,378	4,963	333,048
Income from other segments	-20,374	-26,866	-3,637	-1,041	-1,066	-3,459	-56,443
<b>Income from external customers</b>	<b>57,949</b>	<b>81,469</b>	<b>43,376</b>	<b>33,995</b>	<b>58,312</b>	<b>1,504</b>	<b>276,605</b>
Space Data as a Service	6,064	-	-	17,911	-	-	23,975
Space Missions	24,962	2,939	-	-	-	367	28,268
Space Products	26,923	47,953	43,376	16,084	58,312	1,137	193,785
Licenses/Royalties	-	30,577	-	-	-	-	30,577
<b>Total</b>	<b>57,949</b>	<b>81,469</b>	<b>43,376</b>	<b>33,995</b>	<b>58,312</b>	<b>1,504</b>	<b>276,605</b>

Income of approximately kSEK 49,965 for 2023 derived from one single external customer. This income was attributable to the Omnisys segment.

2022	Clyde Space	AAC Clyde Space	Hyperion Technologies	SpaceQuest	Omnisys Instruments	AAC Space Africa	Total
Income by segment	76,511	68,629	18,882	32,461	52,254	6,157	254,894
Income from other segments	-17,318	-33,844	-3,363	-1,054	-18	-2,579	-58,176
<b>Income from external customers</b>	<b>59,193</b>	<b>34,785</b>	<b>15,519</b>	<b>31,407</b>	<b>52,236</b>	<b>3,578</b>	<b>196,718</b>
Space Data as a Service	426	-	-	16,508	-	-	16,934
Space Missions	32,262	3,920	-	-	-	3,479	39,661
Space Products	26,505	27,103	15,519	14,899	52,236	99	136,361
Licenses/Royalties	-	3,762	-	-	-	-	3,762
<b>Total</b>	<b>59,193</b>	<b>34,785</b>	<b>15,519</b>	<b>31,407</b>	<b>52,236</b>	<b>3,578</b>	<b>196,718</b>

Income of approximately kSEK 45,508 for 2022 derived from one single external customer. This income was attributable to the Omnisys segment.

### Income from external customers broken down by location of the customers:

	2023	2022
Sweden	64,851	56,725
UK	34,565	12,907
Rest of Europe	44,446	53,926
USA	112,403	50,557
Asia	10,873	8,939
Rest of world	9,467	13,665
<b>Total</b>	<b>276,605</b>	<b>196,718</b>

## Note 7 Remuneration to auditors

kSEK	2023	2022	kSEK	2023	2022
<b>PricewaterhouseCoopers AB</b>			<b>Other auditors</b>		
Audit assignment	1,745	1,900	Audit assignment	34	16
Auditing services in addition to the assignment	143	450	Auditing services in addition to the assignment	-	-
Tax advice	21	44	Tax advice	24	-
Other services	-	1,284	Other services	75	195
<b>Total</b>	<b>1,909</b>	<b>3,678</b>	<b>Total</b>	<b>133</b>	<b>211</b>

kSEK	2023	2022
<b>PricewaterhouseCoopers ROW</b>		
Audit assignment	890	623
Auditing services in addition to the assignment	-	50
Other services	-	3,789
<b>Total</b>	<b>890</b>	<b>4,462</b>

## Note 8 Remuneration to employees, etc.

	2023	2022
Salary and other benefits (excl. Board members)	131,835	111,999
Social security contributions	20,964	18,096
Pension costs – defined contribution plans	8,503	6,985
<b>Total</b>	<b>161,302</b>	<b>137,080</b>

Salary and other benefits, social security expenses	2023		2022	
	Salary and other benefits (of which bonus)	Social security expenses (of which pension expenses)	Salary and other benefits (of which bonus)	Social security expenses (of which pension expenses)
Board members, the CEO and other senior executives	13,311 (247)	3,066 (966)	12,384 (267)	2,844 (871)
Other employees	120,227 (149)	26,614 (7,537)	101,289 (98)	22,456 (6,115)
<b>Group total</b>	<b>133,538 (396)</b>	<b>29,680 (8,503)</b>	<b>113,673 (365)</b>	<b>25,300 (6,986)</b>

Average number of employees broken down by country	2023		2022	
	Total	Of whom, men	Total	Of whom, men
Sweden	64	47	54	42
UK	89	61	87	65
The Netherlands	16	10	20	15
USA	11	10	9	8
South Africa	9	8	7	7
<b>Group total</b>	<b>189</b>	<b>136</b>	<b>177</b>	<b>137</b>

Gender distribution in the Group (incl. subsidiaries) for Board members and other senior executives	2023		2022	
	Number at the end of the reporting period	Of whom, men	Number at the end of the reporting period	Of whom, men
Board members	6	5	6	4
CEO and other senior executives	8	6	8	6
<b>Group total</b>	<b>14</b>	<b>11</b>	<b>14</b>	<b>10</b>

#### Remuneration and other benefits to senior executives in 2022

2022	Board fees/ Base salary	Consultant fees	Variable remuneration	Other benefits	Pension expenses	Other remuneration	Total
Chairman of the Board Rolf Hallencreutz	450	691	-	11	-	14	1,166
Board member Per Danielsson	225	-	-	8	-	9	242
Board member Per Aniansson	225	-	-	8	-	9	242
Board member Will Whitehorn	225	200	-	8	-	9	442
Board member Anita Bernie	225	200	-	8	-	9	442
Board member Nicole Robinson	225	-	-	8	-	-	233
	<b>1,575</b>	<b>1,091</b>	<b>0</b>	<b>51</b>	<b>0</b>	<b>50</b>	<b>2,767</b>
CEO Luis Gomes	1,879	-	47	29	113	-	2,068
Other senior executives [7]	8,356	-	220	169	758	-	9,503
	<b>10,235</b>	<b>0</b>	<b>267</b>	<b>198</b>	<b>871</b>	<b>0</b>	<b>11,571</b>
<b>Group total</b>	<b>11,810</b>	<b>1,091</b>	<b>267</b>	<b>249</b>	<b>871</b>	<b>50</b>	<b>14,338</b>

Bonuses were paid in 2022 to one senior executive based on personal targets.

#### Remuneration and other benefits to senior executives in 2023

2023	Board fees/ Base salary	Consultant fees	Variable remuneration	Other benefits	Pension expenses	Other remuneration	Total
Chairman of the Board Rolf Hallencreutz	450	438	-	26	-	5	919
Board member Per Danielsson	225	-	-	18	-	3	246
Board member Per Aniansson	225	-	-	18	-	3	246
Board member Will Whitehorn	225	200	-	18	-	3	446
Board member Anita Bernie	225	200	-	18	-	3	446
Board member Nicole Robinson	94	-	-	7	-	-	101
Board member Dino Lorenzini	131	-	-	5	-	-	136
	<b>1,575</b>	<b>838</b>	<b>0</b>	<b>110</b>	<b>0</b>	<b>17</b>	<b>2,540</b>
CEO Luis Gomes	2,186	-	-	42	131	-	2,359
Other senior executives [7]	8,869	-	247	253	835	10	10,214
	<b>11,055</b>	<b>0</b>	<b>247</b>	<b>295</b>	<b>966</b>	<b>10</b>	<b>12,573</b>
<b>Group total</b>	<b>12,630</b>	<b>838</b>	<b>247</b>	<b>405</b>	<b>966</b>	<b>27</b>	<b>15,113</b>

Bonuses were paid in 2023 to some senior executives based on personal targets.

Consulting fees consist of services rendered in addition to Board assignments. Other benefits consist of leased vehicles, warrants and health insurance.

### Notice periods/termination benefits

A notice period of six (6) months applies mutually between the Company and the CEO. Upon termination from the Company's side, salary is paid throughout the notice period. According to prevailing standards, a notice period of three (3) months applies mutually between the Company and other senior executives. There is no agreement between Board members or senior executives and the Company regarding benefits after assignments are completed. A non-competition clause applies for 12 months after the end of employment for the CEO and senior executives, during which the Company commits to paying the difference in salary for the subsequent new employment.

### Share-based compensation

#### Warrant programmes

A summary follows of active warrant programmes in the Group during any of the periods encompassed by the 2023 Annual Report.

An Extraordinary General Meeting on 1 November 2023 resolved to consolidate shares, combining 50 shares into 1 new share. Fifty (50) warrants are now required to subscribe for one (1) share, previously one (1) warrant was required to subscribe for one (1) share. The subscription prices have also been recalculated following the consolidation.

#### Warrants TO 2020/2023

The AGM of AAC Clyde Space in June 2020 resolved on the directed issue of warrants to the Board and to employees in Sweden and the UK. Fifty (50) warrants entitled the holder to subscribe for one (1) new share at a subscription price of SEK 211.11 per share. The warrants could be exercised to subscribe for shares during the period through 1 July 2023 until 31 December 2023. The warrants were issued free of charge. The warrants were not transferable. No exercises were carried out since the subscription price were higher than the actual share price during the period:

- As of 31 December 2023, Board members had subscribed for 192,000 warrants (incentive scheme 2020/2023:C)
- As of 31 December 2023, employees in Sweden had subscribed for 365,336 warrants (incentive scheme 2020/2023:A)
- As of 31 December 2023, employees in the UK had subscribed for 1,056,000 warrants (incentive scheme 2020/2023:B)

#### Warrants TO 2022/2025

The AGM of AAC Clyde Space in May 2022 resolved on a directed issue of warrants to the Board and to all employees. Fifty (50) warrants entitles the holder to subscribe for one (1) new share at a subscription price of SEK 94.65 per share. The warrants were issued free of charge. The warrants are not transferable. The warrants can be exercised to subscribe for shares during the period through 1 July 2025 until 31 December 2025:

- As of 31 December 2023, Board members had subscribed for 291,677 warrants (incentive scheme 2022/2025:C)
- As of 31 December 2023, employees in Sweden had subscribed for 1,216,666 warrants (incentive scheme 2022/2025:A)
- As of 31 December 2023, employees outside of Sweden had subscribed for 1,685,000 warrants (incentive scheme 2022/2025:B)

A total of 3,193,333 warrants have been subscribed for, which entails a potential dilution effect of around 1% and that AAC Clyde Space will potentially raise approximately SEK 6.0 M.

Warrants outstanding at year-end had the following expiry dates and exercise prices:

	2023 Number of warrants	2022 Number of warrants
<b>As of 1 January</b>	<b>3,425,000</b>	<b>0</b>
Allotted	-	3,440,000
Forfeited	-231,667	-15,000
Exercised	-	-
Expired	-	-
<b>As of 31 December</b>	<b>3,193,333</b>	<b>3,425,000</b>

Allotment date	Contracted expiry date	Exercise price	Number of warrants
8 Jun 2022	31 Dec 2025	4,074,666	2,133,333
15 Jul 2022	31 Dec 2025	1,470,700	770,000
7 Oct 2022	31 Dec 2025	553,900	290,000
<b>Total</b>		<b>6,099,266</b>	<b>3,193,333</b>

### Fair value of allotted warrants

The estimated fair value as per the allotment date for warrants allotted in 2022 was SEK 0.61 per warrant. Fair value on the allotment date was calculated using an adapted version of the Black-Scholes valuation model that took into consideration the warrants' exercise price, duration and dilution effect (if material) as well as the share price on the allotment date, expected share price volatility, expected dividend yield, risk-free interest rate for the warrant's duration, and the correlation and volatility for a group of comparative companies.

Input data in the model for the warrants allotted in 2022 comprised:

- Exercise price: SEK 1.91
- Allotment date: 08 June 2022
- Expiry date: 31 December 2025
- Share price on the allotment date: SEK 1.84
- Expected volatility in the Company's share price: 45%
- Expected dividend yield: 0%
- Risk-free interest rate: 1.39%

The expected share-price volatility is based on historic volatility data (based on the remaining duration of the warrant) adjusted for expected changes in future volatility as a result of publicly available information.

*Warrants TO 2023/2026*

The AGM of AAC Clyde Space in May 2023 resolved on a directed issue of warrants to the Board and to all employees. Fifty (50) warrants entitled the holder to subscribe for one (1) new share at a subscription price of SEK 37.66 per share. The warrants were issued free of charge. The warrants are not transferable. The warrants can be exercised to subscribe for shares during the period through 1 July 2026 until 31 December 2026:

- As of 31 December 2023, Board members had subscribed for 275,975 warrants (incentive scheme 2023/2026:C)
- As of 31 December 2023, employees in Sweden had subscribed for 769,825 warrants (incentive scheme 2023/2026:A)
- As of 31 December 2023, employees outside of Sweden had subscribed for 1,830,150 warrants (incentive scheme 2023/2026:B)

A total of 2,875,950 warrants have been subscribed for, which entails a potential dilution effect of around 1% and that AAC Clyde Space will potentially raise approximately SEK 2.2 M.

Warrants outstanding at year-end had the following expiry dates and exercise prices:

	2023 Number of warrants
<b>As of 1 January</b>	<b>0</b>
Allotted	2,992,150
Forfeited	-116,200
Exercised	-
Expired	-
<b>As of 31 December</b>	<b>2,875,950</b>

Allotment date	contracted expiration date	Exercise price	Number of warrants
2023-06-30	2026-12-31	2,185,722	2,875,950
<b>Total</b>		<b>2,185,722</b>	<b>2,875,950</b>

**Fair value of allotted warrants**

The estimated fair value as per the allotment date for warrants allotted in 2023 was SEK 0.26 per warrant. Fair value on the allotment date was calculated using an adapted version of the Black-Scholes valuation model that took into consideration the warrants' exercise price, duration and dilution effect (if material) as well as the share price on the allotment date, expected share price volatility, expected dividend yield, risk-free interest rate for the warrant's duration, and the correlation and volatility for a group of comparative companies.

Input data in the model for the warrants allotted in 2023 comprised:

- Exercise price: SEK 0.76
- Allotment date: 30 June 2023
- Expiry date: 31 December 2026
- Share price on the allotment date: SEK 0.74
- Expected volatility in the Company's share price: 45%
- Expected dividend yield: 0%
- Risk-free interest rate: 2.80%

The expected share-price volatility is based on historic volatility data (based on the remaining duration of the warrant) adjusted for expected changes in future volatility as a result of publicly available information.

**Guidelines for remuneration to senior executives**

*Remuneration*

The main principle is that remuneration and other employment conditions for senior executives are market-based and competitive in order to ensure that the Group can attract and retain competent senior executives at a cost that is reasonable for the Company.

Total remuneration to senior executives consists of fixed salary, variable remuneration, pension and other benefits. A fundamental balance is in place between fixed and variable remuneration to avoid senior executives being encouraged to take inappropriate risks. Accordingly, fixed remuneration is set at a sufficient proportion of the senior executive's total remuneration to allow variable remuneration to be set at zero. Variable remuneration to any senior executive, whose function or total remuneration level entail that the executive could have a material impact on the Company's risk profile, is not permitted to exceed the fixed remuneration.

*Fixed salary*

Each senior executive is offered a market-based fixed salary based on the complexity of the work and the senior executive's experience, responsibilities, competence and performance. The fixed salary is reviewed each year.

*Variable remuneration*

In addition to fixed annual salary, members of senior executives may also receive variable remuneration, which is paid in cash and based on the Company's financial performance and/or on the outcome vis-à-vis performance targets within the individual's area of responsibility and is aligned with shareholders' interests. Variable remuneration is limited to a maximum of 50% of the fixed annual salary for the CEO and a maximum of 50% of the fixed annual salary for other members of Group management. In the event that variable remuneration is paid on the basis of information which subsequently proves to be evidently incorrect, the Company has the possibility to reclaim any such paid remuneration. Variable cash remuneration does not qualify for pension benefits unless otherwise agreed.

Variable remuneration is based on clear predetermined, measurable criteria and financial performance as well as on predetermined targets and operational goals. Moreover, it is designed to promote the Company's long-term value creation.

*Pensions*

Unless agreed otherwise, senior executives are offered pension terms which are market-based in the country in which the executive is permanently resident.

#### Other benefits

Other benefits such as a company car, additional health insurance and medical benefits are limited in value in relation to other remuneration and are only payable in so far as they are considered to be market-based for senior executives holding corresponding positions in the labour market where the executive in question is employed.

#### Long-term share- or share-price-based incentive schemes

Each year, the Board considers whether to propose that the AGM adopt a share- or share-price-based incentive scheme. Any incentive schemes proposed must contribute to long-term value growth.

Senior executives can be offered corresponding incentives to those that would have been offered under a share- or share-price-based incentive scheme, if such a scheme should prove practically impossible to implement in the senior executive's tax domicile, or if in the Company's assessment that such participation cannot be implemented at a reasonable administrative cost or financial contribution. Under such circumstances, the cost and the investment for the Company as well as the incentive and financial outcome for the senior executive in question must essentially correspond to the share- or share-price-based incentive scheme, unless the Company considers a deviation to be in line with the shareholders' interests.

#### Notice

In the case notice is given by the Company, the notice period is not longer than 12 months for all senior executives, with a right to redundancy payment after the expiration of the notice period corresponding to not more than 100% of the fixed salary for a maximum of 12 months, meaning that the fixed salary and redundancy payment together do not exceed 24 months' fixed salary. As a main rule, any right to redundancy payment decreases in circumstances where remuneration is received from another employer. In the event notice is given by a senior executive, the notice period is generally 6 months for the CEO and 3–6 months for other senior executives.

#### Remuneration of Board members

Work performed by Board members elected by the General Meeting, above and beyond the tasks incumbent on the Board, can be remunerated. Such remuneration must be market-based and approved by the Board.

#### Scope

These guidelines encompass those individuals that are members of the Group management during the period when the guidelines are in force. The guidelines apply for agreements entered into after resolution by the General Meeting and, as far as changes are made to existing agreements, thereafter. The Board of Directors has the right to depart from these guidelines in an individual case if there are particular reasons to do so.

#### Information pertaining to previously decided remuneration

Except for recurring commitments, there are no remuneration commitments in relation to senior executives that have not fallen due.

## Note 9 Other operating income

kSEK	2023	2022
Exchange-rate differences	8,931	11,550
Research and development tax deduction	8,905	13,698
Other income	1,663	-
<b>Total</b>	<b>19,500</b>	<b>25,248</b>

## Note 10 Other operating expenses

kSEK	2023	2022
Exchange-rate differences	11,498	6,740
Cost for aborted acquisition	-	8,611
<b>Total</b>	<b>11,489</b>	<b>15,351</b>

## Note 11 Financial income and expenses

kSEK	2023	2022
Interest expense – bank loans	-1,503	-123
Interest expense – other	-1,959	-417
Interest expense – leased assets	-615	-621
Exchange-rate differences	-4,563	-696
Remeasurement additional purchase considerations	-	-
Other financial expenses	-	-8
<b>Total financial expenses</b>	<b>-8,640</b>	<b>-1,865</b>
Interest income	467	222
Exchange-rate differences	3,280	855
Remeasurement additional purchase considerations	667	-
Other financial income	-	18,655
<b>Total financial income</b>	<b>4,414</b>	<b>19,732</b>
<b>Net financial items</b>	<b>-4,226</b>	<b>17,867</b>

## Note 12 Net exchange-rate differences

The exchange-rate differences recognised in the statement of comprehensive income are included as follows:

kSEK	2023	2022
Other operating income (Note 9)	8,931	11,550
Other operating expenses (Note 10)	-11,489	-6,740
Net financial items (Note 11)	-1,283	159
<b>Total</b>	<b>-3,841</b>	<b>4,696</b>

## Note 13 Income tax

kSEK	2023	2022	kSEK	2023	2022
<b>Current tax</b>			<b>Earnings before tax</b>	<b>-41,058</b>	<b>-49,138</b>
Current tax on earnings for the year	4,206	1,275	Estimated income tax according to the tax rate in Sweden 20.6%	-8,458	-10,122
Adjustments for current tax of prior periods	-	-	<b>Tax effects of:</b>		
<b>Total current tax</b>	<b>4,206</b>	<b>1,275</b>	Non-deductible foreign tax	4,206	1,275
<b>Deferred tax (Note 26)</b>			Non-deductible expenses	213	-
Origination and reversal of temporary differences	-3,702	-3,866	Difference in foreign tax rates	-73	-81
Effect of change in tax rate	-	-	Effect of changes in tax rates and tax laws	-	-
<b>Total deferred tax</b>	<b>-3,702</b>	<b>-3,866</b>	Loss carry-forwards for the year for which deferred tax benefits are not recognised	4,616	6,337
<b>Total income tax</b>	<b>504</b>	<b>-2,591</b>	Other	-	-
			<b>Income tax</b>	<b>504</b>	<b>-2,591</b>

The income tax on the Group's earnings before tax differs from the theoretical amount that would arise using the Swedish tax rate applicable to earnings of the consolidated entities as follows: The weighted average tax rate for the Group was 22,80% (2022: 22,97%).

## Note 14 Investments in subsidiaries

The Group included the following subsidiaries on 31 December 2023:

Name:	Corp. reg. no.	Place of business /country of incorporation	Percentage of ordinary shares directly owned by the Parent Company (%)	Percentage of ordinary shares owned by the Group (%)
Clyde Space Ltd	SC285287	Glasgow, UK	100%	100%
Orbitum AB	556677-7086	Uppsala, Sweden	100%	100%
Hyperion Technologies B.V.	58 607 013	Delft, The Netherlands	100%	100%
SpaceQuest Ltd	0436321-4	Fairfax, USA	100%	100%
SpaceQuest Canada Inc	392431-9	Burlington, Canada	0%	100%
Omnisys Instruments AB	556454-6686	Gothenburg, Sweden	100%	100%
AAC Space Africa Pty	2021/600761/07	Durbanville, South Africa	85%	85%
AAC Microtec North America Inc	45-3178866	Fairfax, USA	0%	100%
AAC Holding North America Inc	46-0869153	Fairfax, USA	100%	100%

### kSEK

Name:	Equity	Earnings
Clyde Space Ltd	3,202	-40,387
Orbitum AB	103	-
Hyperion Technologies B.V.	14,408	7,858
SpaceQuest Ltd	26,258	3,965
SpaceQuest Canada Inc	-213	-60
Omnisys Instruments AB	7,433	-3,210
AAC Space Africa Pty	-5,379	-3,125
AAC Microtec North America Inc	3,722	-81
AAC Holding North America Inc	-	-



## Note 15 Tangible assets

The carrying amounts for all items reported under tangible assets in the statement of financial position are shown in the following table:

Carrying amount	31 Dec 2023	31 Dec 2022
Owned assets	57,776	46,369
Leased assets (Note 29)	15,790	16,822
<b>Total</b>	<b>73,566</b>	<b>63,191</b>

For additional disclosures regarding right-of-use assets, see Note 29. A reconciliation of owned assets follows.

kSEK	Plant and other technical equipment	Inventories	Total
<b>As of 1 January 2022</b>			
Cost	35,969	4,610	40,579
Accumulated depreciation	-9,818	-4,359	-14,177
<b>Carrying amount</b>	<b>26,150</b>	<b>251</b>	<b>26,401</b>
<b>2022 financial year</b>			
Opening carrying amount	26,150	251	26,401
Translation differences	1,310	15	1,325
Purchases	12,961	200	13,161
Reclassification	10,868	-	10,868
Sales and disposals	-74	-	-74
Depreciation	-5,171	-142	-5,313
Impairment	-	-	0
<b>Closing carrying amount</b>	<b>46,045</b>	<b>324</b>	<b>46,369</b>
<b>As of 31 December 2022</b>			
Cost	61,034	4,825	65,859
Accumulated depreciation and impairment	-14,989	-4,501	-19,490
<b>Carrying amount</b>	<b>46,045</b>	<b>324</b>	<b>46,369</b>
<b>2023 financial year</b>			
Opening carrying amount	46,045	324	46,369
Translation differences	-680	-55	-735
Purchases	16,669	435	17,104
Reclassification	7,803	740	8,543
Sales and disposals	-	-	0
Depreciation	-13,172	-334	-13,506
Impairment	-	-	0
<b>Closing carrying amount</b>	<b>56,665</b>	<b>1,112</b>	<b>57,776</b>
<b>As of 31 December 2023</b>			
Cost	84,826	5,945	90,771
Accumulated depreciation and impairment	-28,161	-4,835	-32,996
<b>Carrying amount</b>	<b>56,665</b>	<b>1,112</b>	<b>57,776</b>

## Note 16 Intangible assets

kSEK	Goodwill	Capitalised expenditure for development	Customer relationships	Technology	Brands	Other intangible assets (patents, order backlog, software, etc.)	Total
<b>As of 1 January 2022</b>							
Cost	457,333	70,720	15,470	82,644	21,834	10,873	<b>658,874</b>
Reclassification obsolete values	-	-	-	-	-	-4,033	<b>-4,033</b>
Accumulated depreciation	-	-27,455	-6,210	-9,667	-	-10,833	<b>-54,165</b>
Reclassification obsolete values	-	-	-	-	-	4,033	<b>4,033</b>
Translation differences	32,334	1,248	438	604	222	-39	<b>34,807</b>
<b>Carrying amount</b>	<b>489,667</b>	<b>44,513</b>	<b>9,698</b>	<b>73,581</b>	<b>22,056</b>	<b>0</b>	<b>639,515</b>
<b>2022 financial year</b>							
Opening carrying amount	489,667	44,513	9,698	73,581	22,056	-	<b>639,515</b>
Translation differences	20,588	2,175	795	1,244	1,010	38	<b>25,850</b>
Purchases	-	27,231	-	-	-	482	<b>27,713</b>
Reclassification	-7	-10,868	-	-	-	1,300	<b>-9,575</b>
Depreciation	-	-705	-3,881	-12,966	-	-494	<b>-18,046</b>
<b>Closing carrying amount</b>	<b>510,248</b>	<b>62,346</b>	<b>6,612</b>	<b>61,859</b>	<b>23,066</b>	<b>1,325</b>	<b>665,456</b>
<b>As of 31 December 2022</b>							
Cost	457,326	87,083	15,470	82,644	21,834	8,622	<b>672,979</b>
Accumulated depreciation and impairment	-	-28,160	-10,091	-22,633	-	-7,294	<b>-68,178</b>
Translation differences	52,922	3,423	1,233	1,848	1,232	-1	<b>60,656</b>
<b>Carrying amount</b>	<b>510,248</b>	<b>62,346</b>	<b>6,612</b>	<b>61,859</b>	<b>23,066</b>	<b>1,326</b>	<b>665,456</b>
<b>2023 financial year</b>							
Opening carrying amount	510,248	62,346	6,612	61,859	23,066	1,326	<b>665,456</b>
Translation differences	958	-263	-72	-49	119	3	<b>696</b>
Purchases	-	32,876	-	-	-	990	<b>33,866</b>
Reclassification	281	-8,936	-	-4	-	2	<b>-8,657</b>
Depreciation	-	-1,846	-2,990	-13,174	-	-747	<b>-18,757</b>
<b>Closing carrying amount</b>	<b>511,487</b>	<b>84,177</b>	<b>3,550</b>	<b>48,633</b>	<b>23,186</b>	<b>1,573</b>	<b>672,606</b>
<b>As of 31 December 2023</b>							
Cost	511,487	114,183	16,631	84,439	23,185	9,616	<b>759,541</b>
Reclass of currency differences acquisition	-	-943	479	4,226	-	-1,345	<b>2,417</b>
Accumulated depreciation and impairment	-	-30,006	-13,081	-35,807	-	-8,041	<b>-86,935</b>
Reclass of currency differences depreciation	-	943	-479	-4,226	-	1,345	<b>-2,417</b>
<b>Carrying amount</b>	<b>511,487</b>	<b>84,177</b>	<b>3,550</b>	<b>48,633</b>	<b>23,186</b>	<b>1,573</b>	<b>672,606</b>

### Impairment tests for goodwill and brands

AAC's strategic steering group assesses the performance of operations based on the Group's six operating segments: AAC Clyde Space, Hyperion, SpaceQuest, Clyde Space, Omnisys and AAC Space Africa. Goodwill and brands are monitored by the strategic steering group at the operating

Goodwill	31 Dec 2023	31 Dec 2022
AAC Clyde Space	99,271	99,271
Clyde Space	294,266	289,959
Hyperion	10,382	10,412
SpaceQuest	77,410	80,448
Omnisys	30,158	30,158
AAC Space Africa	-	-
<b>Total</b>	<b>511,487</b>	<b>510,249</b>

The recoverable amount for goodwill and brands with indefinite useful lives has been determined based on value-in-use calculations. AAC Clyde Space strategic steering group has decided that sales growth, the gross margin, the discount rate and long-term growth are the most important assumptions in impairment testing. Value-in-use calculations use pre-tax cash flow projections based on financial forecasts approved by the strategic steering group covering a ten-year period. The calculations are based on the strategic steering group's experience, historical data, customer orders and current discussions with customers. The long-term sustained growth rate for all operating segments has been estimated based on industry forecasts.

segment level. Below is a summary of the goodwill and brands allocated to each operating segment.

Brands	31 Dec 2023	31 Dec 2022
AAC Clyde Space	-	-
Clyde Space	16,675	16,431
Hyperion	644	646
SpaceQuest	3,115	3,238
Omnisys	2,751	2,751
AAC Space Africa	-	-
<b>Total</b>	<b>23,186</b>	<b>23,066</b>

The material assumptions, long-term growth rate and discount rate used for calculating value-in-use for goodwill and brands related to the operating segment are given below.

The key assumptions used for value-in-use calculations are as follows:

31 Dec 2023	AAC Clyde Space	Clyde Space	Hyperion	SpaceQuest	Omnisys	AAC Space Africa
Pre-tax discount rates* Goodwill	21.7%	21.6%	20.5%	21.3%	21.7%	n/a
Long-term growth rate** Goodwill	2.0%	2.0%	2.0%	2.0%	2.0%	n/a
Pre-tax discount rate* Brands	n/a	21.6%	20.5%	21.3%	21.7%	n/a
Long-term growth rate** Brands	n/a	2.0%	2.0%	2.0%	2.0%	n/a

\* The discount rate before tax is used to calculate the present value of estimated future cash flows.

\*\* Weighted average growth rate used to extrapolate cash flows beyond the budget period.

### Sensitivity analysis for goodwill and brands:

The recoverable amount for all segments, except Clyde Space, exceeds the carrying amounts for goodwill and brands. This also applies for:

- the discount rates from 26,0% up to 48,4%
- 0% growth rate beyond a 10-year period

The most material assumptions, aside from the discount rate and long-term growth, are the gross margin and revenue growth. A decrease in gross margin and sales growth in the segments, except Clyde Space, between 13 and 16 percentage points and between 2 and 5 percentage points respectively, would not entail any impairment.

For the Clyde Space segment, which is the most sensitive segment to changes, an average revenue growth of 27%, an average gross margin of 73% and an average EBITDA margin of 30% over the ten-year period would not result in any impairment.

No impairment need was detected for goodwill and/or brands for the financial year.

## Note 17 Financial instruments by category

The majority of the Group's financial instruments are valued at amortised cost.

31 Dec 2022	Financial assets measured at fair value through profit or loss	Financial assets measured at amortised cost	31 Dec 2022	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost
<b>Assets as per the balance sheet</b>			<b>Liabilities as per the balance sheet</b>		
Accounts receivable	-	24,452	Derivatives	-	-
Contract assets	-	33,838	Contingent additional purchase considerations	11,949	-
Other current receivables	-	17,757	Accounts payable	-	41,503
Prepaid expenses	-	4,280	Liabilities to credit institutions	-	685
Cash and cash equivalents	-	52,100	Contract liabilities	-	85,891
<b>Total</b>	<b>0</b>	<b>132,427</b>	Other current liabilities	-	14,908
			Accrued expenses	-	27,187
			<b>Total</b>	<b>11,949</b>	<b>170,174</b>

31 Dec 2023	Financial assets measured at fair value through profit or loss	Financial assets measured at amortised cost	31 Dec 2023	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost
<b>Assets as per the balance sheet</b>			<b>Liabilities as per the balance sheet</b>		
Accounts receivable	-	23,513	Derivatives	-	-
Contract assets	-	34,608	Contingent additional purchase considerations*	8,506	-
Other current receivables	-	9,901	Accounts payable	-	36,412
Prepaid expenses	-	42,543	Liabilities to credit institutions	-	25,152
Cash and cash equivalents	-	59,546	Contract liabilities	-	122,676
<b>Total</b>	<b>0</b>	<b>170,111</b>	Other current liabilities	-	30,433
			Accrued expenses	-	20,708
			<b>Total</b>	<b>8,506</b>	<b>235,381</b>

\*Contingent consideration.

Remaining additional purchase considerations for the acquisition of Omnisys are based on milestones reached in two projects can be paid out gradually until 31 December 2025, of which SEK 7.2 M in cash and SEK 1.3 M in newly issued AAC Clyde Space shares. The maximum remaining number of new shares that can be issued is limited to 1,576,373. The fair value of the issued shares will be regularly updated based on the current share price. Not all milestones need to be met for the contingent purchase consideration to be paid. Meeting any given milestone entails payment of a portion of the contingent purchase consideration.

## Note 18 Derivatives

The Group does not apply hedge accounting and instead classifies its holdings in derivatives as "held for trading" for accounting purposes. The Group has the following holdings in derivatives:

Current liabilities	31 Dec 2023	31 Dec 2022
Foreign currency forward	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

The Group uses foreign currency forwards to hedge its exposure to foreign currency risk.

## Note 19 Accounts receivable

kSEK	31 Dec 2023	31 Dec 2022
Accounts receivable	28,179	24,962
Less: provision for expected credit losses	-4,666	-511
<b>Net accounts receivable</b>	<b>23,513</b>	<b>24,452</b>

The carrying amounts of the Group's accounts receivable and other receivables are denominated in the following currencies:

kSEK	31 Dec 2023	31 Dec 2022
SEK	60	-
EUR	14,729	8,554
GBP	1,914	11,819
USD	6,728	4,072
ZAR	81	8
<b>Total</b>	<b>23,513</b>	<b>24,452</b>

The maximum exposure to credit risk at the reporting date for accounts receivable are the above carrying amounts.

The fair value of accounts receivable equals their carrying amount, as the impact of discounting is not significant.

No accounts receivable have been pledged as security for any debts.

Age analysis	Overdue by:			
	0-30 days	30-60 days	>60 days	Total overdue
<b>Total</b>	<b>3,323</b>	<b>223</b>	<b>4,666</b>	<b>8,212</b>

## Note 20 Inventories

kSEK	31 Dec 2023	31 Dec 2022
Raw materials	18,808	14,067
Goods in progress	3,280	6,171
<b>Total</b>	<b>22,088</b>	<b>20,237</b>

The cost of inventories recognised as an expense and included in "Raw materials and subcontractors" in the statement of profit or loss amounted to kSEK 15,153 (2022: kSEK 10,159).

## Note 21 Other current receivables

kSEK	31 Dec 2023	31 Dec 2022
Tax assets	8,191	15,718
Other	1,710	2,038
<b>Total</b>	<b>9,901</b>	<b>17,757</b>

## Note 22 Prepaid expenses

kSEK	31 Dec 2023	31 Dec 2022
Prepaid rent	1,524	1,674
Prepaid lease payments	-887	-986
Prepaid goods	1,757	1,150
Prepaid services	9,573	2,318
Accrued royalty	30,577	124
<b>Total</b>	<b>42,543</b>	<b>4,280</b>

## Note 23 Cash and cash equivalents

kSEK	31 Dec 2023	31 Dec 2022
Bank deposits	59,546	52,100
<b>Total</b>	<b>59,546</b>	<b>52,100</b>

## Note 24 Share capital

kSEK	Number of shares	Share capital
<b>As of 1 January 2022</b>	<b>192,200,028</b>	<b>7,688</b>
Exercised warrants	12,610,982	504
<b>As of 31 December 2022</b>	<b>204,811,010</b>	<b>8,192</b>
New share issue	79,405,296	3,176
Exercised warrants	525,458	21
Reversed split	-279,046,929	-
Rights issue	9,000	18
<b>As of 31 December 2023</b>	<b>5,703,835</b>	<b>11,408</b>

Share capital on 31 December 2023 consisted of 5,703,835 ordinary shares with a quotient value of kSEK 2. All shares issued by the Parent Company were fully paid.

## Note 25 Borrowings

kSEK	31 Dec 2023	31 Dec 2022
<b>Non-current</b>		
Liabilities to credit institutions	-	-
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Current</b>		
Liabilities to credit institutions	25,152	685
<b>Total</b>	<b>25,152</b>	<b>685</b>
<b>Total borrowings</b>	<b>25,152</b>	<b>685</b>

kSEK	Carrying amount		Fair value	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Liabilities to credit institutions	25,152	685	25,152	685
<b>Total</b>	<b>25,152</b>	<b>685</b>	<b>25,152</b>	<b>685</b>

**The Group has the following undrawn borrowing facilities:**

	31 Dec 2023	31 Dec 2022
Variable interest rate: expires within one year	4,848	5,000

The facilities expiring within one year are annual facilities that run per calendar year with 12-month extensions.

## Note 26 Deferred tax

Deferred tax liabilities are allocated as follows:

kSEK	31 Dec 2023	31 Dec 2022
<b>Deferred tax liabilities:</b>		
Deferred tax liability to be paid* within 12 months	3,610	3,944
Deferred tax liability* to be paid after more than 12 months	12,114	15,299
	<b>15,724</b>	<b>19,243</b>

\*Payment is not effected through a cash outflow and is instead recognised in profit or loss.

The gross movement on the deferred income tax account is as follows:

kSEK	31 Dec 2023	31 Dec 2022
<b>Opening balance</b>	19,243	22,410
Recognised in the statement of comprehensive income	-3,702	-4,023
Exchange-rate differences	183	856
<b>Closing balance</b>	<b>15,724</b>	<b>19,243</b>

Deferred tax assets and tax liabilities related to	Intangible assets	Right-of-use assets	Lease liability	Total
<b>As of 1 January 2022</b>	<b>22,311</b>	<b>2,048</b>	<b>-1,949</b>	<b>22,410</b>
Recognised in the statement of comprehensive income	-3,944	23	-102	<b>-4,023</b>
Exchange-rate differences	854	54	-52	<b>856</b>
<b>As of 31 December 2022</b>	<b>19,221</b>	<b>2,125</b>	<b>-2,103</b>	<b>19,243</b>
<b>As of 1 January 2023</b>	<b>19,221</b>	<b>2,125</b>	<b>-2,103</b>	<b>19,243</b>
Recognised in the statement of comprehensive income	-3,718	-22	38	<b>-3,702</b>
Reclassification	-	-2,158	2,158	<b>0</b>
Exchange-rate differences	177	6	-	<b>183</b>
<b>As of 31 December 2023</b>	<b>15,680</b>	<b>-49</b>	<b>93</b>	<b>15,724</b>

The Group's accumulated loss carry-forwards amounted to kSEK 186,576 (2022: kSEK 165,237), and can be carried forward indefinitely.

## Note 27 Assets and liabilities related to contracts with customers

The Group has long-term contracts with certain customers for the development of products and services. These contracts can include a certain amount of hardware.

The Group has recognised the following assets and liabilities related to contracts with customers:

	31 Dec 2023	31 Dec 2022
Contract assets	34,608	33,838
<b>Total contract assets</b>	<b>34,608</b>	<b>33,838</b>
Contract liabilities	122,676	85,891
<b>Total contract liabilities</b>	<b>122,676</b>	<b>85,891</b>

### Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current financial year relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior financial year.

	31 Dec 2023	31 Dec 2022
Revenue recognised that was included in the contract liability balance at the beginning of the period:	42,703	17,803

Portions of contract liability balance at the beginning of the period were not taken up as income during the year due to long delivery times that were paid in advance by customers.

### Long-term unfulfilled contracts outstanding

The aggregate amount of the transaction price attributable to contracts that are partially or fully unsatisfied on 31 December 2023 was kSEK 630,322. Of these, the executive management team expects 44 percent to be fulfilled during the next year and the remaining 56 percent in another one to four years (see table below).

### Transaction price allocated to remaining performance commitments

Total expected income:

2024	2025	2026	2027-2029	Total
280,259	208,981	67,234	73,848	<b>630,322</b>

## Note 28 Accrued expenses and deferred income

kSEK	31 Dec 2023	31 Dec 2022
Deferred income	137	-
Accrued annual leave	4,698	5,377
Accrued social security contributions	1,360	1,297
Accrued interest	362	-
Accrued salaries	1,167	1,678
Accrued payroll tax	1,134	1,089
Accrued cost for services	510	5,948
Accrued cost for materials	11,339	11,797
<b>Total</b>	<b>20,708</b>	<b>27,187</b>



## Note 29 Leases

The statement of financial position shows the following amounts relating to leases:

kSEK	31 Dec 2023	31 Dec 2022
<b>Right-of-use assets:</b>		
Premises	15,784	16,779
Vehicles	6	43
<b>Total</b>	<b>15,790</b>	<b>16,822</b>
<b>Lease liabilities:</b>		
Non-current	10,150	11,041
Current	5,501	5,487
<b>Total</b>	<b>15,651</b>	<b>16,528</b>

One right-of-use asset was acquired during the year and two extensions were realised.

For more information about the liabilities distributions over time, see note 3.

No material variable lease payments outside of lease liabilities were identified.

The total cash flow for leases amounted to kSEK -5,613.

The term for lease assets in Uppsala is until June 2026, in Glasgow until December 2026, in Delft until September 2028, in Gothenburg until June 2026 and in Cape town until June 2028.

On 31 December 2023, the Group had potential future cash outflows in the form of lease payments that are not included in lease liabilities because it is not reasonably certain that the contract will be extended. Potential future lease payments were calculated based on when the option to extend can be exercised within the following intervals.

### kSEK

Potential future lease payments (undiscounted) not included in lease liabilities on 31 December 2023 amounted to:

2026-2029	12,748
2030-2032	16,503
<b>Total</b>	<b>29,251</b>

Extension options are only found in leases for premises.

## Note 30 Pledged assets

kSEK	31 Dec 2023	31 Dec 2022
Chattel mortgages	30,000	5,200
<b>Total</b>	<b>30,000</b>	<b>5,200</b>

The statement of profit or loss shows the following amounts relating to leases:

	2023	2022
<b>Depreciation of right-of-use assets</b>		
Premises	5,514	5,010
Vehicles	35	36
<b>Total</b>	<b>5,549</b>	<b>5,046</b>
Interest expenses (included in financial expenses)	615	621
Expense relating to leases of low-value assets that are not short-term leases (included in other external expenses in the statement of profit or loss)	1,240	1,008

## Note 31 Earnings per share

SEK	2023	2022
Earnings per share before dilution	-8.73	-11.82
Earnings per share after dilution	-8.73	-11.82
<b>Reconciliations of earnings used in calculating earnings per share</b>		
Profit attributable to the ordinary equity holders of the Parent Company, kSEK	-41,363	-46,548
<b>Number</b>		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	4,762,058	3,937,707
<b>Warrants</b>		
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	4,780,004	3,937,707

A consolidation of shares 1:50 took place in November 2023. Historical earnings per share have been recalculated to have a fair comparison.

## Note 32 Related-party transactions

During the period, four Board members invoiced the Company kSEK 838 (2022: kSEK 1,091) at market rates for the performance of consultant services linked to the Company's operations. Refer also to Note 8.

## Note 33 Changes in liabilities from financing activities

kSEK	1 Jan 2022	Cash		Non-cash items		31 Dec 2022
		inflow	outflow	Additional contracts	Translation differences	
Liabilities to credit institutions	630	-	-	-	55	685
Lease liability	15,084	-	-5,272	5,413	1,302	16,527
<b>Total</b>	<b>15,714</b>	<b>0</b>	<b>-5,272</b>	<b>5,413</b>	<b>1,357</b>	<b>17,212</b>

kSEK	1 Jan 2023	Cash		Non-cash items		31 Dec 2023
		inflow	outflow	Additional contracts	Translation differences	
Liabilities to credit institutions	685	25,152	-685	-	-	25,152
Lease liability	16,528	-	-5,613	4,674	62	15,651
<b>Total</b>	<b>17,213</b>	<b>25,152</b>	<b>-6,298</b>	<b>4,674</b>	<b>62</b>	<b>40,803</b>

## Note 34 Adjustments for non-cash items

kSEK	31 Dec 2023	31 Dec 2022
Amortisation, depreciation and impairment	37,537	28,407
Translation differences	-2,967	29
Warrant programme TO 2020/2023	84	283
Warrant programme TO 2022/2025	711	482
Warrant programme TO 2023/2026	182	-
<b>Total</b>	<b>35,547</b>	<b>29,201</b>

## Note 35 Significant events after the end of the reporting period

AAC Clyde Space with its partner TNO, successfully transferred data from a compact laser satellite communications terminal, called SmallCAT, on-board a spacecraft in Low Earth Orbit (LEO) to Earth, thereby demonstrating that the laser satellite communication technology works under spaceflight conditions. AAC has contributed electronics and firmware to the laser communication terminal.

AAC Clyde Space received payment for an insurance claim on Kelpie-1 valued at approximately SEK 13.5 M. The claim was triggered by the satellite payload delivering less data than expected, not meeting key performance indicators.

AAC Clyde Space won a GBP 4.3 M (approx. SEK 56.2 M) order for 11 satellite kits from Portuguese company LusoSpace to be delivered in the fourth quarter of 2024. The EPIC 8U variant will be co-designed by AAC Clyde Space and LusoSpace, and built in Portugal.

# PARENT COMPANY FINANCIAL STATEMENTS

## PARENT COMPANY INCOME STATEMENT

kSEK	Note	Full-year 2023	Full-year 2022
Net sales	2	108,335	68,629
Work performed by the Company for its own use and capitalised		1,390	465
Other operating income	3	5,112	1,711
<b>TOTAL OPERATING INCOME</b>		<b>114,837</b>	<b>70,805</b>
Raw materials and subcontractors		-20,012	-18,649
Personnel costs	6	-39,373	-28,395
Other external expenses	5	-37,773	-45,759
Other operating expenses	4	-7,310	-1,200
<b>EBITDA</b>		<b>10,369</b>	<b>-23,198</b>
Depreciation/amortisation and impairment of tangible and intangible assets	9,10	-786	-368
<b>EBIT</b>		<b>9,583</b>	<b>-23,566</b>
Other interest income and similar profit/loss items	7	2,339	2,796
Interest expenses and similar profit/loss items	7	-4,429	-717
Impairment of shares in subsidiaries	7	-	-58,655
<b>TOTAL PROFIT/LOSS FROM FINANCIAL ITEMS</b>		<b>-2,090</b>	<b>-56,576</b>
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>		<b>7,492</b>	<b>-80,142</b>
Tax on profit/loss for the period	8	-	-
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>7,492</b>	<b>-80,142</b>

Earnings for the period were consistent with the total comprehensive income for the period.

## PARENT COMPANY STATEMENT OF FINANCIAL POSITION

kSEK	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalised expenditure for development	9	3,857	2,910
Other	9	425	482
<b>Total intangible assets</b>		<b>4,282</b>	<b>3,392</b>
<b>Tangible assets</b>			
Plant and equipment	10	750	846
Inventories, tools and installations	10	256	267
<b>Total tangible assets</b>		<b>1,006</b>	<b>1,113</b>
<b>Financial assets</b>			
Participations in subsidiaries	11	525,502	525,451
Receivables from Group companies	24	30,702	16,117
<b>Total financial assets</b>		<b>556,204</b>	<b>541,568</b>
<b>Total non-current assets</b>		<b>561,492</b>	<b>546,073</b>
<b>Current assets</b>			
Inventories	15	5,881	5,576
<b>Current receivables</b>			
Accounts receivable	14	7,260	3,143
Receivables from Group companies	14	42,025	25,030
Other receivables from Group companies	24	-	5,160
Current tax assets	16	531	531
Contract assets	19	5,513	8,207
Other current receivables	16	302	593
Prepaid expenses and accrued income	17	33,976	2,677
<b>Total current receivables</b>		<b>89,607</b>	<b>45,341</b>
Cash and bank balances	13	6,672	5,767
<b>Total current assets</b>		<b>102,160</b>	<b>56,684</b>
<b>TOTAL ASSETS</b>		<b>663,652</b>	<b>602,757</b>

kSEK	Note	31 Dec 2023	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Restricted equity</b>			
Share capital		11,408	8,192
Current new issue		-	-
Development expenditure reserve		1,622	1,346
<b>Total restricted equity</b>		<b>13,030</b>	<b>9,538</b>
<b>Unrestricted equity</b>			
Share premium reserve		928,670	892,880
Retained earnings		-373,167	-292,749
Profit/Loss for the year		7,492	-80,142
<b>Total unrestricted equity</b>		<b>562,995</b>	<b>519,989</b>
<b>Total equity</b>		<b>576,025</b>	<b>529,527</b>
<b>Non-current liabilities</b>			
Liabilities to Group companies		10,000	10,000
Additional purchase consideration		-	11,949
<b>Total non-current liabilities</b>		<b>10,000</b>	<b>21,949</b>
<b>Current liabilities</b>			
Accounts payable		8,430	9,421
Liabilities to credit institutions	18	25,152	-
Liabilities to Group companies	24	6,937	15,379
Other current liabilities		9,155	2,229
Contract liabilities	19	11,927	13,123
Additional purchase consideration		8,506	-
Accrued expenses and deferred income	20	7,520	11,129
<b>Total current liabilities</b>		<b>77,627</b>	<b>51,281</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>663,652</b>	<b>602,757</b>

## PARENT COMPANY CHANGES IN EQUITY

kSEK	Restricted equity		Unrestricted equity			
	Share capital	Development expenditure reserve	Share premium reserve	Retained earnings	Profit/loss for the year	Total equity
<b>Opening balance, 1 January 2022</b>	<b>7,688</b>	<b>1,868</b>	<b>889,722</b>	<b>-279,782</b>	<b>-13,489</b>	<b>606,007</b>
Transfer of last years result	-	-	-	-13,489	13,489	0
Reclassification	-	-1,010	-	1,010	-	0
Profit/loss for the period	-	-	-	-	-80,142	-80,142
Other comprehensive income	-	-	-	-	-	0
<b>Total comprehensive income</b>	<b>7,688</b>	<b>858</b>	<b>889,722</b>	<b>-292,261</b>	<b>-80,142</b>	<b>525,865</b>
<b>Transactions with shareholders</b>						
New share issue	-	-	-	-	-	0
New issue supported by warrants	504	-	2,389	-	-	2,893
Issue expenses	-	-	-	-	-	0
Warrant programme	-	-	769	-	-	769
Development expenditure reserve	-	488	-	-488	-	0
<b>Closing balance, 31 December 2022</b>	<b>8,192</b>	<b>1,346</b>	<b>892,880</b>	<b>-292,749</b>	<b>-80,142</b>	<b>529,527</b>
<b>Opening balance, 1 January 2023</b>	<b>8,192</b>	<b>1,346</b>	<b>892,880</b>	<b>-292,749</b>	<b>-80,142</b>	<b>529,527</b>
Transfer of last years result	-	-	-	-80,142	80,142	0
Profit/loss for the period	-	-	-	-	7,492	7,492
Other comprehensive income	-	-	-	-	-	0
<b>Total comprehensive income</b>	<b>8,192</b>	<b>1,346</b>	<b>892,880</b>	<b>-372,891</b>	<b>7,492</b>	<b>537,020</b>
<b>Transactions with shareholders</b>						
New share issue	3,176	-	44,467	-	-	47,643
Direct share issue	18	-	142	-	-	160
New issue supported by warrants	22	-	285	-	-	307
Issue expenses	-	-	-10,082	-	-	-10,082
Warrant programme	-	-	977	-	-	977
Development expenditure reserve	-	276	-	-276	-	0
<b>Closing balance, 31 December 2023</b>	<b>11,408</b>	<b>1,622</b>	<b>928,670</b>	<b>-373,167</b>	<b>7,492</b>	<b>576,025</b>

Equity is attributable in its entirety to Parent Company shareholders.

## PARENT COMPANY'S STATEMENT OF CASH FLOWS

kSEK	Note	2023	2022
<b>Cash flow from operating activities</b>			
EBIT		9,583	-23,566
Adjustments for non-cash items	26	249	513
Interest received		1,499	2,795
Interest paid		-2,761	-717
<b>Cash flow from operating activities before changes in working capital</b>		<b>8,570</b>	<b>-20,975</b>
<b>Cash flow from changes in working capital</b>			
Change in inventory		-305	-2,930
Change in operating receivables		-45,693	-38,154
Change in operating liabilities		-7,312	34,556
<b>Total changes in working capital</b>		<b>-53,310</b>	<b>-6,528</b>
<b>Cash flow from operating activities</b>		<b>-44,740</b>	<b>-27,503</b>
<b>Cash flow from investing activities</b>			
Investments in tangible assets		-408	-1,020
Investments in intangible assets		-1,162	-733
Changes in loans to Group companies		-13,158	-30,525
<b>Cash flow from investing activities</b>		<b>-14,728</b>	<b>-32,278</b>
<b>Cash flow from financing activities</b>			
New share issue		47,803	-
Issue expenses		-10,082	-
Utilised credit facility		25,152	-
Realised earn-out		-2,500	-5,000
<b>Cash flow from financing activities</b>		<b>60,373</b>	<b>-5,000</b>
<b>Decrease/increase in cash and cash equivalents</b>			
Cash and cash equivalents at start of period		5,767	70,548
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>6,672</b>	<b>5,767</b>





# NOTES TO THE PARENT COMPANY'S STATEMENTS

## Note 1 The Parent Company's accounting policies

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

The Annual Report for the Parent Company is prepared in accordance with RFR 2 Financial reports for legal entities and the Swedish Annual Accounts Act. Any accounting principles other than the Group's (as described in Note 2 of the consolidated financial statements) applied by the Parent Company are given below.

According to RFR 2, the Parent Company applies all of the IFRS and interpretations adopted by the EU to the greatest possible extent under the framework for the Swedish Annual Accounts Act, the Swedish Act on Safeguarding of Pension Commitments and with respect to the connection between accounting and taxation.

The Annual Report was prepared on a historical cost basis.

The preparation of financial statements in conformity with RFR 2 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Parent Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The Parent Company's operations are exposed to several financial risks such as market risk (foreign exchange risk and interest-rate risk), credit risk and liquidity risk. The Parent Company's overall risk management policy focuses on unpredictability in the financial markets and strives to minimise potentially unfavourable effects on the Group's financial earnings. For more information about financial risks, refer to Note 3 of the consolidated financial statements.

The Parent Company applies different accounting policies than the Group, which differ as follows:

### Presentation format

The statement of profit or loss and statement of financial position follow the presentation format in the Swedish Annual Accounts Act. The statement of changes in equity follows the Group's layout but includes columns given in the Annual Accounts Act. This entails differences in terminology compared with the consolidated financial statements, primarily regarding financial income and expenses as well as equity.

### Participations in subsidiaries

Participations in subsidiaries are recognised at cost less any impairment. Cost includes acquisition-related expenses and any additional purchase considerations.

When there is an indication that participations in a subsidiary have declined in value, the recoverable amount is calculated. If this is lower than the carrying amount, an impairment loss is recognised. Impairments are recognised in "Results from participations in Group companies".

### Financial instruments

The Parent Company does not apply IFRS 9 and financial instruments are measured at cost. In subsequent periods, financial assets that are acquired with the intent for short-term holding are recognised according to lowest of historical cost or market value. However, the Parent Company must apply the impairment rules in IFRS 9 and at each balance sheet date the Parent Company assesses whether there is any indication of impairment in any of the financial assets. The asset is impaired if the decline in value is deemed long-term. Impairment for interest-bearing financial assets recognised at amortised cost are calculated as the difference between the asset's carrying amount and the current value of Company management's best estimate of the future cash flows discounted by the asset's original effective interest rate. The amount of impairment for other financial assets is determined as the difference between the carrying amount and the higher of the fair value less selling expenses or the current value of future cash flows based on the best estimate from Company Management.

### Leases Accounting policies

The Parent Company has chosen not to apply IFRS 16 Leases and has instead applied RFR 2 (IFRS 16 Leases, pp. 2–12). This means that no right-of-use assets or lease liabilities are recognised in the balance sheet. Instead, lease payments are recognised as an expense on a straight-line basis over the term of the lease.

### Appropriations

Group contributions are recognised as appropriations.

## Note 2 Classification of revenue

kSEK	2023	2022	kSEK	2023	2022
<b>The Parent Company reported the following revenue amounts in the balance sheet:</b>			<b>Change of earned value of ongoing projects per region</b>		
Space Data as a Service	-	-	Sweden	-109	3,177
Space Missions	2,939	3,920	Europe	-6,275	-139
Space Products	47,953	27,103	Rest of world	4,885	-5,901
Intercompany transactions	26,866	33,844	<b>Total</b>	<b>-1,499</b>	<b>-2,863</b>
Licences	30,577	3,762			
<b>Total</b>	<b>108,335</b>	<b>68,629</b>			

kSEK	2023	2022
<b>Net sales per region:</b>		
Sweden	18,518	16,091
Europe	17,428	8,782
Rest of world	73,888	46,619
Change in operating liabilities	-1,499	-2,863
<b>Total</b>	<b>108,335</b>	<b>68,628</b>

## Note 3 Other operating income

kSEK	2023	2022
Exchange-rate differences	5,073	1,711
Electricity support	39	-
<b>Total</b>	<b>5,112</b>	<b>1,711</b>

## Note 4 Other operating expenses

kSEK	2023	2022
Exchange-rate differences	7,310	1,200
<b>Total</b>	<b>7,310</b>	<b>1,200</b>

## Note 5 Remuneration to auditors

kSEK	2023	2022	kSEK	2023	2022
<b>PricewaterhouseCoopers AB</b>			<b>PricewaterhouseCoopers US</b>		
Audit assignment	1,711	1,783	Other services	-	3,789
Auditing services in addition to the assignment	121	450	<b>Total</b>	<b>0</b>	<b>3,789</b>
Tax advice	21	24			
Other services	-	1,284			
<b>Total</b>	<b>1,853</b>	<b>3,541</b>			

## Note 6 Remuneration to employees, etc.

kSEK	2023	2022
Salary and other benefits (excl. Board members)	25,862	18,308
Social security contributions	8,148	5,914
Pension costs – defined contribution plans	2,782	1,966
<b>Total</b>	<b>36,792</b>	<b>26,188</b>

### Salary and other benefits, social security expenses

	2023	Social security expenses (of which pension expenses)	2022	Social security expenses (of which pension expenses)
	Salary and other benefits (of which bonus)		Salary and other benefits (of which bonus)	
Board members, the CEO and other senior executives	3,578 (0)	1,338 (429)	3,473 (16)	1,279 (384)
Other employees	23,986 (0)	9,805 (2,353)	16,510 (0)	6,819 (1,582)
<b>Parent Company, total</b>	<b>27,564 (0)</b>	<b>11,143 (2,782)</b>	<b>19,982 (16)</b>	<b>8,098 (1,966)</b>

	2023	Of whom, men	2022	Of whom, men
	Average No. of employees		Average No. of employees	
<b>Parent Company, total</b>	<b>42</b>	<b>31</b>	<b>30</b>	<b>24</b>

### Gender distribution in the Parent Company for Board members and other senior executives

	2023	Of whom, men	2022	Of whom, men
	Number at the end of the reporting period		Number at the end of the reporting period	
Board members	6	5	6	4
CEO and other senior executives	8	6	2	2
<b>Parent Company, total</b>	<b>14</b>	<b>11</b>	<b>8</b>	<b>6</b>

### Remuneration of senior executives

	2023	2022
Salaries and other short-term benefits	1,875	1,798
Pension expenses	429	384
<b>Total remuneration of senior executives</b>	<b>2,304</b>	<b>2,182</b>

## Note 7 Interest income and expenses plus similar profit/loss items

kSEK	2023	2022
Interest income, Group companies	1,340	1,856
Interest income, external	159	85
Exchange-rate differences	840	854
Other financial expenses	-	-
<b>Total interest income and similar profit/loss items</b>	<b>2,339</b>	<b>2,795</b>
Interest expenses, Group companies	-	-
Interest expenses, external	-2,761	-13
Exchange-rate differences	-1,668	-696
Other financial expenses	-	-8
Impairment of shares in subsidiaries	-	-58,655
<b>Total interest expenses and similar profit/loss items</b>	<b>-4,429</b>	<b>-59,372</b>
<b>Total profit/loss from financial items</b>	<b>-2,090</b>	<b>-56,577</b>

## Note 8 Tax on earnings for the year

### Recognised tax in the statement of profit or loss:

kSEK	2023	2022
<b>Current tax</b>		
Current tax on earnings for the year	-	-
Adjustments for current tax of prior periods	-	-
<b>Total current tax</b>	<b>0</b>	<b>0</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	-
Effect of change in tax rate	-	-
<b>Total deferred tax</b>	<b>0</b>	<b>0</b>
<b>Total recognised tax</b>	<b>0</b>	<b>0</b>

The tax on the Group's earnings before tax differs from the theoretical amount that would arise using the tax rate applicable to earnings of the Parent Company as follows:

kSEK	2023	2022
<b>Earnings before tax</b>	<b>7,492</b>	<b>-80,142</b>
Estimated income tax according to the tax rate in Sweden (21.4%)	1,543	-16,509
<b>Tax effects of</b>		
Tax effect of non-deductible expenses	31	28
Deductible issuing costs recognised in equity	-2,076	-
Tax losses for which no deferred income tax asset was recognised	502	16,481
<b>Total recognised tax</b>	<b>0</b>	<b>0</b>

## Note 9 Intangible assets

kSEK	Patent	Other	Capitalised expenditure for development	Total
<b>2022 financial year</b>				
Opening carrying amount	-	-	2,422	2,422
Purchases	-	482	538	1,020
Increase through business combinations	-	-	-	0
Sales and disposals	-	-	-	0
Depreciation	-	-	-50	-50
Impairment	-	-	-	0
<b>Closing carrying amount</b>	<b>0</b>	<b>482</b>	<b>2,910</b>	<b>3,392</b>
<b>As of 31 December 2022</b>				
Cost	4,033	482	29,207	33,722
Accumulated amortisation and impairment	-4,033	-	-26,297	-30,330
<b>Carrying amount</b>	<b>0</b>	<b>482</b>	<b>2,910</b>	<b>3,392</b>
<b>2023 financial year</b>				
Opening carrying amount	-	482	2,910	3,392
Purchases	-	107	1,056	1,163
Increase through business combinations	-	-	-225	-225
Sales and disposals	-	-	-	0
Depreciation	-	-164	-108	-272
Impairment	-	-	225	225
<b>Closing carrying amount</b>	<b>0</b>	<b>425</b>	<b>3,857</b>	<b>4,282</b>
<b>As of 31 December 2023</b>				
Cost	4,033	589	30,038	34,660
Accumulated amortisation and impairment	-4,033	-164	-26,180	-30,377
<b>Carrying amount</b>	<b>0</b>	<b>425</b>	<b>3,857</b>	<b>4,282</b>

## Note 10 Tangible assets

kSEK	Plant and other technical equipment	Inventories	Total
<b>2022 financial year</b>			
Opening carrying amount	697	-	697
Purchases	591	142	733
Reclassification	-165	165	0
Sales and disposals	-	-	0
Depreciation	-277	-40	-317
Impairment	-	-	0
<b>Closing carrying amount</b>	<b>846</b>	<b>267</b>	<b>1,113</b>
<b>As of 31 December 2022</b>			
Cost	2,693	2,394	5,087
Accumulated depreciation and impairment	-1,847	-2,127	-3,974
<b>Carrying amount</b>	<b>846</b>	<b>267</b>	<b>1,113</b>
<b>2023 financial year</b>			
Opening carrying amount	846	267	1,113
Purchases	352	56	408
Reclassification	-4	-	-4
Depreciation	-449	-66	-515
Impairment	4	-	4
<b>Closing carrying amount</b>	<b>749</b>	<b>257</b>	<b>1,006</b>
<b>As of 31 December 2023</b>			
Cost	3,041	2,450	5,491
Accumulated depreciation and impairment	-2,292	-2,193	-4,485
<b>Carrying amount</b>	<b>749</b>	<b>257</b>	<b>1,006</b>

## Note 11 Participations in subsidiaries

kSEK	31 Dec 2023	31 Dec 2022
<b>Opening cost</b>	<b>525,452</b>	<b>543,487</b>
Shareholders' contributions	-	58,655
Warrant programme TO 2020/2023	84	286
Warrant programme TO 2022/2025	497	335
Warrant programme TO 2023/2026	137	-
Remeasurement additional purchase consideration	-667	-18,657
<b>Closing accumulated cost</b>	<b>525,502</b>	<b>584,107</b>
Impairment for the year	-	-58,655
<b>Closing carrying amount</b>	<b>525,502</b>	<b>525,452</b>

Holdings of participations in subsidiaries are as follows:	Corp. reg. no.	Registered office and place of business/ country of incorporation	Number of shares	Carrying amount 31 Dec 2023	Carrying amount 31 Dec 2022
<b>Directly owned</b>					
Clyde Space Ltd	SC285287	Glasgow, UK	5,211,644	323,282	322,912
Hyperion Technologies B.V.	58 607 013	Delft, Netherlands	90	23,060	22,973
Space Quest Ltd	0436321-4	Fairfax, USA	2,000	78,459	78,389
SpaceQuest Canada Inc	392431-9	Burlington, Canada	0	0	0
Orbitum AB	556677-7086	Uppsala, SE	1,000	150	150
Omnisys Instruments AB	556454-6686	Gothenburg, SE	5,000	97,461	98,000
AAC Space Africa Pty	2021/600761/07	Durbanville, South Africa	850	96	34
AAC Microtec North America Inc.	45-3178866	Fairfax, USA	10,000	2,993	2,993
AAC Holding North America Inc.	46-0869153	Fairfax, USA	1	0	0

## Note 12 Deferred tax

Deferred income tax assets are recognised for tax loss carry-forwards or other incentives to the extent that the realisation of the related tax benefit through future taxable profits is probable. No deferred tax asset was

recognised since, according to the Parent Company, the criteria for reporting deferred tax assets in IAS 12 were not met.

## Note 13 Cash and bank balances

The balance sheet and cash flow statement include the following items in cash and bank balances:

kSEK	31 Dec 2023	31 Dec 2022
Bank deposits	6,672	5,767
<b>Total</b>	<b>6,672</b>	<b>5,767</b>



## Note 14 Accounts receivable

kSEK	31 Dec 2023	31 Dec 2022
Accounts receivable	7,260	3,143
Accounts receivable from Group companies	42,025	25,030
Less: provision for expected credit losses	-	-
<b>Net accounts receivable</b>	<b>49,285</b>	<b>28,173</b>

Carrying amounts of the Parent Company's accounts receivable and other receivables by currency:

kSEK	31 Dec 2023	31 Dec 2022
SEK	20,358	11,753
EUR	5,962	2,312
GBP	21,052	12,621
USD	1,298	831
ZAR	615	656
<b>Total</b>	<b>49,285</b>	<b>28,173</b>

The maximum exposure to credit risk at the reporting date for accounts receivable are the above carrying amounts.

The fair value of accounts receivable equals their carrying amount, as the impact of discounting is not significant.

No accounts receivable have been pledged as security for any debts.

Historically, AAC Clyde Space has had low losses since customers are, to a great extent, public bodies or authorities, or otherwise major and well-known.

Thus no provisions have been made for expected credit losses.

## Note 15 Inventories

kSEK	31 Dec 2023	31 Dec 2022
Raw materials	5,777	3,921
Goods in progress	104	1,655
<b>Total</b>	<b>5,881</b>	<b>5,576</b>

The cost of inventories recognised as an expense and included in "Raw materials and subcontractors" in the statement of profit or loss amounted to kSEK 1,862 in 2023 (2022: kSEK 1,144).

## Note 16 Other current receivables

kSEK	31 Dec 2023	31 Dec 2022
Recoverable VAT	302	593
Other tax receivables	531	531
<b>Total</b>	<b>833</b>	<b>1,124</b>

## Note 17 Prepaid expenses and accrued income

	31 Dec 2023	31 Dec 2022
Prepaid rent	730	690
Prepaid lease payments	114	87
Other prepaid expenses	2,555	1,900
Other accrued income	30,577	-
<b>Total</b>	<b>33,976</b>	<b>2,677</b>

## Note 18 Borrowings

kSEK	31 Dec 2023	31 Dec 2022
<b>Non-current</b>		
Liabilities to credit institutions	-	-
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Current</b>		
Liabilities to credit institutions	25,152	-
<b>Total</b>	<b>25,152</b>	<b>0</b>
<b>Total borrowings</b>	<b>25,152</b>	<b>0</b>

### The Parent Company has the following undrawn borrowing facilities

kSEK	31 Dec 2023	31 Dec 2022
<b>Variable interest rate</b>		
- expires within one year	4,848	5,000

The facilities expiring within one year are annual facilities that run per calendar year with 12-month extensions.

## Note 19 Assets and liabilities related to contracts with customers

The Parent Company has long-term contracts with certain customers for the development of products and services. These contracts can include a certain amount of hardware.

### The Parent Company has recognised the following assets and liabilities related to contracts with customers:

	31 Dec 2023	31 Dec 2022
Contract assets	5,513	8,207
<b>Total contract assets</b>	<b>5,513</b>	<b>8,207</b>
Contract liabilities	11,927	13,123
<b>Total current contract liabilities</b>	<b>11,927</b>	<b>13,123</b>

### Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current financial year relates to contract liabilities.

	31 Dec 2023	31 Dec 2022
Revenue recognised that was included in the contract liability balance at the beginning of the period:	9,836	4,271

### Long-term unfulfilled contracts outstanding

The aggregate amount of the transaction price attributable to contracts that are partially or fully unsatisfied on 31 December 2023 was kSEK 41,625.

Of these, the executive management team expects 87% to be fulfilled during the next year and the remaining 13% in another year (see table below).

Transaction price allocated to remaining performance commitments	2024	2025	Total
Total expected income	36,418	5,207	41,625

## Note 20 Accrued expenses and deferred income

kSEK	31 Dec 2023	31 Dec 2022
Accrued annual leave	2,275	2,064
Accrued social security contributions	715	649
Accrued interest	140	-
Accrued payroll tax	675	477
Other external expenses	3,715	7,939
<b>Total</b>	<b>7,520</b>	<b>11,129</b>

## Note 21 Operating leases

### Non-cancellable operating leases

The Parent Company leases essentially office under non-cancellable operating lease agreements. The lease terms are between 1 and 3 years, and the majority of lease agreements are renewable at the end of the lease period at market rates.

Lease expenses of kSEK 3,179 are included in the statement of profit or loss for the 2023 financial year (2022: kSEK 2,791).

### Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

kSEK	2023	2022
Due within one year	3,129	2,986
Due between 1 and 5 years	4,479	7,036
Due in over 5 years	-	-
<b>Total</b>	<b>7,608</b>	<b>10,022</b>

## Note 22 Pledged assets

kSEK	31 Dec 2023	31 Dec 2022
Chattel mortgages	30,000	5,200
<b>Total</b>	<b>30,000</b>	<b>5,200</b>

## Note 23 Share capital

Refer to Note 24 for information on the Parent Company's share capital.

## Note 24 Related-party transactions

AAC Clyde Space ABs (publ) share is traded on Nasdaq First North Premier Growth Market. The share is also traded on the American OTCQX-market.

The following transactions occurred with related parties:

kSEK	31 Dec 2023	31 Dec 2022
<b>Sales of goods and services</b>		
Clyde Space Ltd	15,484	23,976
Hyperion Technologies B.V.	3,543	2,006
Space Quest Ltd	2,574	2,523
Omnisys Instruments AB	4,699	4,783
AAC Space Africa Pty	565	556
<b>Total</b>	<b>26,865</b>	<b>33,845</b>
<b>Purchases of goods and services</b>		
Clyde Space Ltd	17,942	16,455
Hyperion Technologies B.V.	968	849
Space Quest Ltd	884	1,113
Omnisys Instruments AB	371	18
<b>Total</b>	<b>20,165</b>	<b>18,435</b>

Goods and services are purchased and sold to related parties under ordinary commercial terms in accordance with the prevailing transfer price policy.

Receivables and liabilities at the end of the year due to sales and purchases of goods and services:

kSEK	31 Dec 2023	31 Dec 2022
<b>Receivables from related parties</b>		
Clyde Space Ltd	27,098	20,115
Hyperion Technologies B.V.	5,189	3,182
Space Quest Ltd	4,527	3,759
Omnisys Instruments AB	3,431	1,841
AAC Space Africa Pty	1,780	1,292
<b>Total</b>	<b>42,025</b>	<b>30,190</b>
<b>Amounts due to related parties</b>		
Clyde Space Ltd	6,029	13,271
Hyperion Technologies B.V.	282	869
Space Quest Ltd	191	1,113
Omnisys Instruments AB	333	22
Orbitum	103	103
<b>Total</b>	<b>6,937</b>	<b>15,377</b>

### Loans to related parties

kSEK	31 Dec 2023	31 Dec 2022	kSEK	31 Dec 2023	31 Dec 2022
<b>Loans to Clyde Space Ltd</b>			<b>Loans to AAC Space Africa Pty</b>		
Beginning of the year	6,500	22,300	Beginning of the year	3,564	566
Loans raised during the year	27,647	26,500	Loans raised during the year	355	2,999
Amount repaid	-10,559	-	Amount repaid	-	-
Converted to shareholder contribution	-	-42,300	Interest income	351	174
Interest income	950	1,441	Interest received	-	-
Interest received	-	-	Conversion difference	-429	-
<b>On 31 December</b>	<b>24,538</b>	<b>7,941</b>	<b>On 31 December</b>	<b>3,841</b>	<b>3,739</b>
<b>Loans to Hyperion Technologies B.V.</b>			<b>Loans to AAC North America Inc</b>		
Beginning of the year	3,400	2,400	Beginning of the year	797	771
Loans raised during the year	-	1,000	Loans raised during the year	-	26
Amount repaid	-2,000	-	Amount repaid	-	-
Interest income	28	192	Interest income	97	49
Interest received	-	-	Interest received	-	-
<b>On 31 December</b>	<b>1,428</b>	<b>3,592</b>	<b>On 31 December</b>	<b>894</b>	<b>846</b>

Loans to subsidiaries are under commercial terms. The loans have a six-month notice period, no fixed term and an interest rate of 6%.

The Parent Company does not hold provisions against receivables from related parties, nor has it recognised any expenses during the period pertaining to receivables from related parties. No assets were pledged for the receivables.

Receivables from related parties in the above table arise mainly from sale transactions and are due one month after the date of sales.

The payables to related parties arise mainly from purchase transactions and are due one month after the date of purchase.

During the period, Board members invoiced the Company kSEK 838 (2022: kSEK 1,091) at market rates for the performance of consultant services linked to the Company's operations.

## Note 25 Changes in liabilities from financing activities

kSEK	1 Jan 2022	Cash inflow	Cash outflow	31 Dec 2022
Liabilities to credit institutions	-	-	-	-
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

kSEK	1 Jan 2023	Cash inflow	Cash outflow	31 Dec 2023
Liabilities to credit institutions	-	25,152	-	25,152
<b>Total</b>	<b>0</b>	<b>25,152</b>	<b>0</b>	<b>25,152</b>

## Note 26 Adjustments for non-cash items

kSEK	31 Dec 2023	31 Dec 2022
Depreciation	787	368
Currency differences in the financial net	-828	-
Warrant programmes	260	145
Other	30	-
<b>Total</b>	<b>249</b>	<b>513</b>

## Note 27 Significant events after the end of the reporting period

No significant events after the end of the reporting period.

## Note 28 Proposed appropriation of profits

The following amounts are at the disposal of the AGM (SEK):

SEK	2023
Share premium reserve	928,670,657
Retained earnings	-373,167,433
Profit/Loss for the year	7,492,139
<b>Total</b>	<b>562,995,363</b>

The Board proposes that the retained earnings of SEK 562,995,363 [SEK] be carried forward.

The consolidated statement of profit or loss and statement of financial position will be presented to the AGM on 23 May 2024 for adoption.

The Board and CEO ensure that the consolidated financial statements have been prepared in accordance with the international financial reporting standards (IFRS) adopted by the EU and that they faithfully represent the Group's financial position and performance. The Annual Report was prepared according to generally accepted accounting principles and faithfully represents the Parent Company's financial position and performance.

The administration reports for the Group and the Parent Company faithfully represent the development of the Parent Company's and Group's operations, financial position and performance, and describe the material risks and uncertainties faced by the Parent Company and the companies that form the Group.

Stockholm, 25 April 2024

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Rolf Hallencreutz  
Chairman of the Board

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Per Aniansson  
Board member

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Per Danielsson  
Board member

---

William Whitehorn  
Board member

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Dr Dino Lorenzini  
Board member

---

Luis Gomes  
CEO

Our auditors' statement was submitted 25 April 2024

Öhrlings PricewaterhouseCoopers AB

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Johan Engstam  
Auditor in Charge

---

Andreas Mattsson  
Authorised Public Accountant



# AUDITOR'S REPORT

## To the general meeting of the shareholders of AAC Clyde Space AB, corporate identity number 556677-0599

### Report on the annual accounts and consolidated accounts

#### Opinions

We have audited the annual accounts and consolidated accounts of AAC Clyde Space AB for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 48-102 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income balance sheet for the group.

#### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1-47 and 106-117. The Board of Directors and the Managing Director are responsible for the other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.



## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of AAC Clyde Space AB for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

Stockholm 25 April 2024

### Johan Engstam

Authorized Public Accountant  
Auditor in charge

### Andreas Mattsson

Authorized Public Accountant

# CORPORATE GOVERNANCE REPORT

**AAC Clyde Space AB is a Swedish public limited liability company with corporate registration number 556677-0599 whose shares are traded on Nasdaq First North Premier Growth Market. The share is also traded on the American OTCQX. The Company's registered office is in Uppsala, Sweden.**

The goal of corporate governance is to ensure that the Company is managed in a manner that is as efficient as possible for the shareholders, but also that AAC Clyde Space complies with the rules that exist. Corporate governance also aims to create an orderly system for both the Board of Directors and management. By having a clear structure, rules and processes, the Board can ensure that management and employees are focused on developing the business to create shareholder value.

## Corporate governance framework

Corporate governance is based on external governance instruments such as the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq First North Premier Growth Market Stockholm's regulations and the Swedish Code of Corporate Governance, as well as internal governance instruments such as the Articles of Association, instructions, policies and guidelines.

## Application of the Swedish Code of Corporate Governance

Since November 2018, AAC Clyde Space has followed the Swedish Code of Corporate Governance, and its principle of "comply or explain". For the year 2023, AAC Clyde Space had no deviations to report.

## The share and shareholders

On 31 December 2023, the number of shares amounted to 5,703,835 following a reverse share split during the year where 50 shares were consolidated into one. All shares have equal rights to the Company's assets and profits.

The share is traded under the ticker AAC on Nasdaq First North Premier Growth Market. The stock is also traded on the US OTCQX market under the symbol ACCMF. Carnegie Investment Bank AB is the Company's Certified Adviser.

The number of shareholders as of December 31, 2023 was 12,188. The largest individual owner was the acquired company SpaceQuest's former owner Dino Lorenzini with family with 624,000 shares corresponding to 11.0 percent of the capital and votes. The share register is maintained electronically by Euroclear Sweden AB.

For more information about the AAC Clyde Space share and shareholders, please refer to the section The share on page 116.

## Articles of Association

According to the Articles of Association, the Company's name is AAC Clyde Space AB (publ) and the financial year is 1 January to 31 December. For the Articles of Association in its entirety, which in its current form was adopted at the Annual General Meeting on 1 November 2023, see the Company's website [www.aac-clyde.space](http://www.aac-clyde.space)

## General meeting

The Company's highest decision-making body is the General Meeting where the shareholders' influence in the Company is exercised. Shareholders who wish to participate in a General Meeting, in person or by proxy, must be registered in the share register five weekdays prior to the General Meeting and give notice of attendance in accordance with the notice.

Notice of General Meetings will be given through an announcement in Post-och Inrikes Tidningar (the Swedish Official Gazette) and on the Company's website ([www.aac-clyde.space](http://www.aac-clyde.space)). Information that notice has been issued is announced in Dagens Industri.

The Annual General Meeting shall be held within six months of the end of the financial year. At the Annual General Meeting, the shareholders decide on the Board of Directors, auditors, discharge from liability for the Board of Directors and the CEO for the past year. Decisions are also made on the adoption of the annual report, appropriation of profits or treatment of losses, fees to the Board of Directors and the auditors.

Shareholders have the right to have a matter addressed at the Annual General Meeting and must then make a written request to the Board of Directors. The matter shall be addressed at the Annual General Meeting if the request has been received by the Board of Directors no later than seven weeks prior to the Annual General Meeting.

## Annual General Meeting 2023

The Annual General Meeting was held on 25 May 2023 in Uppsala. At the meeting, 12.07 percent of the votes in the Company were represented. The Annual General Meeting resolved in accordance with the Board of Directors' proposal on:

- to adopt the statement of profit or loss and the statement of financial position
- to carry forward the loss for the year
- to discharge the members of the Board of Directors and the CEO from liability
- fees to the Board of Directors and the auditor
- to re-elect Rolf Hallencreutz, Per Aniansson, Anita Bernie, Per Danielsson and Will Whitehorn as members of the Board of Directors, and elect Dino Lorenzini as a new member of the Board. Rolf Hallencreutz was also re-elected as Chairman of the Board.
- re-election of the accounting firm Öhrlings PricewaterhouseCoopers (PwC) as the company's auditor
- adoption of new Articles of Association with amended limits for share capital and number of shares
- to authorize the Board to issue shares
- directed issue of warrants within the framework of three incentive programs

## Extraordinary General Meeting 26 June 2023

An Extraordinary General Meeting was held on 26 June 2023 in Uppsala. At the meeting, 13.26 percent of the votes in the Company were represented. The Annual General Meeting resolved in accordance with the Board of Directors' proposal on:

- approval of the Board of Directors' resolution to issue shares

## Extraordinary General Meeting 1 November 2023

An Extraordinary General Meeting was held on 1 November 2023 in Uppsala. At the meeting, 11.59 percent of the votes in the Company were represented. The Annual General Meeting resolved in accordance with the Board of Directors' proposal on:

- resolution on reverse share split including an equalisation issue
- amendment of the Articles of Association regarding number of shares
- reverse share split

## Nomination committee

The AGM has resolved that the Nomination Committee shall consist of the four largest shareholders in the Company in terms of votes as of 31 August, as well as the Chairman of the Board. If any of these owners refrains from appointing a member, his or her right shall be given to the owner who is directly below in terms of voting rights. As long as the Company's domicile is in Sweden, the majority (3/4) of the members of the Nomination Committee shall also be registered in Sweden. The Nomination Committee elects its Chairman.

If a member represents a shareholder who has sold the majority of its shareholding and who is no longer to be regarded as one of the four largest shareholders, the Nomination Committee may decide that the member shall resign. If the Nomination Committee is not complete due to the resignation of a member and more than three months remain until the next Annual General Meeting, the Nomination Committee shall offer representation to the next largest shareholder in the Company.

The Nomination Committee shall submit proposals for the Chairman and members of the Board of Directors as well as fees to the Chairman and other Board members. If the election of auditor for the Company is to take place, the Nomination Committee shall submit a proposal for election and remuneration of the auditor.

The Nomination Committee shall inform the Company of its proposals in good time so that the information can be presented in the notice of the Annual General Meeting. The Nomination Committee shall also provide a brief account of how its work has been conducted. The Nomination Committee shall continuously evaluate its instructions and the work of the Nomination Committee and submit proposals to the Annual General Meeting for changes that the Nomination Committee deems appropriate.

Ahead of the 2024 Annual General Meeting, shareholders representing approximately 13 percent of the shares and votes have formed a Nomination Committee consisting of:

- Dino Lorenzini for himself and his family
- Mathias Dittrich, appointed by Soltorpet AB
- Nils Bernhard on his own account
- Rolf Hallencreutz, Chairman of the Board of AAC Clyde Space AB

The Nomination Committee's proposal to the Annual General Meeting 2024 will be presented in connection with the notice and made available on the Company's website.

## Board

### Duties of the Board of Directors

The primary task of the Board of Directors is to safeguard the interests of the Company and its shareholders, appoint the CEO and ensure that the Company complies with applicable laws and the Articles of Association.

The Board's tasks also include identifying how sustainability issues affect the Company's risks and business opportunities. The Board of Directors is responsible for ensuring that the Group has an appropriate structure so that the Board can exercise its ownership responsibility over the subsidiaries included in the Group in the best possible way and that accounting, asset management and the Company's financial conditions in general can be controlled in a satisfactory manner.

At least once a year, the Board of Directors shall, without the presence of the executive management, meet with the Company's auditor and continuously and at least once a year evaluate the work of the CEO.

### Composition of the Board of Directors

According to the Articles of Association, AAC Clyde Space's Board of Directors shall consist of a minimum of three and a maximum of seven members who

are elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting.

The Annual General Meeting 2023 resolved that the number of members shall be six and re-elected Rolf Hallencreutz as Chairman and Per Aniansson, Anita Bernie, Per Danielsson, and William Whitehorn and elected Dino Lorenzini as a new Board member. Anita Bernie stepped down from the Board in January 2024 to avoid any potential conflicts of interest. For information about the Board members' assignments outside the Group and holdings of shares and warrants in AAC Clyde Space, see pages 112-113 and [www.aac-clyde.space](http://www.aac-clyde.space).

### Independence of the Board of Directors

According to the Swedish Corporate Governance Code, the majority of the members of the Board of Directors elected by the Annual General Meeting shall be independent in relation to the Company and its management, and at least two of these shall also be independent in relation to the Company's major shareholders.

Of the six members of the Board of Directors, four are independent in relation to the Company and its management and five are independent in relation to the Company's major shareholders. After Anita Bernie's resignation, three of five members were independent in relation to the Company and its management and four were independent in relation to the Company's major shareholders.

### Committees of the Board of Directors

Since January 2020, the Board of Directors has had a Remuneration and Audit Committee.

#### Remuneration Committee

Since January 2020, the Remuneration Committee's tasks have been performed by the Chairman of the Board, Rolf Hallencreutz, and by Board member Will Whitehorn.

The tasks follow from instructions adopted annually by the Board of Directors. These include submitting proposals for guidelines for remuneration to senior executives, submitting proposals to the Board of Directors regarding the CEO's salary and other terms of employment, determining salaries and terms of employment for other members of the management team, and preparing proposals for incentive programmes and other forms of bonuses or similar compensation to employees. The CEO may report on matters relating to the Remuneration Committee's tasks, but does not participate in the processing of their own salary and terms of employment.

At the Annual General Meeting, the Board of Directors presents proposals for guidelines for determining salaries and other remuneration to the CEO and other members of the Company's management for approval by the shareholders.

For a further description of the terms of employment for senior executives and remuneration to the Board of Directors, please refer to the Board of Directors' Report.

#### Audit committee

The duties of the Audit Committee are carried out by the Chairman of the Board, Rolf Hallencreutz, and by the Board members Per Aniansson and Per Danielsson.

The tasks follow from instructions adopted annually by the Board of Directors and are included in the Board's rules of procedure. These include monitoring and quality assuring the financial reporting and the effectiveness of the Company's internal control system and risk management.

The Committee meets with the Company's auditors, evaluates the audit efforts, the auditors' independence and approves which additional services the Company may procure from the external auditors.

### Board of Directors' instructions and policies

The Board reviews and adopts annual rules of procedure for its work. The Board of Directors also adopts instructions for the CEO and instructions for financial reporting. The rules of procedure and instructions regulate, among other things, the division of work between the Board of Directors, the Chairman of the Board, the CEO and the auditor, quorum, conflict of interest issues, internal and external reporting, procedures for convening, meetings and minutes.

The Board of Directors meets according to an annually established schedule. In addition to these Board meetings, additional Board meetings may be convened to address matters that cannot be referred to an ordinary Board meeting. In addition to the Board meetings, the Chairman of the Board and the CEO have an ongoing dialogue regarding the management of the Company.

### Instructions and Policies

The Board of Directors reviews and adopts the following instructions and policies annually:

- Rules of procedure for the Board of Directors
- Instructions for the CEO
- Instructions for financial reporting
- Communication and IR Policy
- Insider Policy

### Evaluation of the work of the Board of Directors

The work of the Board of Directors is evaluated annually with the aim of developing the Board's working methods and efficiency. The Chairman of the Board is responsible for the evaluation and for presenting it to the Nomination Committee. The purpose of the evaluation is to obtain an understanding of the Board members' views on how the work of the Board is conducted and what measures can be taken to streamline the work of the Board, as well as whether the Board is well balanced in terms of competence.

### The work of the Board of Directors

According to the Board's rules of procedure, the Board shall, in addition to a statutory meeting, meet six times a year and in addition when the situation so requires. At one of the meetings, the Board of Directors will discuss the Group's strategic direction, risks and business plan.

The CEO and CFO, who is also the secretary of the Board, normally attend Board meetings. Other officials participate as necessary to present specific cases. According to the rules of procedure, the Board of Directors shall meet with the Company's auditor at least once a year without the presence of the Company's management, evaluate the work of the Board of Directors and evaluate the CEO.

Board meetings normally start with a discussion about the business and the Company's financial results. Financial reports and the annual reports are reviewed and approved before publication.

Other matters addressed at Board meetings includes; strategy, general business issues, potential acquisitions, long- and short-term goals, HR issues, security issues, compliance with policies and laws and remuneration models.

At the last meeting of the calendar year, the CEO and CFO normally present the budget for the following year. The budget is discussed and, following any adjustments, approved.

### The work of the Board of Directors in 2023

In 2023, the Board of Directors placed particular emphasis on issues related to business strategy, growth, organisation and acquisitions. The number of Board meetings in 2023 amounted to 20, of which 6 were ordinary and 14 extra. The extraordinary Board meetings have mainly dealt with quarterly reports, capital raise, consolidation of shares and acquisition opportunities.

### Chairman of the Board

The Chairman of the Board is elected by the Annual General Meeting and Rolf Hallencreutz was re-elected as Chairman of the Board at the 2023 Annual General Meeting. Rolf Hallencreutz has been Chairman of the Board since 2014.

The Chairman of the Board shall lead the work of the Board and ensure that the Board fulfils its duties and has a special responsibility for ensuring that the Board's work is well organised, conducted efficiently and monitors the development of the business. The Chairman of the Board ensures that the Board's decisions are implemented effectively and is responsible for ensuring that the Board's work is evaluated annually and that the Nomination Committee is informed as a result of the evaluation.

### CEO and Group Management

The CEO is appointed by the Board of Directors and leads the business in accordance with the instructions adopted by the Board of Directors and is responsible for the day-to-day management of the Company's and the Group's operations in accordance with the Swedish Companies Act.

In addition, the CEO, together with the Chairman of the Board, decides which matters are to be dealt with at Board meetings.

	Elected	Attendance at meetings	Audit committee	Remuneration Committee	Independence in relationship with the Company and Company management	Independence in relation to major shareholders	Total compensation
The Board		20			5/7	6/7	1,575,000 SEK
Rolf Hallencreutz	2014	20	Ja	Ja	Nej	Ja	450,000 SEK
Per Aniansson	2014	20	Ja	Nej	Ja	Ja	225,000 SEK
Anita Bernie	2019	19	Nej	Nej	Ja	Ja	225,000 SEK
Per Danielsson	2014	20	Ja	Nej	Ja	Ja	225,000 SEK
William Whitehorn	2018	19	Nej	Ja	Ja	Ja	225,000 SEK
Nicole Robinson*	2021	16	Nej	Nej	Ja	Ja	93,750 SEK
Dino Lorenzini**	2023	14	Nej	Nej	Nej	Nej	131,250 SEK

\* Nicole Robinson was not re-elected to the Board at the 2023 Annual General Meeting

\*\* Dino Lorenzini has been present at all Board meetings since he was elected

The Board of Directors continuously evaluates the CEO's duties and work. The CEO is responsible for ensuring that the Board receives information and the necessary documentation for decision-making, and reports and proposes matters at Board meetings on issues prepared by the Company management. The CEO continuously keeps the Board of Directors and the Chairman informed of the Company's and the Group's financial position and development.

As of December 31, 2023, the Group Management Team consisted of the Chief Executive Officer, the Chief Financial Officer who is also the Deputy CEO, the Chief Operating Officer, the Chief Commercial Officer, the Chief Technology Officer, the President of Data & Services, the Chief Scientific Officer and the Chief People Officer. The Chief Operating Officer function was discontinued in January 2024. For information about the CEO and other members of the executive management, see pages 114-115.

Group management holds regular, normally weekly, management meetings. The meetings are focused on the Group's strategic and operational development as well as performance monitoring. In addition to these meetings, there is close day-to-day cooperation between senior executives on various issues.

## Auditor

The auditor is appointed by the Annual General Meeting to review the Company's annual report and accounting records as well as the administration of the Board of Directors and the CEO. The auditors' report to the owners takes place at the Annual General Meeting through the auditor's report.

At the 2023 Annual General Meeting, the accounting firm Öhrlings PricewaterhouseCoopers AB was re-elected as auditor for the period until the 2024 Annual General Meeting. The authorised public accountant Johan Engstam is the auditor in charge.

## Financial reporting

The Board of Directors is responsible for ensuring that the Company's organisation is designed so that the Company's financial conditions can be controlled in a satisfactory manner and that financial reports such as interim reports and annual accounts to the market are prepared in accordance with the law, applicable accounting standards and other requirements that exist for listed companies. The Board of Directors shall monitor financial developments, ensure the quality of financial reporting and internal control, and regularly monitor and evaluate operations.

A monthly financial statement is prepared for the Group, which is submitted to the Board of Directors and management. A profit and loss budget, balance sheet and investment budget are drawn up for each financial year, which are normally adopted at the ordinary Board meeting in December.

External financial information is provided regularly in the form of interim reports, annual reports, press releases on important news that is expected to affect the share price, presentations and meetings with representatives in the financial market.

## Internal control and risk management regarding financial reporting

### Introduction

The responsibility of the Board of Directors and the CEO for internal control is regulated in the Swedish Companies Act. The responsibilities of the Board of Directors are also regulated in the Swedish Code of Corporate Governance. The Annual Accounts Act contains requirements for disclosure of the most important elements of the Company's system for internal control and risk management in connection with financial reporting.

AAC Clyde Space's process for internal control over financial reporting is designed to reasonably ensure the quality and accuracy of the reporting. The process is to ensure that the reporting is prepared in accordance with applicable laws and regulations as well as requirements for listed companies in Sweden.

A prerequisite for achieving this is that there is a good control environment, that reliable risk assessments are carried out, that there are established control structures and control activities, and that information and communication as well as follow-up function in a satisfactory manner.

### Internal audit

The Board of Directors has evaluated the need for an internal audit function and concluded that such a function is not justified in AAC Clyde Space in view of the scope of the business and that the Board's follow-up of internal control is deemed sufficient to ensure that the internal control is effective. The Board reassesses the need when changes occur that may give rise to a reassessment and at least once a year.

### Control environment

AAC Clyde Space's organisation is designed to be able to operate dynamically in an emerging market, which is why operational decisions are made by the executive management and at the Company level. Decisions on strategy, direction, acquisitions, and overall financial issues are made by the Board of Directors and executive management.

The Board's work on internal control includes internal control over financial reporting and internal control from an operational perspective.

Risk management is an integral part of the Board's work with internal control, the purpose of which is to ensure that operations are managed in an appropriate and efficient manner.

### Control structures

The Board's rules of procedure and instructions for the CEO and the Board's committees ensure a clear division of roles and responsibilities.

The Board of Directors has overall responsibility for internal control.

The CEO is responsible for the system of routines, processes and controls that have been developed for day-to-day operations. This includes, among other things, guidelines and role descriptions for various executives, as well as regular reporting to the Board of Directors based on established procedures.

Policies, processes, procedures, instructions and templates for financial reporting and the ongoing work with financial administration and financial issues are documented.

### Risk assessment

At least once a year, a review is conducted to identify and evaluate AAC Clyde Space's risk profile. The work also involves assessing what preventive measures should be taken to reduce and prevent the Group's risks. This work includes ensuring that the Group is properly insured and preparing a basis for decisions regarding any changes to policies, guidelines and insurances.

AAC Clyde Space's system for identifying, reporting and remediating risks is an integral part of the ongoing reporting to the executive management team and the Board of Directors and constitutes an important basis for the assessment of risks of errors in financial reporting.

As part of the process, the items in the income statement and balance sheet where the risk of material error is elevated are identified. For AAC Clyde Space, the percentage of completion method of projects may give rise to risk in the financial reporting. Particular attention has therefore been paid to the design of controls to prevent and detect shortcomings in this area.

### Control activities

The primary purpose of control activities is to prevent and detect errors in financial reporting at an early stage so that they can be managed and corrected. Control activities exist at both general and more detailed levels and are of both manual and automated nature.

Access rights to IT systems are restricted in accordance with authorisations.

The finance function compiles monthly financial reports in which earnings and cash flow are reported and budget deviations are analysed and commented on. For larger projects that last longer than 12 months, the Company sets up special steering groups that analyse how projects are developing in relation to budget. Steering groups meet quarterly and in the event of deviations.

Follow-up takes place through regular meetings for review of financial reports and analyses with management teams and project steering groups. In these ways, significant fluctuations and deviations are monitored, which minimises the risk of errors in financial reporting.

The year-end and annual report work are processes where there is an additional risk of errors in financial reporting arising. This work is of a less repetitive nature and contains more elements of an assessment nature.

Important control activities include ensuring that there is a well-functioning reporting structure in which the Group's companies report in accordance with standardised reporting templates, and that important income statement and balance sheet items are specified and commented on.

### Information and communication

AAC Clyde Space's information and communication channels shall contribute to complete, accurate and timely financial reporting. This is achieved by making all relevant guidelines and instructions for internal processes available to all relevant employees. Where necessary, regular updates and notifications of changes to accounting rules/guidelines, reporting requirements and disclosure requirements are provided.

Information activities are regulated in an information policy. For external communication, there are guidelines that ensure that the Company meets high standards for correct information to shareholders and the financial market. AAC Clyde Space's communication shall be accurate, transparent, timely and simultaneously to all stakeholders. All communication shall be in accordance with the rules of Nasdaq First North Premier Growth Market. The financial information should provide a comprehensive and clear picture of the Company, its operations, and financial development.

The Board of Directors adopts annual reports, year-end reports and interim reports. All financial reports are published on the website ([www.aac-clyde.space](http://www.aac-clyde.space)) after they have first been published in accordance with the Exchange's rules. The annual report is held available on the website.

### Follow-up

The Board of Directors' follow-up of internal control over financial reporting is carried out, among other things, by following up the work and reports of the CFO and the external auditors. The work includes ensuring that measures are taken regarding the deficiencies and proposals for measures that have emerged from the external audit.

The follow-up is conducted with a focus on AAC Clyde Space's compliance with its regulations and the existence of efficient and appropriate processes for risk management, corporate governance and internal control. The external auditor follows up on selected parts of the internal control within the framework of the statutory audit on an annual basis. The auditor reports the outcome of his or her review to the Board of Directors and executive management. Where applicable, significant observations are reported directly to the Board of Directors.

# AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders in AAC Clyde Space AB  
(publ), corporate identity number 556677-0599

## Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2023 on pages 106-110 and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

## Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 25 April 2024

Öhrlings PricewaterhouseCoopers AB

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Johan Engstam  
Auditor in charge

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Andreas Mattsson  
Authorized Public Accountant

## THE BOARD

According to the Articles of Association, the Board of AAC Clyde Space AB is to consist of no less than three and no more than seven members, with no more than three deputies.

The Board of AAC Clyde Space AB currently consists of five members, including the Chairman, who are all highly qualified individuals with solid entrepreneurial track records combined with skills in business and technological development, industrialisation and commercialisation. The current Board was appointed at the AGM on 25 May 2023 and their assignment lasts until the end of the next AGM on 23 May 2024.

All Board members can be reached via the Company's registered office at Uppsala Science Park, Dag Hammarskjölds väg 48, SE-751 83 Uppsala, Sweden.

The Board's work is governed by the Swedish Companies Act, the Swedish Corporate Governance Code, the Articles of Association and the formal work plan developed by the Board of AAC Clyde Space AB. The Company's formal work plan describes, inter alia, the delegation of responsibilities between the Board and the CEO.

The Board always takes decisions related to the appointment and remuneration of the CEO.

A total of 20 minuted meetings were held in 2023, where the Board discussed the Company's future development, financial development, budget and funding. Operations in the Company were also reviewed. The Board has devoted particular focus to issues pertaining to business strategy, financing and acquisitions.



### Rolf Hallencreutz (1950) Chairman of the Board since 2014

M.Sc., Logistics and Finance, Chalmers University of Technology

Shares: 15,432

Warrants 2022/2025:C: 75,000

Warrants 2023/2026:C: 58,100

Rolf Hallencreutz has experience from start-up and major multinational companies within IT, industrial companies, life science and logistics. Rolf's experiences includes among other fast-growing companies, range from Chairman of the Board, CEO to Sales Manager. As well as an extensive experience from M&A and financing.

Independent in relation to major shareholders.



### Per Aniansson (1966) Board member since 2014

M.Sc., Technical Physics, Chalmers University of Technology; MBA., Finance and Entrepreneurship, INSEAD Business School

Shares: 4,200

Warrants 2022/2025:C: 50,000

Warrants 2023/2026:C: 43,575

Per Aniansson is Investment Director at Karolinska Development and has previously held leading roles within venture capital-owned companies, most recently as Investment Director for state-owned Fouriertransform, CEO and Financial Management roles within leading venture capital-owned companies.

Independent in relation to the Company, Company management and to major shareholders.



### Dr. Dino Lorenzini (1940) Board member since 2023

B.Sc., USAF Academy; S.M., Astronautical Engineering, MIT; ScD, Astronautical Engineering, MIT; MBA, Auburn University

Shares: 624,000 (Dino Lorenzini and family)

Warrants 2022/2025:B: 75,000

Warrants 2023/2026:C: 43,575

Dino, a retired US Air Force Colonel, brings a wealth of space programme know-how and industry experience spanning more than six decades. He tested the Apollo Lunar Module navigation system, early GPS development, DARPA Space-Based Laser, and the Strategic Defense Initiative. An entrepreneur at heart, Dino founded the Eytel IoT system, Ellipso Mobile Satellite System, Aprize Satellite and SpaceQuest (now AAC SpaceQuest), where he has served as CEO for the past 25 years.

Not independent in relation to the Company, Company management and to major shareholders.





**Per Danielsson (1962)**  
Board member since 2014

**M.Sc., Chalmers University of Technology**

**Shares:** 1,726 (private and via company)

**Warrants 2022/2025-C:** 50,000

**Warrants 2023/2026-C:** 43,575

Per Danielsson, expert in evaluating EU applications, carries out assignments for the EU as a business coach for small businesses. His business experience encapsulates everything from organisational development, strategy, international business and financing, through to executing company sales to large global groups.

Independent in relation to the Company, Company management and to major shareholders.



**William Whitehorn (1960)**  
Board member since 2018

**Masters Degree in History, University of Aberdeen**

**Shares:** 10,670 (via company)

**Warrants 2022/2025-C:** 50,000

**Warrants 2023/2026-C:** 43,575

Will Whitehorn was formerly a Director of Virgin Group and President of Virgin Galactic until 2010. He has since pursued a private equity and non executive career. He is currently Chair of Seraphim Space Investment Trust PLC, Good Energy PLC, and Craneware PLC. He has recently been appointed to the UK Government's Space Exploration Advisory Committee.

Independent in relation to the Company, Company management and to major shareholders.

# GROUP MANAGEMENT

The Group management consists of a team of committed people who combine experience of entrepreneurial leadership with solid engineering expertise. The team has broad skills that cover the primary areas in the aerospace industry, from product development in commercial and military projects, and quality control to management of high-tech industrial companies. All members of the Goup management can be reached via the Company's registered office at Uppsala Science Park, Dag Hammarskjölds väg 48, SE-751 83 Uppsala, Sweden.

## Luis Gomes (1971) CEO

M.Sc., Satellite Technology, University of Surrey;  
B.Sc, Applied Physics, University of Lisbon

Employed since: 2019

Shares: 13,489

Warrants 2022/2025:B: 120,000

Warrants 2023/2026:B: 72,625

Luis Gomes has 25 years of experience in the space industry, specialising in the small satellite field. He most recently comes from the British firm SSTL, where he was CTO and Executive Director, responsible for defining and conducting technical and commercial strategies.

## Mats Thideman (1963) CFO and Deputy CEO

M.Sc., Industrial Economics, Linköping Institute  
of Technology

Employed since: 2014

Shares: 9,760

Warrants 2022/2025:A: 75,000

Warrants 2023/2026:A: 58,100

Mats Thideman is responsible for finance and IR. Mats has a long experience as CFO within growing industrial companies, as well as public and venture capital owners, such as Åkerströms, Image Systems (publ.), TracTechnology (publ.), and most recently, Cortus Energy AB (publ.).

## Andrew Strain (1981) CTO

M.Eng., Electrical and Electronic Engineering  
with Business Studies, University of Strathclyde

Employed since: 2006

Shares: 7,640

Warrants 2022/2025:B: 75,000

Warrants 2023/2026:B: 58,100

Andrew has over a decade of experience in developing and delivering small satellites. In his role as CTO, Andrew contributes a wide range of relevant skills such as systems engineering knowledge, product development, manufacturing, project management, quality and business development.

## Kulwinder Bhumbra (1986) CPO

M.Sc., Human Resource Management,  
University of Strathclyde

Employed since: 2021

Shares: 0

Warrants 2022/2025:B: 75,000

Warrants 2023/2026:B: 58,100

Kulwinder has more than 10 years' experience working with both private and not-for-profit sectors with a broad portfolio of HR experience. She focuses on partnering with business leaders at strategic and operational levels to contribute to maximising business performance through our people processes, employee experience and strengthening our culture. She is responsible for working with the Executive Leadership Team to lead in develop our People Strategy to support our long-term business plan.

## Dr. Dino Lorenzini (1940) CSO

B.Sc., USAF Academy; S.M., Astronautical  
Engineering, MIT; ScD, Astronautical Engineering,  
MIT; MBA, Auburn University

Employed since: 1994

Shares: 624,000 (Dino Lorenzini and family)

Warrants 2022/2025:B: 75,000

Warrants 2023/2026:C: 43,575

Dino, a retired US Air Force Colonel, brings a wealth of space programme know-how and industry experience spanning more than six decades. He tested the Apollo Lunar Module navigation system, early GPS development, DARPA Space-Based Laser, and the Strategic Defense Initiative. An entrepreneur at heart, Dino founded the Eyetel IoT system, Ellipso Mobile Satellite System, Aprize Satellite and SpaceQuest (now AAC SpaceQuest), where has served as CEO for the past 25 years.

## Peter Anderson (1982) CCO

B.Eng., Mechanical Engineering, University of  
Glasgow; PgDip., Computer Aided Engineering  
and Analysis, University of West of Scotland

Employed since: 2015

Shares: 7

Warrants 2022/2025:B: 75,000

Warrants 2023/2026:B: 58,100

Peter is responsible for the commercial strategy and development of the business through marketing, sales, product development and customer service activities to drive business growth and market share. Peter brings over 17 years' experience across a variety of engineering and management roles.

**Dr. Andrew Carrel (1978)**  
**President Data and Services**

BA, M.Sc., Natural Sciences, University of Cambridge; M.Sc., Astronautics & Space Engineering, Cranfield University; PhD, Electronic Engineering, University of Surrey Space Centre

**Employed since:** 2021

**Shares:** 222

**Warrants 2022/2025:B:** 75,000

**Warrants 2023/2026:B:** 58,100

Andrew is responsible for the Data and Services business line, which brings the benefits of space data to industries operating on land and at sea. His technical background includes space missions and artificial intelligence, with over 20 years of experience spanning the satellite manufacture and downstream application sectors.

# THE SHARE AND OWNERS

**AAC Clyde Space AB's share is listed on the Nasdaq First North Premier Growth Market under the symbol AAC. The share is also traded on the American OTCQX market under the symbol ACCMF.**

## No. of shares

Share capital at the end of the year was SEK 11.4 M (8.2) across 5,703,835 shares (204,811,010). All shares carry equal rights to the Company's profits and assets.

## Dividend policy

AAC Clyde Space AB is in an expansive growth phase where any surplus capital in operations is re-invested in operations and/or acquisitions. To date, the Company has not distributed any dividends to its shareholders.

## Trading in the AAC Clyde Space AB share

AAC Clyde Space AB's share is traded on Nasdaq First North Premier Growth Market under the symbol AAC. Since 21 August 2020, AAC Clyde Space's share has also been traded on the American OTCQX market under the symbol ACCMF. Carnegie Investment Bank AB (publ) is the Company's Certified Adviser.

During the fourth quarter of 2023, the Company undertook a reverse split of its share, where 50 shares were consolidated into 1 new share. Below has been calculated as if the merger took place on 1 January 20223.

The share declined 44% in 2023, from SEK 80.00 one year earlier to SEK 44.60 on the last trading day. The share traded at SEK 84.75 at its highest and 27.50 at its lowest. The market value at the end of the year was SEK 254 M, compared with SEK 328 M one year earlier.

A total of 3,808,886 AAC Clyde Space shares were traded during the year, representing 80.0% of the average number of shares and a daily average of approximately 15,175.

## Ownership structure

At the end of the year, the ten largest owners controlled approximately 28% of the Company's shares. The number of shareholders totalled 12,188.

SHAREHOLDERS 31 DEC 2023	NO. OF SHARES	VOTES & CAPITAL
CBNY-RJA-CLIENT ASSET ACCT*	624,000	10.94%
Avanza Pension	364,130	6.38%
AESA2104 AB	125,848	2.21%
Nordnet Pensionsförsäkring AB	110,912	1.94%
Walldow, Anders	76,800	1.35%
Soltorpet AB	69,166	1.21%
EUROCLEAR BANK S.A/N.V. W8-IMY	55,078	1.21%
Kock, John	52,750	0.92%
C INT VELD BEHEER B.V	51,700	0.91%
G.L.E MONNA BEHEER B.V	51,700	0.91%
Other	4,121,751	72.26%
<b>TOTAL</b>	<b>5,703,835</b>	<b>100.0%</b>

\* Refers to SpaceQuest's previous owners

## Incentive scheme

An Extraordinary General Meeting on 1 November 2023 resolved to consolidate shares, combining 50 shares into 1 new share. Fifty (50) warrants are now required to subscribe for one (1) share, previously one (1) warrant was required to subscribe for one (1) share. The subscription prices have also been recalculated following the consolidation. The warrants were issued free of charge. The warrants are not transferable.

The Annual General Meeting of AAC Clyde Space in June 2020 resolved on the directed issue of warrants to the Board and to employees in Sweden and the UK. Fifty warrants entitled the holder to subscribe for one new share at the subscription price of SEK 211,11 per share. The warrants could be exercised to subscribe for shares during the period through 1 July 2023 until 31 December 2023. No exercises were carried out since the subscription price were higher than the actual share price during the period:

- As of 31 December 2023, Board members had subscribed for 192,000 warrants (incentive scheme 2020/2023:C)
- As of 31 December 2023, employees in Sweden had subscribed for 365,336 warrants (incentive scheme 2020/2023:A)
- As of 31 December 2023, employees in the UK had subscribed for 1,056,000 warrants (incentive scheme 2020/2023:B)

The Annual General Meeting of AAC Clyde Space in May 2022 resolved on a directed issue of warrants to the Board and to all employees. Fifty warrants entitle the holder to subscribe for one new share at the subscription price of SEK 94.65 per share. The warrants can be exercised during the period through 1 July 2025 until 31 December 2025:

- As of 31 December 2023, Board members had subscribed for 291,667 warrants (incentive scheme 2022/2025:C)
- As of 31 December 2023, employees in Sweden had subscribed for 1,216,666 warrants (incentive scheme 2022/2025:A)
- As of 31 December 2023, employees outside of Sweden had subscribed for 1,685,000 warrants (incentive scheme 2022/2025:B)

A total of 3,193,333 warrants have been subscribed for, which entails a potential dilution effect of around 1% and that AAC Clyde Space will potentially raise approximately SEK 6.0 M.

The Annual General Meeting of AAC Clyde Space in May 2023 resolved on a directed issue of warrants to the Board and to all employees. Fifty warrants entitle the holder to subscribe for one new share at a subscription price of SEK 37.66 per share. The warrants can be exercised during the period through 1 July 2026 until 31 December 2026:

- As of 31 December 2023, Board members had subscribed for 275,975 warrants (incentive scheme 2023/2026:C)
- As of 31 December 2023, employees in Sweden had subscribed for 769,825 warrants (incentive scheme 2023/2026:A)
- As of 31 December 2023, employees outside of Sweden had subscribed for 1,830,150 warrants (incentive scheme 2023/2026:B)

A total of 2,875,950 warrants have been subscribed for, which entails a potential dilution effect of around 1% and that AAC Clyde Space will potentially raise approximately SEK 2.2 M.

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