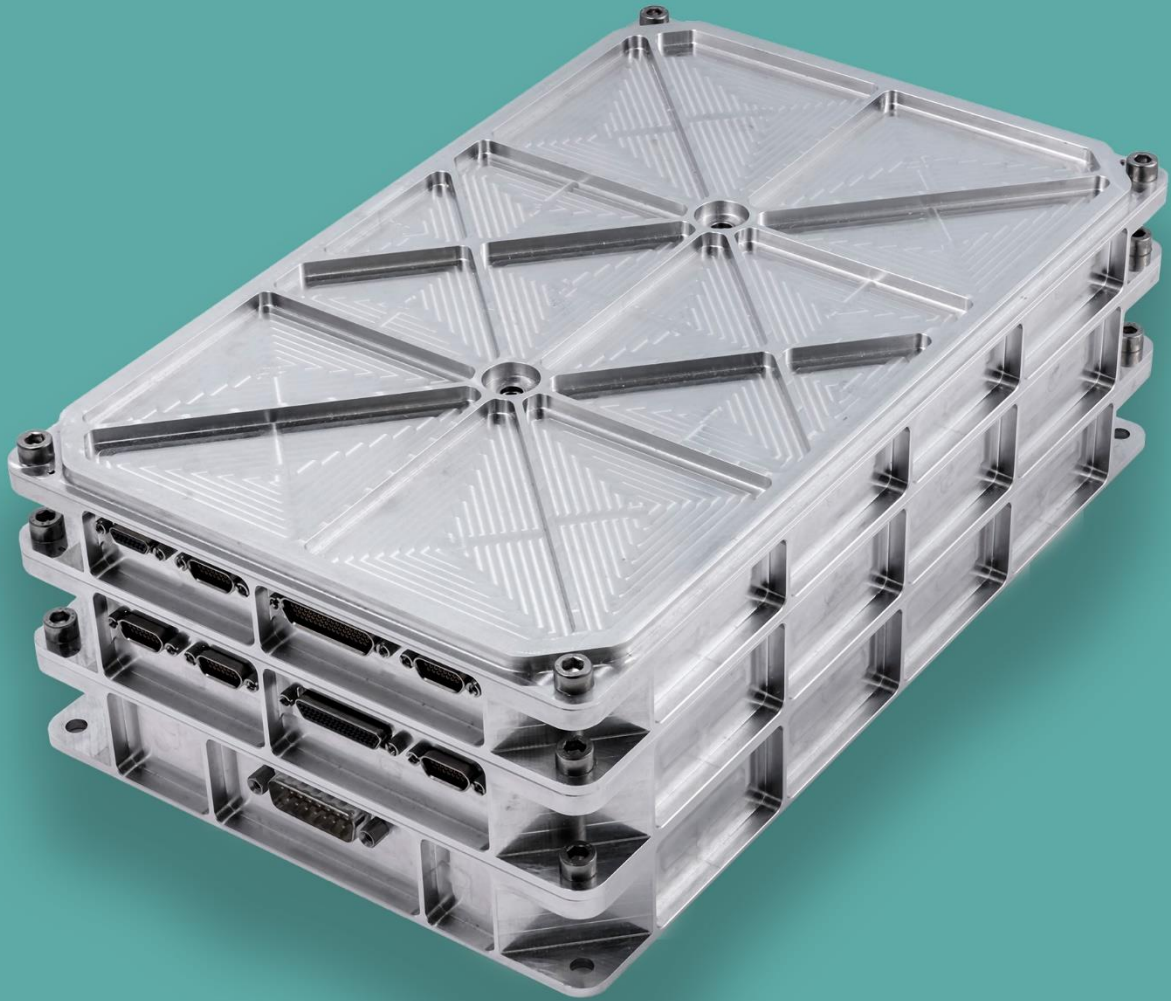




AAC  
CLYDE  
SPACE



AAC Clyde Space AB

# INTERIM REPORT, Q2 2020

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## **Second quarter, April–June 2020 (compared with April–June 2019)**

- Net sales amounted to SEK 18.5 M (16.7)
- Earnings before interest, tax, depreciation and amortisation (EBITDA) totalled SEK -7.5 M (-7.7)
- Earnings before interest and tax (EBIT) totalled SEK -10.3 M (-10.8)
- The loss after tax was SEK -10.5 M (-11.0)
- Basic and diluted earnings per share amounted to SEK -0.11 (-0.14)
- Cash flow from operating activities totalled SEK -0.4 M (-3.6)
- The order backlog amounted to SEK 164 M (126 M)

## **January–June 2020 (compared with January–June 2019)**

- Net sales amounted to SEK 42.4 M (31.7)
- Earnings before interest, tax, depreciation and amortisation (EBITDA) totalled SEK -13.7 M (-14.2)
- Earnings before interest and tax (EBIT) totalled SEK -19.5 M (-20.7)
- The loss after tax was SEK -20.0 M (-21.1)
- Basic and diluted earnings per share amounted to SEK -0.21 (-0.29)
- Cash flow from operating activities totalled SEK -6.5 M (-8.6)

## **Significant events in the second quarter of 2020**

- AAC Clyde Space Glasgow received a GBP 2.3 M (approx. SEK 27 M) grant from Scottish Enterprise to develop next generation nano and small satellites
- The US firm Moog selected AAC Clyde Space to develop a new solar panel for Moog's new Small Launch Orbital Manoeuvring Vehicle (SL-OMV), a space tug designed to transport and deploy CubeSat constellations in their final orbit. The order value is GBP 340,000 (approx. SEK 4 M)
- Loft Orbital of the US expanded a previous order with the addition of a USD 250,000 (approx. SEK 2 M) order for power systems for two satellites
- The US firm Orbital Micro Systems (OMS) placed an order valued at GBP 642,000 (approx. SEK 7 M) for a 6U satellite. The satellite will be included in the OMS commercial constellation, which aims to deliver accurate and timely weather information
- AAC Clyde Space appointed John Charlick, COO, and Ross Lang, UK Head of Finance, to the executive management team.
- COVID-19 impacted the order intake during the period, with customers postponing orders and revenue recognition were impacted by suppliers not delivering to schedule due to the virus

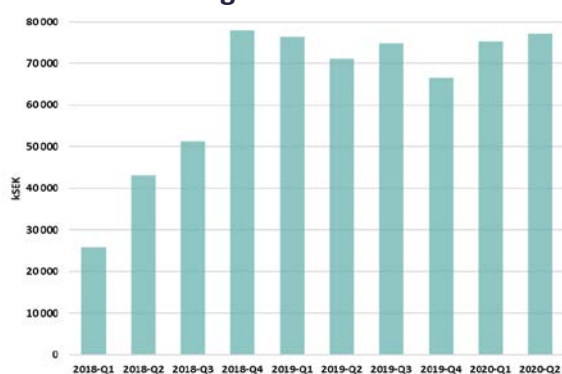
## **Significant events after the end of the reporting period**

- Trading commenced in the shares of AAC Clyde Space on OTC markets in the US
- AAC Clyde Space, Saab and ORBCOMM are building the next generation of maritime communication. AAC Clyde Space received a total of SEK 17.0 M, of which SEK 12.2 M comprised a grant from the Swedish Transport Administration
- AAC Clyde Space appointed Peter Anderson as Vice President Business Development, who also joins the Group's management team

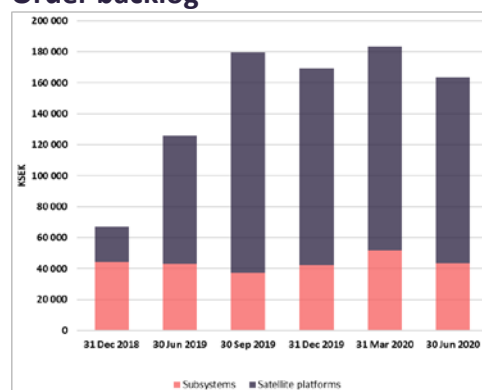
## Financial overview – Group

kSEK	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun	full-year
	2020	2019	2020	2019	
Net sales	18 538	16 725	42 372	31 663	66 435
EBITDA	-7 517	-7 700	-13 744	-14 180	-27 297
EBIT	-10 334	-10 824	-19 462	-20 755	-40 191
Basic and diluted earnings per share, SEK	-0,11	-0,14	-0,21	-0,29	-0,48
Equity/assets ratio	86%	88%	86%	88%	85%
Cash flow from operating activities	-364	-3 569	-6 527	-8 638	-15 706
Cash flow for the period	-6 320	63 627	-17 061	61 512	40 064
Cash and cash equivalents	35 161	73 659	35 161	73 659	52 380
Order backlog	163 558	125 674	163 558	125 674	169 212

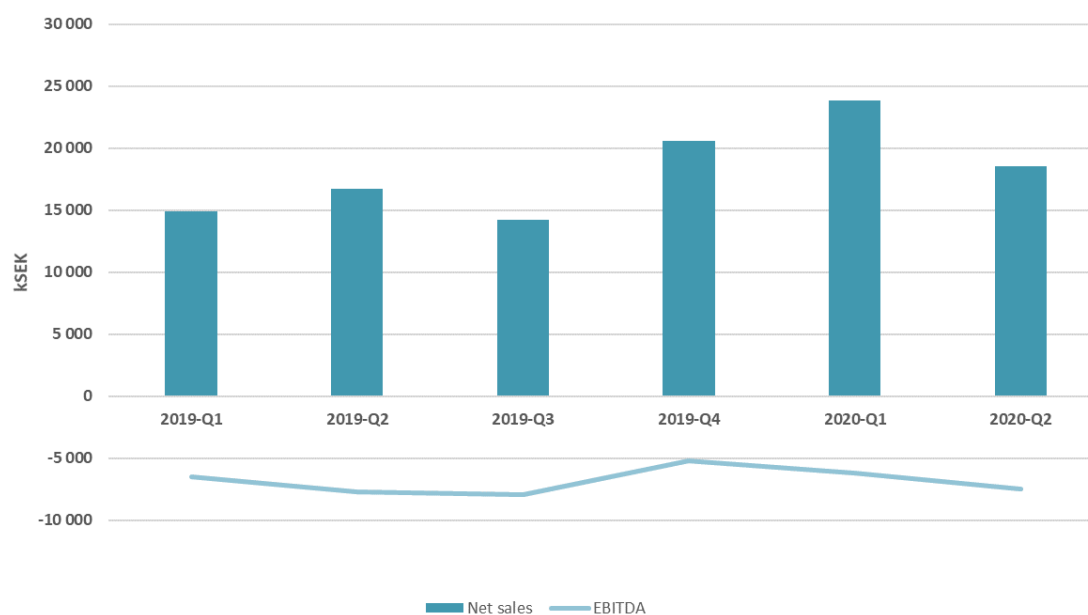
### Net sales – Rolling 12 months



### Order backlog



### Net sales and EBITDA broken down by quarter





### Comments from the CEO

And just like that, the first half of 2020 has passed. The past six months have turned out to be eventful, unpredictable, and very different from what we had planned. As COVID-19 hit, we took a proactive approach to managing the pandemic with the aim to find ways to continue our business as well as possible.

Our approach resulted in revenue for the first half of 2020 increasing by 34%, and close to positive cash flow from operations during the second quarter. Despite the rather strong development, our growth was held back by the pandemic. Cleanrooms and production areas were re-configured to enable social distancing, which lowered production throughput. Some suppliers struggled to deliver on time, causing delays and thus slowing revenue recognition.

Looking further out, we closed several contracts, in total worth more than 14 million SEK, including orders for one satellite and orders for several major subsystems, resulting in a stable order backlog at 164 million SEK. We notice that the impact of the pandemic on our prospective and existing customers has been mixed, with several customers delaying orders until later in the year or into next year, although the underlying strong growth in our market remains intact.

I am very pleased that in August we were able to announce a major project together with two very strong partners, Saab and Orbcomm. Our aim is to together bring the next generation of maritime communication based on the VDES standard to the market. We will start building the first satellite of a planned future constellation later this year and deliver it as a Space as a Service project. The satellite will ultimately deliver both a VDES service as well as traditional maritime AIS data which we already collaborate on with Orbcomm. This first step in the projects is valued at 17 million SEK, intended to be followed by several more.

For AAC Clyde Space, the VDES projects also marks another highlight: the start of satellite production in Uppsala. By bringing satellite production capability to Sweden, we will increase our capacity and de-risk our production with two fully capable plants. And in Glasgow, our main hub for satellite production, we are developing our next generation of satellites, tailored for larger constellations. To that end, we secured a grant from Scottish Enterprise worth £2.3million (approximately 26 million SEK) for developing what we call our Scalable Architecture solutions.

Despite having met with these successes recently, the uncertainty caused by the pandemic forces us to be cautious about the future. As it requires us to grow strongly, achieving our objective of positive EBITDA and operational cash flow in 2021 may prove difficult under current circumstances. To allow us to continue to keep pace with the development of the next generations of nano- and small satellites, counteract the effects of delayed customer orders and delayed deliveries from subcontractors, we are considering various alternatives to strengthen our financing with the overall to continue and reinforce our leadership in the small satellite field.

As part of our strategy to expand our investor base, we decided to trade AAC Clyde Space's shares in the US through the OTCQX market. This will make it easier for US investors to access and trade our shares, allowing trading in US dollars, in the US and during US trading hours. The shares are traded under the ticker ACCMF. The US market represents more than 30% of our sales and this will make it easier for investors in the US to share in our ambitious plans to grow our company.

The second half of 2020 will certainly continue to be eventful as we prepare to deliver three satellites, continue the assembly of another five, launch and commission two others and complete several complex subsystems. And we will be starting our next project, the VDES satellite in collaboration with Saab AB and Orbcomm Inc.

Finally, I would like to thank all my colleagues, who over the last few months, through their dedication and effort, have kept our business operating as close to normal as possible. Their resourcefulness during the past months gives me the confidence that we will be able to successfully navigate the next few months of this exceptional period.

**Luis Gomes**  
**CEO**

## FINANCIAL OVERVIEW

### Second quarter 2020

#### Sales and earnings

The order backlog amounted to SEK 164 M at the end of the second quarter, compared with SEK 126 M a year earlier and SEK 183 M at the end of the first quarter. The decrease in the order backlog during the second quarter was mainly due to exchange rate differences as the Swedish krona strengthened during the period.

Net sales increased 11% during the quarter to SEK 18.5 M (16.7). Sales of satellite platforms increased 182% and comprised 64% (25) of total sales, with the remainder pertaining to sales of subsystems. The gross margin fell to 47% (58), mainly as a result of net sales comprising a lower share of standard products. Total revenue amounted to SEK 20.9 M (19.6).

EBITDA totalled SEK -7.5 M (-7.7). EBIT totalled SEK -10.3 M (-10.8) and the loss after tax was SEK -10.5 M (-11.0).

### January–June 2020

#### Sales and earnings

Net sales increased 34% during the period to SEK 42.4 M (31.7). Sales of satellite platforms comprised 55% (25) of total sales, with the remainder pertaining to sales of subsystems. Net sales included a larger share of third-party products and a lower share of standard products than normal, which resulted in a year-on-year lower gross margin. The gross margin amounted to 47% (55). Total revenue amounted to SEK 48.2 M (37.0).

EBITDA totalled SEK -13.7 M (-14.2). EBIT totalled SEK -19.5 M (-20.7) and the loss after tax was SEK -20.0 M (-21.1).

#### Investments and financial position

The Group's investments in non-current assets for the period totalled SEK 9.0 M (1.6), of which intangible assets accounted for SEK 8.7 M (0.6). Investment in intangible assets mainly comprised development expenses related to the ORBCOMM project and the development of next generation nano and small satellites, which is 50% financed by Scottish Enterprise. The share of the development expenses that are not covered by the GBP 2.3 M grant from Scottish Enterprise is recognised on an ongoing basis under intangible assets. Scottish Enterprise normally makes quarterly disbursements in arrears after meeting milestones.

Available cash and cash equivalents as of 30 June 2020 totalled SEK 35.2 M, compared with SEK 52.4 M at year end. Moreover, the Group has an unutilised bank overdraft facility of SEK 5 M. To maintain the development pace of the next generation nano and small satellites as well as to offset the effects of postponed customer orders and delayed supplier deliveries, the Board is considering various alternatives to strengthen financing.

Cash flow from operating activities improved for the period to SEK -6.5 M (-8.6) following cash flow from operating activities for the second quarter amounting to SEK -0.4 M (-3.6).

Accounts receivable rose to SEK 10.9 M (7.8), mainly due to invoicing being triggered through reaching milestones for ongoing projects and to product deliveries. Current liabilities increased to SEK 46.4 M (35.4), principally due to prepayments from customers and unearned revenue.

The equity/assets ratio amounted to 86% (88).

#### Personnel and organisation

There were 97 employees (89) at the end of the period.

#### Parent Company

Parent Company net sales for the period totalled SEK 15.3 M (14.0), and the loss after tax was SEK -8.1 M (-9.9). Investments in non-current assets amounted to SEK 0.0 M (0.5). The equity/assets ratio amounted to 98% (97).

### **The share**

Since 21 December 2016, AAC Clyde Space's share has been traded on Nasdaq First North Stockholm, under the symbol AAC. In March 2019, the listing was moved to Nasdaq First North Premier Growth Market.

As of 30 June 2020, 96,207,759 shares had been issued at a quotient value of SEK 0.04 per share. All shares carry equal rights to the company's profits and assets. On 30 June 2020, the number of shareholders totalled 6,042. A table with the largest shareholders is shown on page 13 in this report.

Personnel and a limited circle of Board members have subscribed for 19,380 TO 2015/2020 warrants, whereby each warrant conveys the right to subscribe for 50 new shares at a subscription price of SEK 4.80 per share. The warrants can be exercised up to and including 31 December 2020. As of 30 June 2020, 420 options have been exercised and 18,960 warrants remain outstanding. The remaining warrants convey the right to subscribe for 948,000 shares.

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. Each warrant entitles the holder to subscribe for one new share at the subscription price of SEK 4.26 per share. The warrants can be exercised to subscribe for shares during the period through 1 July 2023 until 31 December 2023. As of 30 June 2020:

- Board members had subscribed for 192,000 warrants of the 192,000 warrants issued (incentive scheme 2020/2023:C)
- employees in Sweden had subscribed for 408,000 warrants of the 928,000 warrants issued (incentive scheme 2020/2023:A)
- the subscription period for 2,912,000 warrants has yet to conclude in the UK (incentive scheme 2020/2023:B)

A total of 4,032,000 warrants have been issued, which entails a potential dilution effect of around 4%.

### **Related-party transactions**

During the period, Board members have invoiced the company under market conditions for the performance of consultant services linked to the company's operations. The services were performed primarily by the Chairman of the Board, refer to Note 6.

### **Significant events after the end of the reporting period**

AAC Clyde Space AB, SAAB AB and ORBCOMM Inc. will develop the next generation orbital VDES system, which entails the start of a new era for maritime communication. AAC Clyde Space AB received a total of SEK 17.0 M, of which SEK 12.2 M comprised a grant from the Swedish Transport Administration, to manufacture, launch and commission the project's first satellite. The satellite is expected to be the first of a future constellation designated for VDES services. Launch of the EPIC 3U satellite is scheduled for mid-2022 and will be the first satellite to be assembled at AAC Clyde Space's new satellite assembly facility in Uppsala. The satellite will have a VHF Data Exchange System (VDES) payload from Saab for two-way communication between the satellite and the ground. ORBCOMM will integrate the satellite data at its existing distribution centre for maritime communication. The first demonstration satellite is expected to be followed by a larger satellite constellation to form part of the maritime communication infrastructure.

From 19 August 2020, AAC Clyde Space shares are traded on the OTCQX market under the symbol "ACCMF". As a company traded on the OTCQX, AAC Clyde Space can benefit from increased availability and visibility for investors in the US. Current financial information and real time quotations for the share are available at <http://www.otcmarkets.com>.

The decision to join the OTCQX market supports the company's strategy of expanding its operations in the US, the world's largest and most dynamic small satellite market.

### **Significant risks and uncertainties**

An account of the Group's material financial and business risks can be found in the administration report and under Note 3 in the 2019 Annual Report. To date, COVID-19 has only marginally affected operations, but it remains impossible to estimate its final impact on the Group. No further significant risks are deemed to have arisen during the period.

### Reporting calendar

Interim Report Jan–Sep 2020 26 Nov 2020  
Year-end Report 2020 18 Feb 2021

The Annual Report and interim reports are available on the company's website: [www.aac-clyde.space](http://www.aac-clyde.space).

### Certification

The Board of Directors and CEO give their assurance that the report for the period January–June 2020 provides a true and fair account of the Parent Company's and Group's operations, financial position and results, and that it describes the material risks and uncertainties faced by the Parent Company and the companies that form the Group.

Uppsala, 27 August 2020

Rolf Hallencreutz Chairman of the Board	Per Aniansson Board member	Per Danielsson Board member
Will Whitehorn Board member	Anita Bernie Board member	Luis Gomes CEO

This report has not been audited.

### Questions may be directed to:

CEO Luis Gomes, [investor@aac-clydespace.com](mailto:investor@aac-clydespace.com)  
CFO Mats Thideman, [investor@aac-clydespace.com](mailto:investor@aac-clydespace.com), mobile +46 (0)70-556 09 73

### About AAC Clyde Space

*The AAC Clyde Space Group offers customised, turnkey services from design to operation of satellite systems in orbit, including reliable satellite platforms from 1 to 50 kg. In addition, we provide a complete offering of CubeSat and small satellite subsystems. AAC Clyde Space's unparalleled flight heritage and comprehensive offerings allow customers to achieve their goals with a single, reliable partner.*

*AAC Clyde Space AB (Corp. Reg. No. 556677-0599) has its registered office in Uppsala at Uppsala Science Park, Dag Hammarskjölds väg 48, SE-751 83 Uppsala, Sweden.*

*AAC Clyde Space's shares have been admitted to trading on Nasdaq First North Growth Market. Erik Penser Bank AB, e-mail [certifiedadviser@penser.se](mailto:certifiedadviser@penser.se), telephone +46 (0)8-463 83 00, is the company's Certified Adviser*



# FINANCIAL STATEMENTS

## Condensed consolidated statement of comprehensive income

kSEK	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	full-year 2019
Net sales	18 538	16 725	42 372	31 663	66 435
Work performed by the company for its own use and capitalised	3 120	554	4 905	1 481	2 975
Other operating income	2 343	2 857	5 830	5 354	11 172
<b>TOTAL</b>	<b>24 001</b>	<b>20 136</b>	<b>53 107</b>	<b>38 498</b>	<b>80 582</b>
Raw materials and subcontractors	-9 745	-7 042	-22 605	-14 199	-27 442
Personnel costs	-13 272	-12 410	-28 913	-24 941	-51 791
Other external expenses	-5 314	-5 851	-10 280	-11 242	-23 653
Other operating expenses	-3 187	-2 533	-5 053	-2 296	-4 993
<b>EBITDA</b>	<b>-7 517</b>	<b>-7 700</b>	<b>-13 744</b>	<b>-14 180</b>	<b>-27 297</b>
Depreciation/amortisation and impairment of tangible and intangible assets	-2 817	-3 124	-5 718	-6 575	-12 894
<b>EBIT</b>	<b>-10 334</b>	<b>-10 824</b>	<b>-19 462</b>	<b>-20 755</b>	<b>-40 191</b>
Financial income	57	13	141	21	103
Financial expenses	-366	-315	-1 026	-553	-947
<b>Net financial items</b>	<b>-309</b>	<b>-302</b>	<b>-885</b>	<b>-532</b>	<b>-844</b>
Income tax	111	99	332	180	473
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-10 532</b>	<b>-11 027</b>	<b>-20 015</b>	<b>-21 107</b>	<b>-40 562</b>
<b>Other comprehensive income:</b>					
<i>Items that may be transferred to profit or loss</i>					
Exchange-rate differences	-21 235	-7 323	-17 080	9 766	21 345
<b>Other comprehensive income for the period</b>	<b>-21 235</b>	<b>-7 323</b>	<b>-17 080</b>	<b>9 766</b>	<b>21 345</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-31 767</b>	<b>-18 350</b>	<b>-37 095</b>	<b>-11 341</b>	<b>-19 217</b>

Profit/loss for the period and total comprehensive income are, in their entirety, attributable to Parent Company shareholders.

## Earnings per share, based on profit for the period attributable to Parent Company shareholders

SEK	Apr–Jun 2020	apr–jun 2019	jan–jun 2020	jan–jun 2019	helår 2019
Average no. of shares – basic	96 207 759	77 882 472	96 207 759	73 301 151	84 754 455
No. of shares at end of period	96 207 759	96 207 759	96 207 759	77 882 472	96 207 759
Average no. of shares – diluted	96 207 759	77 911 411	96 207 759	73 301 151	96 207 759
Basic and diluted earnings per share	-0,11	-0,14	-0,21	-0,29	-0,48

## Condensed consolidated statement of financial position

kSEK	30 Jun 2020	30 Jun 2019	31 Dec 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	404 442	399 496	418 646
Tangible assets	15 576	19 772	18 262
<b>Total non-current assets</b>	<b>420 018</b>	<b>419 268</b>	<b>436 908</b>
<b>Current assets</b>			
Inventories	13 869	12 962	13 108
Accounts receivable	10 870	7 773	17 743
Other receivables	18 831	23 119	25 247
Cash and cash equivalents	35 161	73 659	52 380
<b>Total current assets</b>	<b>78 731</b>	<b>117 513</b>	<b>108 478</b>
<b>TOTAL ASSETS</b>	<b>498 749</b>	<b>536 781</b>	<b>545 386</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Parent Company shareholders</b>	<b>428 940</b>	<b>474 094</b>	<b>466 095</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	278	763	771
Lease liabilities	9 309	12 658	11 253
Deferred tax liabilities	3 350	4 049	3 911
<b>Total non-current liabilities</b>	<b>12 937</b>	<b>17 470</b>	<b>15 935</b>
<b>Current liabilities</b>			
Accounts payable	10 502	9 853	9 763
Other liabilities	46 370	35 364	53 593
<b>Other current liabilities</b>	<b>56 872</b>	<b>45 217</b>	<b>63 356</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>498 749</b>	<b>536 781</b>	<b>545 386</b>

## Condensed consolidated statement of changes in equity

kSEK	Share capital	Ongoing new issue	Other contributed capital	Reserves	Retained earnings incl. profit/loss for the period	Total equity
<b>Opening balance, 1 January 2019</b>	2 749	0	542 116	6 945	-139 755	412 056
Profit/loss for the period					-21 108	-21 108
Other comprehensive income				9 747		9 747
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9 747</b>	<b>-21 108</b>	<b>-11 361</b>
<b>Transactions with shareholders</b>						
Rights issue	1 100		81 364			82 464
Issue expenses			-9 066			-9 066
<b>Closing balance, 30 June 2019</b>	<b>3 849</b>	<b>0</b>	<b>614 414</b>	<b>16 692</b>	<b>-160 863</b>	<b>474 094</b>
<b>Opening balance, 1 January 2019</b>	2 749	0	542 116	6 945	-139 755	412 056
Profit/loss for the period					-40 562	-40 562
Other comprehensive income				21 325		21 325
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21 325</b>	<b>-40 562</b>	<b>-19 237</b>
<b>Transactions with shareholders</b>						
Rights issue	1 100		81 364			82 464
Issue expenses	0		-9 189			-9 189
<b>Closing balance, 31 December 2019</b>	<b>3 849</b>	<b>0</b>	<b>614 291</b>	<b>28 270</b>	<b>-180 317</b>	<b>466 095</b>
<b>Opening balance, 1 January 2020</b>	3 849	0	614 291	28 270	-180 317	466 095
Profit/loss for the period					-20 015	-20 015
Other comprehensive income				-17 141		-17 141
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-17 141</b>	<b>-20 015</b>	<b>-37 156</b>
<b>Closing balance, 30 June 2020</b>	<b>3 849</b>	<b>0</b>	<b>614 291</b>	<b>11 129</b>	<b>-200 332</b>	<b>428 940</b>

Equity is attributable in its entirety to Parent Company shareholders.

## Condensed consolidated statement of cash flows

kSEK	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	full-year 2019
<b>Cash flow from operating activities before changes in working capital</b>	-7 951	-8 007	-14 639	-14 718	-28 153
Total changes in working capital	7 587	4 438	8 112	6 080	12 447
<b>Cash flow from operating activities</b>	<b>-364</b>	<b>-3 569</b>	<b>-6 527</b>	<b>-8 638</b>	<b>-15 706</b>
<b>Cash flow from investing activities</b>	-5 153	-375	-8 969	-1 641	-13 936
<b>Cash flow from financing activities</b>	-803	67 571	-1 565	71 791	69 706
<b>CASH FLOW FOR THE PERIOD</b>	<b>-6 320</b>	<b>63 627</b>	<b>-17 061</b>	<b>61 512</b>	<b>40 064</b>
Cash and cash equivalents at start of period	41 669	10 122	52 380	12 237	12 237
Exchange-rate differences in cash and cash equivalents	-188	-90	-158	-90	80
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>35 161</b>	<b>73 659</b>	<b>35 161</b>	<b>73 659</b>	<b>52 381</b>

## Condensed Parent Company income statement

kSEK	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	full-year 2019
Net sales	5 058	6 485	15 310	14 005	28 346
Work performed by the company for its own use and capitalised	658	-	1 304	520	702
Other operating income	210	116	725	1 005	1 151
<b>Total operating income</b>	<b>5 926</b>	<b>6 601</b>	<b>17 339</b>	<b>15 530</b>	<b>30 199</b>
Raw materials and subcontractors	-2 278	-2 008	-6 992	-4 399	-8 915
Personnel costs	-4 685	-5 430	-9 576	-10 514	-19 590
Other external expenses	-3 417	-3 943	-6 340	-8 105	-15 217
Other operating expenses	-407	-145	-461	-442	-618
<b>EBITDA</b>	<b>-4 861</b>	<b>-4 925</b>	<b>-6 030</b>	<b>-7 930</b>	<b>-14 141</b>
Depreciation/amortisation and impairment of tangible and intangible assets	-1 064	-1 250	-2 133	-2 453	-4 914
<b>EBIT</b>	<b>-5 925</b>	<b>-6 175</b>	<b>-8 163</b>	<b>-10 383</b>	<b>-19 055</b>
Other interest income and similar profit/loss items	364	312	629	547	978
Interest expenses and similar profit/loss items	-118	-93	-582	-100	-102
Impairment of shares in subsidiaries	-	-	-	-	-
<b>Total earnings from financial items</b>	<b>246</b>	<b>219</b>	<b>47</b>	<b>447</b>	<b>876</b>
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>-5 679</b>	<b>-5 956</b>	<b>-8 116</b>	<b>-9 936</b>	<b>-18 179</b>
Tax on profit/loss for the period	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>-5 679</b>	<b>-5 956</b>	<b>-8 116</b>	<b>-9 936</b>	<b>-18 179</b>

In the Parent Company, no items are recognised in other comprehensive income and, therefore, total comprehensive income for the period was consistent with earnings for the period.

## Condensed Parent Company balance sheet

kSEK	30 Jun 2020	30 Jun 2019	31 Dec 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	3 797	8 315	5 930
Tangible assets	-	76	-
Receivables from Group companies	21 726	-	10 895
Financial assets	324 592	296 328	324 592
<b>Total non-current assets</b>	<b>350 115</b>	<b>304 719</b>	<b>341 417</b>
<b>Current assets</b>			
Inventories	3 131	4 127	3 269
Accounts receivable	4 807	2 960	6 607
Receivables from Group companies	1 772	29 606	92
Other receivables	8 536	9 414	9 474
Cash and bank balances	32 617	67 844	50 153
<b>Total current assets</b>	<b>50 863</b>	<b>113 951</b>	<b>69 595</b>
<b>TOTAL ASSETS</b>	<b>400 978</b>	<b>418 670</b>	<b>411 012</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity	5 413	8 956	7 417
Unrestricted equity	386 085	399 024	392 197
<b>Total equity</b>	<b>391 498</b>	<b>407 980</b>	<b>399 614</b>
<b>Non-current liabilities</b>			
Other liabilities to credit institutions	-	-	-
<b>Total non-current liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Current liabilities</b>			
Accounts payable	2 148	3 280	3 564
Liabilities to Group companies	103	103	103
Other liabilities	7 229	7 307	7 731
<b>Other current liabilities</b>	<b>9 480</b>	<b>10 690</b>	<b>11 398</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>400 978</b>	<b>418 670</b>	<b>411 012</b>

## Shareholders as of 30 June 2020

SHAREHOLDERS	NO. OF SHARES	VOTES & CAPITAL
Mediuminvest A/S	13 385 000	13,9%
UBS SWITZERLAND AG, W8IMY	9 953 359	10,3%
Fouriertransform AB	9 057 150	9,4%
SIX SIS AG, W8IMY	6 721 402	7,0%
Försäkringsaktiebolaget, Avanza Pension	3 645 135	3,8%
BNY MELLON SA/NV (FORMER BNY), W8IMY	2 508 839	2,6%
Nordnet Pensionsförsäkring AB	2 261 544	2,4%
Petersen, Jan	2 019 479	2,1%
Kock, John	1 467 893	1,5%
Danske Bank International S.A.	1 019 800	1,1%
Other	44 168 158	45,9%
<b>TOTAL</b>	<b>96 207 759</b>	<b>100,0%</b>

## NOTES

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### Note 1 General information

AAC Clyde Space AB (publ) 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.

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

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### Note 2 Summary of significant accounting policies

This Interim Report has been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The Parent Company's interim report has been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 of the Swedish Financial Reporting Board.

The accounting policies applied agree with those described in the AAC Clyde Space Group's Annual Report for 2019.

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### Note 3 Segment information

#### Description of segments and primary activities

AAC Clyde Space's strategic steering group, consisting of its Chief Executive Officer, Vice President Business Development, Chief Financial Officer, Chief Strategy Officer, Chief Operating Officer, Chief Technology Officer and UK Head of Finance, 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. Company 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 two reportable segments in the Group's operations:

#### AAC Clyde Space, operations in Sweden

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

#### AAC Clyde Space, operations in Scotland

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

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

#### EBITDA

	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Jan–Dec 2019
AAC Clyde Space	-4,628	-4,470	-5,476	-6,443	-13,667
Clyde Space	-2,889	-3,230	-8,268	-7,737	-13,630
<b>Total EBITDA</b>	<b>-7,517</b>	<b>-7,700</b>	<b>-13,744</b>	<b>-14,180</b>	<b>-27,297</b>

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

	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	Jan–Dec 2019
<b>Total EBITDA</b>	<b>-7,517</b>	<b>-7,700</b>	<b>-13,744</b>	<b>-14,180</b>	<b>-27,297</b>
Net financial items	-309	-302	-885	-532	-844
Depreciation and amortisation of tangible and intangible assets	-2,817	-3,124	-5,718	-6,575	-12,894
<b>Earnings before tax</b>	<b>-10,643</b>	<b>-11,126</b>	<b>-20,347</b>	<b>-21,287</b>	<b>-41,035</b>

## Note 4 Net sales

### Income

Sales between segments are carried out at arm's length. 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.

#### April–June 2020

	Clyde Space	AAC Clyde Space	Other	Total
Income by segment	13,742	5,058	–	18,800
Income from other segments	–	-262	–	-262
<b>Income from external customers</b>	<b>13,742</b>	<b>4,796</b>	<b>0</b>	<b>18,538</b>
Satellite platforms	11,842	–	–	11,842
Subsystems	1,900	4,796	–	6,696
Licenses/Royalties	–	–	–	–
<b>Total</b>	<b>13,742</b>	<b>4,796</b>	<b>0</b>	<b>18,538</b>

#### April–June 2019

	Clyde Space	AAC Clyde Space	Other	Total
Income by segment	10,375	6,350	–	16,725
Income from other segments	–	–	–	0
<b>Income from external customers</b>	<b>10,375</b>	<b>6,350</b>	<b>0</b>	<b>16,725</b>
Satellite platforms	4,202	–	–	4,202
Subsystems	6,173	6,236	–	12,409
Licenses/Royalties	–	114	–	114
<b>Total</b>	<b>10,375</b>	<b>6,350</b>	<b>0</b>	<b>16,725</b>

#### January–June 2020

	Clyde Space	AAC Clyde Space	Other	Total
Income by segment	27,607	15,310	–	42,917
Income from other segments	–	-545	–	-545
<b>Income from external customers</b>	<b>27,607</b>	<b>14,765</b>	<b>0</b>	<b>42,372</b>
Satellite platforms	23,311	–	–	23,311
Subsystems	4,296	14,765	–	19,061
Licenses/Royalties	–	–	–	–
<b>Total</b>	<b>27,607</b>	<b>14,765</b>	<b>0</b>	<b>42,372</b>



#### January–June 2019

	Clyde Space	AAC Clyde Space	Other	Total
Income by segment	17,884	13,779	–	31,663
Income from other segments	–	–	–	0
<b>Income from external customers</b>	<b>17,884</b>	<b>13,779</b>	<b>0</b>	<b>31,663</b>
Satellite platforms	7,861	–	–	7,861
Subsystems	10,023	13,665	–	23,688
Licenses/Royalties	–	114	–	114
<b>Total</b>	<b>17,884</b>	<b>13,779</b>	<b>0</b>	<b>31,663</b>

#### January–December 2019

	Clyde Space	AAC Clyde Space	Other	Total
Income by segment	40,427	28,346	–	68,773
Income from other segments	-375	-1,963	–	-2,338
<b>Income from external customers</b>	<b>40,052</b>	<b>26,383</b>	<b>0</b>	<b>66,435</b>
Satellite platforms	20,403	–	–	20,403
Subsystems	19,649	26,269	–	45,918
Licenses/Royalties	–	114	–	114
<b>Total</b>	<b>40,052</b>	<b>26,383</b>	<b>0</b>	<b>66,435</b>

### Note 5 Financial instruments — Fair value of financial liabilities measured at fair value through profit or loss

As of 30 June 2020, there were no financial liabilities measured at fair value. At 30 June 2020, the fair value for foreign currency forwards amounted to kSEK -760 (0) and was recognised in other current liabilities in the balance sheet, and changes in value were recognised in other operating expenses in the statement of comprehensive income. Fair values for foreign currency forwards are found in Level 2 of the fair value hierarchy.

Definitions of the levels in the fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: 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: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The carrying amounts for liabilities to credit institutions recognised at amortised cost correspond with their fair values for the current period and the comparative period.

### Note 6 Related-party transactions

During the period, three Board members invoiced the company kSEK 503 (504) at market rates for the performance of consultant services linked to the company's operations. The services were primarily performed by the Chairman of the Board.

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## Note 7 Financial key performance indicators

### Definitions of key performance indicators

Equity/assets ratio, %	Equity divided by total assets
EBITDA	Operating profit/loss before depreciation/amortisation of tangible and intangible assets
Order backlog	The total at the end of the period of remaining unearned project revenue on confirmed orders, including products that have yet to be delivered or invoiced
Gross margin	(Net sales less Raw materials and subcontractors) in relation to Net sales