



AAC
CLYDE
SPACE

AAC CLYDE SPACE AB (publ) **INTERIM REPORT** **Q3 2023**

**THIRD QUARTER,
JULY - SEPTEMBER
2023 (COMPARED
WITH JULY -
SEPTEMBER 2022)**

Net sales amounted to
SEK 56.1M (45.7),
an increase of 23%

Earnings before interest, tax,
depreciation and amortisation
(EBITDA) amounted to
SEK +6.7 M (-7.7)

The order backlog amounted to
SEK 433.6 M (418.6)

Cash flow from operating
activities totalled
SEK -2.2 M (-11.4)

Basic and diluted earnings per
share amounted to
SEK -0.01 (-0.06)

Earnings before interest and tax
(EBIT) amounted to
SEK -1.0 M (-14.6)

The total loss after tax was
SEK -2.5 M (-11.6)

Net sales amounted to
SEK 205.9 M (136.4),
an increase of 51%

Earnings before interest, tax,
depreciation and amortisation
(EBITDA) amounted to
SEK 10.7 M (-18.5)

Earnings before interest and tax
(EBIT) amounted to
SEK -11.8 M (-38.7)

Cash flow from operating
activities totalled
SEK -55.0 M (-36.6)

Basic and diluted earnings
per share amounted to
SEK -0.06 (-0.15)

The total loss after tax was
SEK -13.6 M (-29.1)

EVENTS IN THE THIRD QUARTER OF 2023

- A rights issue raised a total of approx. SEK 47.6 M before deduction of transaction costs. Through the rights issue, the number of shares in AAC Clyde Space increased by 79,405,296 shares to 284,216,306 shares.
- The European Space Agency's (ESA) Arctic Weather Satellite passed Critical Design Review, a key step to start manufacturing the satellite ahead of the planned launch in 2024. AAC Clyde Space supplies the mission's main instrument, as well as core avionics, under contracts valued at a total of EUR 13.5 M (approx. SEK 160 M).
- A total of 525,458 shares were issued to the previous owners of Omnisys Instrument AB as an earn-out payment achieved as the European Space Agency's (ESA) Arctic Weather Satellite passed Critical Design Review in July 2023.
- AAC Clyde Space and its partners, agreed to move into the phase 3B of the xSPANCION 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). Through the project, AAC Clyde Space will be able to expand its SDaaS business.
- AAC Clyde Space and its partners were granted EUR 0.85 million (approx. SEK 10.1 million) from the European Space Agency's Business Applications and Space Solutions (ESA BASS) programme to develop a service for the planning of construction and maintenance of offshore wind farms. The service will leverage weather data and AIS data collected by the Group's own satellites to enhance the efficiency among wind farm operators.
- AAC Clyde Space won a GBP 0.902 million (approx. SEK 12.1 million) order for a 3U satellite, for delivery in Q4 2024.
- AAC Clyde Space delivered the satellites Ymir-1, EPICHyper-3 and after period-end, the Intuition-1, satellites to the Vandenberg Space Force base in California for launch integration.
- AAC Clyde Space recognises royalties from an existing license agreement for the period January to September 2023 totalling USD 3.045 M (approx. SEK 32.2 M) relating to its power and data handling systems, triggered by the licensee's start of production.

EVENTS AFTER THE END OF THE REPORTING PERIOD

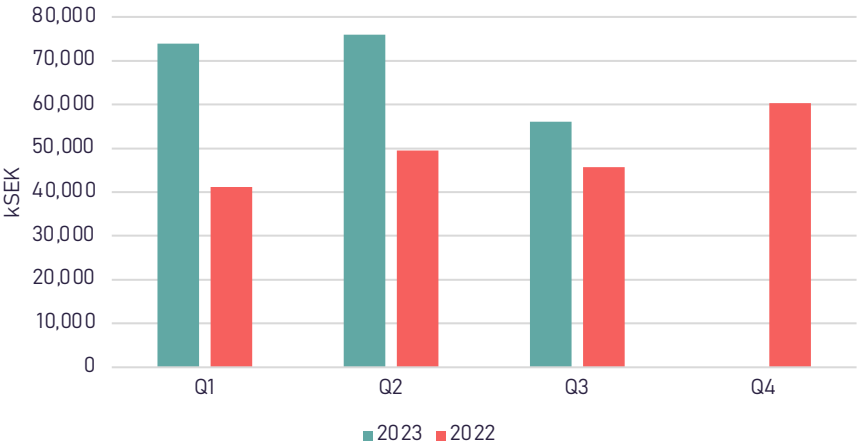
- An Extraordinary General Meeting held 1 November 2023 decided to consolidate shares, combining 50 shares into 1 new share. The EGM also resolved on other items to enable the share consolidation. Shares in the company were thereafter consolidated with trading in the new consolidated shares starting on 13 November 2023. The total number of shares in the company decreased from 285,191,750 to 5,703,835 through the consolidation. The reduced number of shares impact on key figures and incentive programs will be reported in the Year-end Report 2023.
- AAC Clyde Space received an order for a new satellite, Amber™ Phoenix, from UK-based Horizon Technologies. The total order value is GBP 645,000 (approx. SEK 8.8 million), which Horizon Technologies partially finances by a grant from the UK Space Agency.
- The Swedish built Ymir-1 satellite, as well as the Space Data as a Service satellite, EPICHyper-3 as well as KP Labs AI Powered Intuition-1 Satellite, were all successfully launched on November 11, 2023 from the Vandenberg Space Force base in California, USA aboard a SpaceX Falcon 9 rocket on the Transporter 9 mission.
- The 3U Space Data as a Service satellite Kelpie-2 suffered an anomaly of its payload antenna, which made it unable to deliver the planned data services, resulting in the satellite being reported as lost to the company's insurer. AAC Clyde Space is investigating other options to deliver the data service to the customer to mitigate any financial consequences.

FINANCIAL
OVERVIEW – GROUP

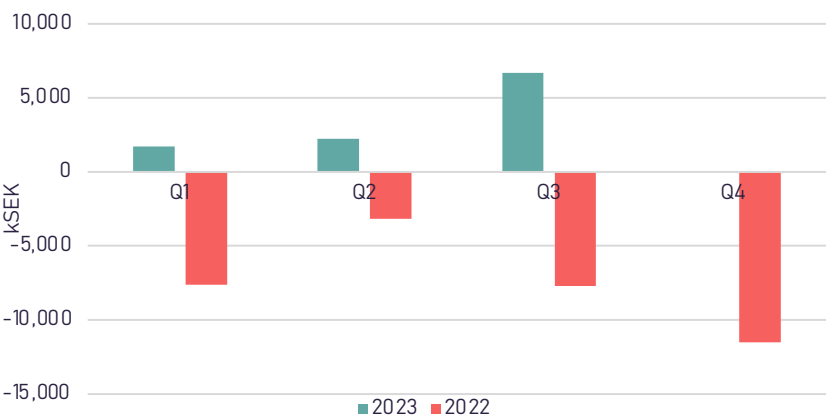
kSEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full-Year
	2023	2022	2023	2022	2022
Net sales	56,132	45,668	205,932	136,372	196,718
EBITDA	6,711	-7,692	10,679	-18,468	-38,599
EBIT	-958	-14,620	-11,827	-38,746	-67,006
Basic and diluted earnings per share, SEK	-0.01	-0.06	-0.06	-0.15	-0.24
Equity ratio	75%	79%	75%	79%	75%
Cash flow from operating activities	-2,237	-11,377	-55,023	-36,625	6,435
Cash flow for the period	9,800	-21,867	-29,701	-71,923	-44,711
Cash and cash equivalents	22,677	25,030	22,677	25,030	52,100
Order backlog	433,563	418,636	433,563	418,636	427,790

NET SALES AND EBITDA BY QUARTER, ADJUSTED FOR ACQUISITION AND NON-RECURRING COSTS

NET SALES –
PER QUARTER

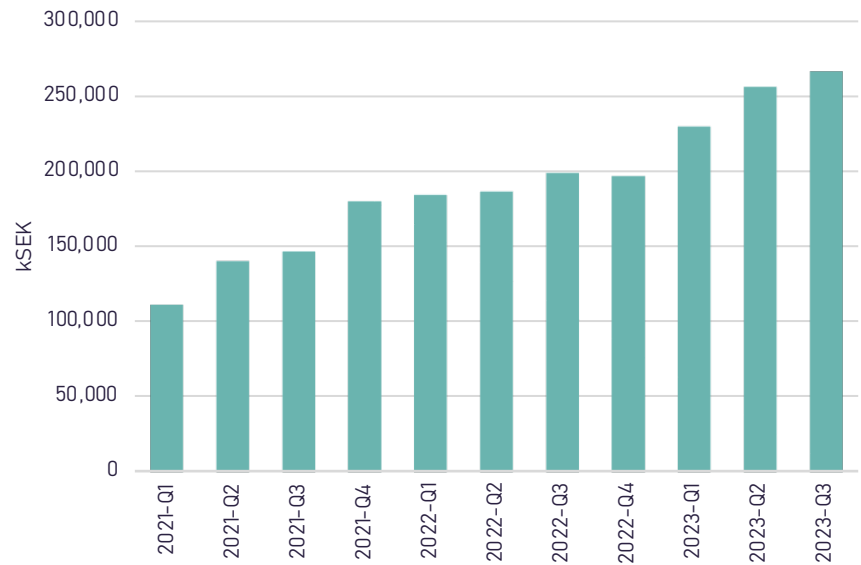


EBITDA –
PER QUARTER

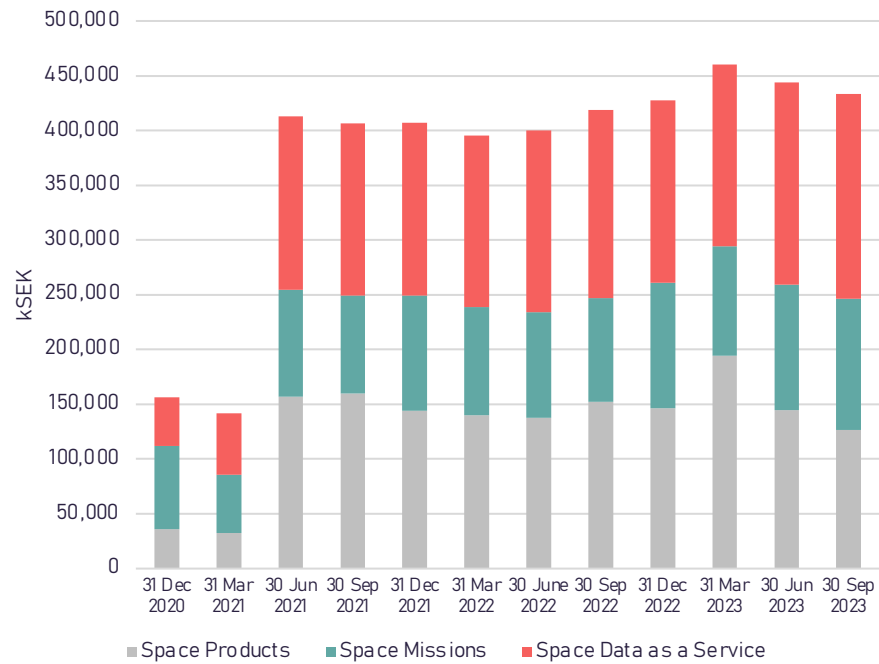


* EBITDA for Q4 2022 adjusted for aborted acquisition costs of SEK 8.6 M

NET SALES – ROLLING 12 MONTHS



ORDER BACKLOG





COMMENTS FROM THE CEO

Growth and profitability

Following a very positive first half of the year, the third quarter of 2023 was another busy and successful period for AAC Clyde Space, with strong financials and a high level of activity across the company.

We continued our 2023 growth with our net sales to the end of September growing 51% year on year, to 205.9M SEK. This quarter had a positive EBITDA of 6.7M SEK, making it the third positive quarter in a row. This shows the improvement and strength of our business as we continue our journey to sustainable profitability. We are on course to have our best year ever, giving us a solid foundation for a successful 2024.

Over the quarter, we readied three satellites for launch. This included our first satellite built in Sweden, which is also our first VDES satellite. All three satellites were successfully launched on a Falcon 9 rocket on 11th November. This launch marks our fourth successful launch event of the year, bringing our total satellites launched in 2023 to ten, including six for our own constellation.

A key milestone was reached on the Arctic Weather Satellite mission ahead of its planned launch in 2024. It passed critical design review after the payload's integration with the satellite. This revolutionary mission is the first step on the way to change to the way we predict weather, making it easier to monitor, and therefore manage, the impacts of climate change on our weather.

The resolution of a rights issue has provided new funds that will allow us to increase our operations in Space Data as a Service by putting these funds to good use in projects like the xSPANCION programme. We have agreed with our partners on the programme to move into phase 3B. This has seen the continued development of our Space Data as a Service Earth Observation (EO) constellation and we are still planning for a first launch by the end of 2024. This first satellite to be built under the xSPANCION programme will allow us to expand our Earth Observation offering, and will be the first 16U satellite built by AAC Clyde Space.

We have maintained a strong order backlog, standing at 433.6M SEK, with some important new contracts signed. We have been contracted to build a VDES capable satellite for a customer. This contract will extend the use of VDES technology and cement our position as one of the pioneers of satellite enabled VDES, as part of a 12M SEK contract. We have also been contracted by Horizon Technologies to build another satellite for their constellation, replacing the one lost during launch in January.

As the year draws to a close, we begin to focus on 2024. Next year will see new products delivered, new satellites built, and new developments in our Space Data as a Service offer. Our consistently improving financials place the company in a fantastic position as we look forward to next year. I would like to thank all our staff, shareholders and customers for their continued support, allowing us to deliver a good quarter for the company.

Luis Gomes
CEO

EBITDA amounted to SEK +10.7 M (-18.5).

Third quarter 2023

Sales and earnings

Net sales amounted to SEK 56.1 M (45.7), an increase of 23 %, and included royalties of SEK 26.1 (3.8) M. Total revenue, including work performed by the company for its own use and capitalised, amounted to SEK 68.2 M (56.1). The order backlog amounted to SEK 433.6 M (418.6).

The gross margin, excluding royalties, was 70 % (60).

EBITDA amounted to SEK +6.7 M (-7.7). EBIT totalled SEK -1.0 M (-14.6) and the loss after tax was SEK -2.5 M (-11.6).

January-September 2023

Sales and earnings

Net sales amounted to SEK 205.9 M (136.4), an increase of 65 % and included royalties of SEK 32.2 (3.8) M. Total revenue amounted to SEK 246.1 M (167.6).

EBITDA amounted to SEK +10.7 M (-18.5). EBIT totalled SEK -11.8 M (-38.7) and the loss after tax was SEK -13.6 M (-29.1).

Investments and financial position

Available cash and cash equivalents as of 30 September 2023 totalled SEK 22.7 M (25.0), excluding use of an unutilised bank overdraft facility of SEK 12.2 M (5.0). The total overdraft facility amounts to SEK 30 M (5.0). During the period, a rights issue was carried out which raised a total of SEK 47.6 M before deduction of transaction costs.

Cash flow from operating activities for the period amounted to SEK -55.0 M (-36.6).

The Group's investments in non-current assets for the period totalled SEK 41.0 M (26.7), of which intangible assets accounted for SEK 28.4 M (25.0). Investment in intangible assets mainly comprised development expenses related to the ORBCOMM and Wyvern projects, ongoing development of next-generation space products and satellite platforms (50% financed by Scottish Enterprise) and investments in two new Space Data as a Service satellites.

Other receivables increased to SEK 102.2 M (65.5) mainly due to accrued royalties. Other non-current liabilities of SEK 5.0 M (23.1) pertain to non-cash restatements of additional considerations for the acquisition of Omnisys Instruments under IAS 32 and IFRS 9. The additional considerations are settled through the conversion of warrants to shares. Other liabilities increased to SEK 174.9 (103.1) mainly due to increased prepayments from customers and utilization of the overdraft facility.

The equity ratio amounted to 75 % (79).

Personnel and organisation

There were 185 employees (180) at the end of the period.

Parent Company

Parent Company net sales for the period totalled SEK 79.9 M (49.0) including royalties of SEK 32.2 (3.8) M, and the result after tax, before impairment of the shares in the subsidiary Clyde Space Ltd, was SEK +14.3 M (-7.6) and after impairment SEK +14.3 M (-66.2). Investments in non-current assets amounted to SEK 0.1 M (1.4). The equity ratio amounted to 88 % (90).

The share

AAC Clyde Space's share is traded on Nasdaq First North Growth Market under the symbol AAC. The share is also traded on the American OTCQX market under the symbol ACCMF.

As of 30 September 2023, 284,741,764 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 September 2023, the number of shareholders totalled 12,451. A table with the largest shareholders can be found on page 17 in this report.

During the quarter, a rights issue increased the number of shares by 79,405,296 shares to 284,216,306 shares. Thereafter, a total of 525,458 shares were issued to the previous owners of Omnisys Instrument AB as an earn-out payment bringing the total number of shares to 284,741,764.

In November, a share consolidation 1:50 was carried out, bringing the total number of shares to 5,703,835.

Incentive programs

The AGM in June 2020 resolved on a 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 during the period through 1 July 2023 until 31 December 2023:

- As of 30 September 2023, Board members had subscribed for 192,000 warrants (incentive scheme 2020/2023:C)
- As of 30 September 2023, employees in Sweden had subscribed for 365,336 warrants (incentive scheme 2020/2023:A)
- As of 30 September 2023, employees in the UK had subscribed for 1,056,000 warrants (incentive scheme 2020/2023:B)

A total of 1,613,336 warrants have been subscribed for, which entails a potential dilution effect of around 1 % and that AAC Clyde Space will potentially raise approximately SEK 6.8 M.

The AGM in May 2022 resolved on a directed issue of warrants to the Board and to all employees. Each warrant entitles the holder to subscribe for one new share at the subscription price of SEK 1.91 per share. The warrants can be exercised during the period through 1 July 2025 until 31 December 2025:

- As of 30 September 2023, Board members had subscribed for 291,667 warrants (incentive scheme 2022/2025:C)
- As of 30 September 2023, employees in Sweden had subscribed for 1,233,333 warrants (incentive scheme 2022/2025:A)
- As of 30 September 2023, employees outside of Sweden had subscribed for 1,706,667 warrants (incentive scheme 2022/2025:B)

A total of 3,231,667 warrants have been subscribed for, which entails a potential dilution effect of around 1 % and that AAC Clyde Space will potentially raise approximately SEK 6.2 M.

The AGM in May 2023 resolved on a directed issue of warrants to the Board and to all employees. Each warrant entitles the holder to subscribe for one new share at a subscription price of SEK 0.76 per share. The warrants can be exercised during the period through 1 July 2026 until 31 December 2026:

- As of 30 September 2023, Board members had subscribed for 275,975 warrants (incentive scheme 2023/2026:C)
- As of 30 September 2023, employees in Sweden had subscribed for 769,825 warrants (incentive scheme 2023/2026:A)
- As of 30 September 2023, employees outside of Sweden had subscribed for 1,902,775 warrants (incentive scheme 2023/2026:B)

A total of 2,948,575 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.

Related-party transactions

During the period, Board members have invoiced the company on market terms 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 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 2022 Annual Report. No further significant risks are deemed to have arisen during the period.

Reporting calendar

Year-end Report 2023	15 Feb 2024
Annual Report 2023	25 April 2024
Interim Report Jan-Mar 2024	16 May 2024
Interim Report Jan-Jun 2024	15 Aug 2024
Interim Report Jan-Sep 2024	7 Nov 2024

The Annual Report and interim reports are available on the company's website: <https://investor.aac-clyde.space/en/financial-reports/>

Certification

The Board of Directors and CEO give their assurance that the Interim Report January–September 2023 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, 23 November 2023

Rolf Hallencreutz
Chairman of the Board

Per Aniansson
Board member

Anita Bernie
Board member

Per Danielsson
Board member

Dino Lorenzini
Board member

William Whitehorn
Board member

Luis Gomes
CEO

Questions may be directed to:

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CFO Mats Thideman, investor@aac-clydespace.com, mobile +46 (0)70-556 09 73

ABOUT AAC CLYDE SPACE

AAC Clyde Space specialises in small satellite technologies and services that enable businesses, governments and educational organisations to access high-quality, timely data from space. Its growing capabilities bring together three divisions:

Space Data as a Service –
delivering data from space directly to customers

Space missions –
turnkey solutions that empower customers to streamline their space missions

Space products and components –
a full range of off-the-shelf and tailor-made subsystems, components and sensors

AAC Clyde Space aims to become a world leader in commercial small satellites and services from space, applying advances in its technology to tackle global challenges and improve our life on Earth.

The Group's main operations are located in Sweden, the United Kingdom, the Netherlands, South Africa and the USA, with partner networks in Japan and South Korea.

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 are traded on Nasdaq First North Premier Growth Market. Erik Penser Bank AB is the Certified Adviser.

The share is also traded on the US OTCQX- market under the symbol ACCMF.

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

kSEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full-Year 2022
Net sales	56,132	45,668	205,932	136,372	196,718
Work performed by the company for its own use and capitalised	5,677	4,822	20,997	15,702	21,781
Other operating income	6,395	5,645	19,181	15,508	25,248
TOTAL	68,204	56,135	246,110	167,582	243,747
Raw materials and subcontractors	-8,974	-18,095	-74,452	-48,871	-82,811
Personnel costs	-38,937	-32,740	-121,418	-100,868	-140,795
Other external expenses	-10,331	-11,571	-33,241	-31,147	-43,389
Other operating expenses	-3,251	-1,421	-6,320	-5,164	-15,351
EBITDA	6,711	-7,692	10,679	-18,468	-38,599
Depreciation/amortisation and impairment of tangible and intangible assets	-7,669	-6,928	-22,506	-20,278	-28,407
EBIT	-958	-14,620	-11,827	-38,746	-67,006
Financial income	16	2,382	2,826	8,483	19,732
Financial expenses	-1,487	-567	-3,994	-1,349	-1,864
Net financial items	-1,471	1,815	-1,168	7,134	17,868
Income tax	-50	1,199	-618	2,503	2,590
PROFIT/LOSS FOR THE PERIOD BEFORE NCI	-2,479	-11,606	-13,613	-29,109	-46,548
Net Income attr to Non-controlling interests	79	-	79	-	-
PROFIT/LOSS FOR THE PERIOD ATTRIBUTED TO PARENT COMPANY SHAREHOLDERS	-2,400	-11,606	-13,534	-29,109	-46,548
Other comprehensive income:					
Items that may be transferred to profit or loss					
Exchange-rate differences	-9,851	-15,748	23,760	29,022	26,984
Other comprehensive income for the period	-9,851	-15,748	23,760	29,022	26,984
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTR TO PARENT COMPANY SHAREHOLDERS	-12,251	-27,354	10,226	-87	-19,564

EARNINGS PER SHARE, BASED ON PROFIT FOR THE PERIOD ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS

SEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full-Year 2022
Average no. of shares – basic	257,923,027	199,030,976	222,515,016	195,177,621	196,885,358
No. of shares at end of period	284,741,764	199,030,976	284,741,764	199,030,976	204,811,010
Average no. of shares – diluted	257,923,027	204,811,010	222,515,016	201,307,960	196,885,358
Basic and diluted earnings per share	-0.01	-0.06	-0.06	-0.15	-0.24

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

kSEK	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	703,576	679,245	665,456
Tangible assets	74,566	38,840	63,191
Financial assets	-	97	90
Total non-current assets	778,142	718,182	728,737
Current assets			
Inventories	23,372	21,500	20,237
Accounts receivable	25,541	28,367	24,452
Other receivables	102,177	65,462	55,875
Cash and cash equivalents	22,677	25,030	52,100
Total current assets	173,767	140,359	152,664
TOTAL ASSETS	951,909	858,541	881,401
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	713,078	681,867	663,506
Equity attributable to Non-Controlling Interest	-739	-	-
Total Equity	712,339	681,867	663,506
Non-current liabilities			
Lease liabilities	11,740	6,739	11,041
Other non-current liabilities	5,026	23,146	5,646
Deferred tax liabilities	16,995	21,757	19,243
Total non-current liabilities	33,761	51,642	35,930
Current liabilities			
Accounts payable	30,891	21,891	41,503
Other liabilities	174,918	103,141	140,462
Other current liabilities	205,809	125,032	181,965
TOTAL EQUITY AND LIABILITIES	951,909	858,541	881,401

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 attributable to shareholders	Non-controlling interest	Total equity
Opening balance, 1 January 2022	7,688	0	889,723	39,478	-258,077	678,812	0	678,812
Profit/loss for the period					-29,109	-29,109		-29,109
Other comprehensive income				29,022		29,022		29,022
Total comprehensive income	0	0	0	29,022	-29,109	-87		-87
Transactions with shareholders								
Reclassification of additional purchase consideration, SpaceQuest					-300	-300		-300
Subscription of warrants	273		2,679			2,952		2,952
Warrants T02020/2023			244			244		244
Warrants T02022/2025			246			246		246
Closing balance, per 30 Sep 2022	7,961	0	892,892	68,503	-287,186	681,867	0	681,867
Opening balance, 1 January 2023	8,192	0	892,848	66,462	-303,996	663,506	0	663,506
Profit/loss for the period					-13,534	-13,534	-79	-13,613
Other comprehensive income				23,760		23,760	0	23,760
Total comprehensive income	0	0	0	23,760	-13,534	10,226	-79	10,147
Transactions with shareholders								0
Adjustment of opening balances			33		-27	6		6
Reclassifications				176	-257	-81		-81
Transaction between owners				-22	682	660	-660	0
Rights share issue	3,176		44,466			47,642		47,642
Issue expenses			-9,961			-9,961		-9,961
Non-cash issue – acquisition of Omnisys	22		285			307		307
Warrants T02020/2023			84			84		84
Warrants T02022/2025			598			598		598
Warrants T02023/2026			91			91		91
Closing balance, per 30 September 2023	11,390	0	928,444	90,376	-317,132	713,078	-739	712,339

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

kSEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full-Year 2022
Cash flow from operating activities before changes in working capital	7,297	-8,767	10,813	-17,800	-37,810
Total changes in working capital	-9,534	-2,610	-65,836	-18,825	44,245
Cash flow from operating activities	-2,237	-11,377	-55,023	-36,625	6,435
Cash flow from investing activities	-12,581	-9,348	-40,966	-26,660	-40,874
Cash flow from financing activities	24,618	-1,142	66,288	-8,638	-10,272
CASH FLOW FOR THE PERIOD	9,800	-21,867	-29,701	-71,923	-44,711
Cash and cash equivalents at start of period	12,984	46,512	52,100	96,110	96,110
Exchange-rate differences in cash and cash equivalents	-107	385	278	843	701
CASH AND CASH EQUIVALENTS AT END OF PERIOD	22,677	25,030	22,677	25,030	52,100

CONDENSED PARENT COMPANY INCOME STATEMENT

kSEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full-Year 2022
Net sales	39,002	19,013	79,874	49,029	68,629
Work performed by the company for its own use and capitalised	384	81	594	366	465
Other operating income	1,438	626	3,624	1,431	1,711
Total operating income	40,824	19,720	84,092	50,826	70,805
Raw materials and subcontractors	-3,277	-4,199	-10,204	-11,807	-18,649
Personnel costs	-8,691	-6,139	-27,956	-20,150	-28,395
Other external expenses	-8,725	-9,614	-27,297	-27,210	-45,759
Other operating expenses	-1,421	-422	-2,429	-921	-1,200
EBITDA	18,710	-654	16,206	-9,262	-23,198
Depreciation/amortisation and impairment of tangible and intangible assets	-202	-91	-522	-267	-368
EBIT	18,508	-745	15,684	-9,529	-23,566
Other interest income and similar profit/loss items	651	902	1,718	2,475	2,796
Interest expenses and similar profit/loss items	-1,408	-272	-3,096	-535	-717
Impairment of shares in subsidiaries	-	-58,655	-	-58,655	-58,655
Total earnings from financial items	-757	-58,025	-1,378	-56,715	-56,576
PROFIT AFTER FINANCIAL ITEMS	17,751	-58,770	14,306	-66,244	-80,142
Tax on profit/loss for the period	-	-	-	-	-
Profit/loss for the period	17,751	-58,770	14,306	-66,244	-80,142

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

CONDENSED PARENT COMPANY BALANCE SHEET

kSEK	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	3,520	3,293	3,392
Tangible assets	1,097	926	1,113
Receivables from Group companies	29,127	8,931	16,117
Financial assets	524,549	536,440	525,451
Total non-current assets	558,293	549,590	546,073
Current assets			
Inventories	6,848	4,804	5,576
Accounts receivable	858	10,388	3,143
Receivables from Group companies	47,786	17,971	30,190
Other receivables	42,692	15,707	12,008
Cash and bank balances	4,495	7,093	5,767
Total current assets	102,679	55,963	56,684
TOTAL ASSETS	660,972	605,553	602,757
EQUITY AND LIABILITIES			
Equity			
Restricted equity	13,012	11,075	9,538
Unrestricted equity	569,582	532,073	519,989
Total equity	582,594	543,148	529,527
Non-current liabilities			
Other non-current liabilities	17,699	33,146	21,949
Total non-current liabilities	17,699	33,146	21,949
Current liabilities			
Accounts payable	5,230	6,084	9,421
Liabilities to Group companies	12,085	9,733	15,379
Other liabilities	43,364	13,442	26,481
Other current liabilities	60,679	29,259	51,281
TOTAL EQUITY AND LIABILITIES	660,972	605,553	602,757

SHAREHOLDERS AS OF 30 SEPTEMBER 2023

SHAREHOLDERS	NO. OF SHARES	VOTES & CAPITAL
CBNY-RJA-CLIENT ASSET ACCT*	31,200,000	10.96%
AVANZA PENSION	17,931,507	6.30%
AESA2104 AB	6,292,392	2.21%
Walldow, Anders	3,840,000	1.35%
NORDNET PENSIONSFORESÄKRING AB	3,629,705	1.27%
Soltorpet AB	3,458,261	1.21%
Jeansson, Tedde Olof Johan Teodor	3,296,244	1.16%
UBS SWITZERLAND AG, W8IMY	3,252,934	1.14%
CLEARSTREAMING BANKING S.A W8IMY	3,128,471	1.10%
EUROCLEAR BANK S.A/N.V, W8-IMY	2,733,685	0.96%
Others	205,978,565	72.34%
TOTAL	284,741,764	100.0%

* Refers to SpaceQuest's previous owners

NOTES

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.

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 2022.

NOTE 3 SEGMENT INFORMATION

Description of segments and primary activities

AAC Clyde Space's strategic steering group, consisting of its Chief Executive Officer, Chief Operating Officer, Chief Technology Officer, Chief Commercial Officer, President Data & Services, Chief People Officer, Chief Scientific Officer and Chief Financial Officer, corresponds to the chief operating decisionmaker (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 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 segment's earnings.

EBITDA	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
AAC Clyde Space	19,650	-2,147	18,864	-11,622	-20,737*
Clyde Space	-12,725	-8,023	-25,386	-17,982	-33,630
Hyperion	1,708	-1,091	11,441	-312	699
SpaceQuest	2,909	2,822	8,515	6,975	9,258
Omnisys	-3,130	1,689	1,147	6,825	9,408
AAC Space Africa	-1,701	-942	-3,902	-2,352	-3,597
Total EBITDA	6,711	-7,692	10,679	-18,468	-38,599

* includes aborted acquisition costs of SEK 8,611 k

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

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Total EBITDA	6,711	-7,692	10,679	-18,468	-38,599
Net financial items	-1,471	1,815	-1,168	7,134	17,868
Depreciation and amortisation of tangible and intangible assets	-7,669	-6,928	-22,506	-20,278	-28,407
Earnings before tax	-2,429	-12,805	-12,995	-31,612	-49,138

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.

July - September 2023							
	Clyde Space	AAC Clyde Space	Hyperion	Space Quest	Omnisys	AAC Space Africa	Total
Income by segment	14,763	39,002	5,027	6,647	3,353	1,270	70,062
Income from other segments	-4,880	-7,050	-316	-239	-304	-1,141	-13,930
Income from external customers	9,883	31,952	4,711	6,408	3,049	129	56,132
Space Data as a Service	196	-	-	4,537	-	-	4,733
Space Missions	4,676	880	-	-	-	-	5,556
Space Products	5,011	4,918	4,711	1,871	3,049	129	19,689
Licenses/Royalties	-	26,154	-	-	-	-	26,154
Total	9,883	31,952	4,711	6,408	3,049	129	56,132

July - September 2022							
	Clyde Space	AAC Clyde Space	Hyperion	Space Quest	Omnisys	AAC Space Africa	Total
Income by segment	16,704	19,013	3,317	8,317	9,578	1,833	58,762
Income from other segments	-4,749	-6,931	-483	-223	-	-708	-13,094
Income from external customers	11,955	12,082	2,834	8,094	9,578	1,125	45,668
Space Data as a Service	292	-	-	4,072	-	-	4,364
Space Missions	9,881	713	-	-	-	1,125	11,719
Space Products	1,782	7,607	2,834	4,022	9,578	-	25,823
Licenses/Royalties	-	3,762	-	-	-	-	3,762
Total	11,955	12,082	2,834	8,094	9,578	1,125	45,668

January–September 2023							
	Clyde Space	AAC Clyde Space	Hyperion	Space Quest	Omnisys	AAC Space Africa	Total
Income by segment	49,282	79,874	38,750	27,813	46,657	3,459	245,835
Income from other segments	-13,595	-19,448	-3,407	-687	-452	-2,314	-39,903
Income from external customers	35,687	60,426	35,343	27,126	46,205	1,145	205,932
Space Data as a Service	196	-	-	13,632	-	-	13,828
Space Missions	18,060	2,035	-	-	-	-	20,095
Space Products	17,431	26,164	35,343	13,494	46,205	1,145	139,782
Licenses/Royalties	-	32,227	-	-	-	-	32,227
Total	35,687	60,426	35,343	27,126	46,205	1,145	205,932

January–September 2022							
	Clyde Space	AAC Clyde Space	Hyperion	Space Quest	Omnisys	AAC Space Africa	Total
Income by segment	50,237	49,029	11,888	23,364	32,315	4,503	171,336
Income from other segments	-13,068	-17,131	-2,264	-840	-	-1,661	-34,964
Income from external customers	37,169	31,898	9,624	22,524	32,315	2,842	136,372
Space Data as a Service	660	-	-	11,939	-	-	12,599
Space Missions	28,937	2,461	-	-	-	2,783	34,181
Space Products	7,572	25,675	9,624	10,585	32,315	59	85,830
Licenses/Royalties	-	3,762	-	-	-	-	3,762
Total	37,169	31,898	9,624	22,524	32,315	2,842	136,372

January–December 2022							
	Clyde Space	AAC Clyde Space	Hyperion	Space Quest	Omnisys	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
Income from external customers	59,193	34,785	15,519	31,407	52,236	3,578	196,718
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
Total	59,193	34,785	15,519	31,407	52,236	3,578	196,718

NOTE 5 FINANCIAL INSTRUMENTS – FAIR VALUE OF FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

As of 30 September 2023, there were no financial liabilities measured at fair value in addition to what is stated below. Fair values for foreign currency forwards are found in Level 2 of the fair value hierarchy.

Liabilities for the additional purchase consideration for shares in Omnisys are measured at fair value. Fair values for additional purchase considerations are found in Level 3 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 to their fair values for the current period and the comparative period.

NOTE 6 RELATED-PARTY TRANSACTIONS

During the period, four Board members have invoiced the company SEK 643 k (897) at market rates for the performance of consultant services linked to the company's operations.

NOTE 7 FINANCIAL KEY PERFORMANCE INDICATORS

Definitions of key performance indicators

Equity 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 divided by Net sales



Auditor's report

AAC Clyde Space AB (publ) corp. reg. no. 556677-0599

Introduction

We have reviewed the condensed interim financial information (interim report) of AAC Clyde Space AB (publ) as of 30 September 2023 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 23 November 2023
Öhrlings PricewaterhouseCoopers AB

Johan Engstam

Authorized Public Accountant
Auditor in charge

Andreas Mattsson

Authorized Public Accountant