



AAC
CLYDE
SPACE

AAC CLYDE SPACE AB (publ) **INTERIM REPORT** **Q3 2022**



**THIRD QUARTER,
JULY-SEPTEMBER
2022 (COMPARED
WITH JULY-
SEPTEMBER 2021)**

Net sales increased 36% to

SEK 45.7 M (33.7)

including exchange rate effects of
SEK +2.1 M

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

SEK -7.7 M (-10.0)

including exchange rate effects of
SEK 0.0 M

Earnings before interest and tax (EBIT)
amounted to

SEK -14.6 M (-16.8)

The loss after tax was

SEK -11.6 M (-17.6)

Basic and diluted earnings per share
amounted to

SEK -0.06 (-0.09)

Cash flow from operating activities
totalled

SEK -11.4 M (16.4).

The negative cash flow is mainly due to revenues during the third quarter being accrued against project where prepayments already have been received and not yet invoiced milestones in delayed projects. Scheduled launches next coming months have been delayed by launch providers, which will have a negative impact on revenue recognition and milestones to be invoiced in the fourth quarter. Measures to mitigate potential short term cash flow effects are under evaluation

The order backlog amounted to

SEK 418.6 M (406.3)

**JANUARY–
SEPTEMBER 2022
(COMPARED WITH
JANUARY–
SEPTEMBER 2021)**

Net sales increased 16% to

SEK 136.4 M (117.8)

including exchange rate effects of
SEK +5.8 M

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

SEK -18.5 M (-14.0)

including exchange rate effects of
SEK -0.3 M

Earnings before interest and tax
(EBIT) amounted to

SEK -38.7 M (-30.6)

The loss after tax was

SEK -29.1 M (-31.2)

Basic and diluted earnings per share
amounted to

SEK -0.15 (-0.18)

Cash flow from operating activities
totalled

SEK -36.6 M (-33.8)

SIGNIFICANT EVENTS IN THE THIRD QUARTER OF 2022

- AAC Clyde Space received royalties from York Space Systems of USD 0.48 M (approx. SEK 5.4 M) relating to its power systems.
- AAC Clyde Space won a GBP 0.94 M (approx. SEK 11.6 M) order for a Starbuck power system from Astroscale Ltd., for inclusion in their End-of-Life space debris removal service, ELSA-M.
- AAC Clyde Space won a EUR 584k (approx. SEK 6.1 M) order for Sirius computers and Starbuck power systems from OHB Sweden. The units will be part of the core avionics for a new InnoSat-class satellite.
- AAC Clyde Space won a GBP 0.6 M (approx. SEK 7.3 M) order for 25 power systems for a constellation. Delivery will start in the fourth quarter of 2022.
- AAC Clyde Space was awarded funding through the European Space Agency's ARTES Core Competitiveness programme which helps European and Canadian industries to develop innovative satcom technology, products and systems. The award will enable AAC Clyde Space to further develop its Starbuck Mini power system to address the needs of future constellations. The total project value is EUR 0.95 M (approx. SEK 10.1 M) of which ESA will fund half, and AAC the other half.

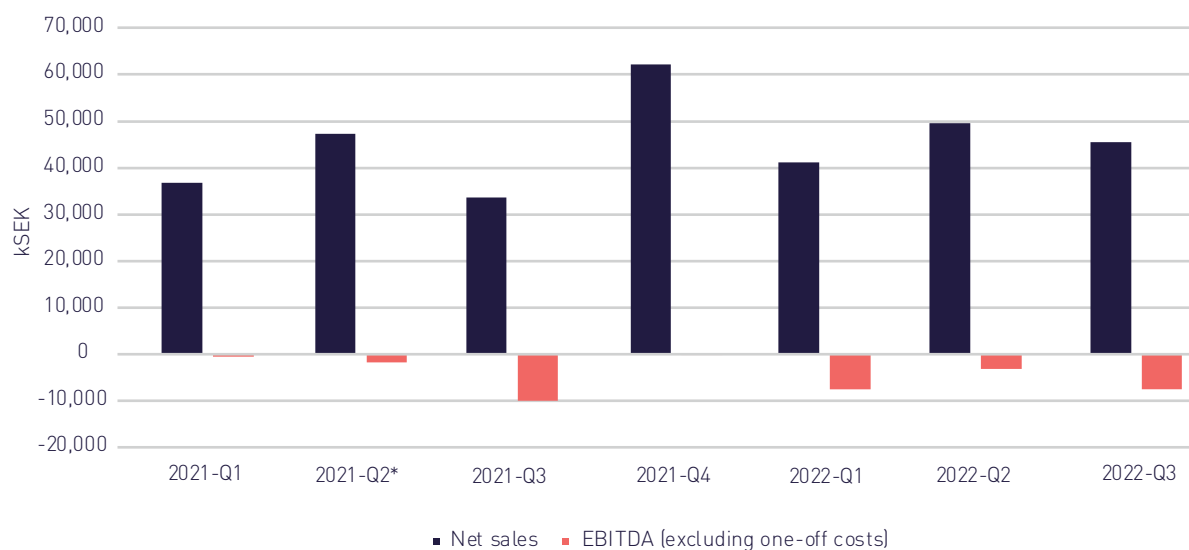
SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- AAC Clyde Space won a contract to continue to operate the SeaHawk satellite for one more year, a contract that may be extended up to two years further provided that the spacecraft continues to deliver data. The one-year contract has a value of USD 175k (approx. SEK 1.9 M).
- AAC Space Africa, part of the AAC Clyde Space group, brought in the manufacture and distribution of the Pulsar range of satellite communication systems after licensing the technology.
- AAC Clyde Space and its partners, agreed to progress into the final phase of the xSPANCION project, the demonstration phase. This will begin with a phase 3A, focused on scaling constellation production capacity and delivering data services to users. The value of this phase is EUR 3.3 M (approx. SEK 35.8 M), of which the UK Space Agency, through the ESA's Pioneer Partnership Projects, will contribute EUR 1.6 M (approx. SEK 17.9 M).
- AAC Clyde Space won a GBP 0.875 M (approx. SEK 10.9 M) order for a Sirius computer from Astroscale Ltd., for inclusion in their End-of-Life space debris removal service, ELSA-M. The order follows a GBP 0.94 M (approx. SEK 11.6 M) order for a Starbuck power system from Astroscale announced on September 22, 2022.

FINANCIAL OVERVIEW – GROUP

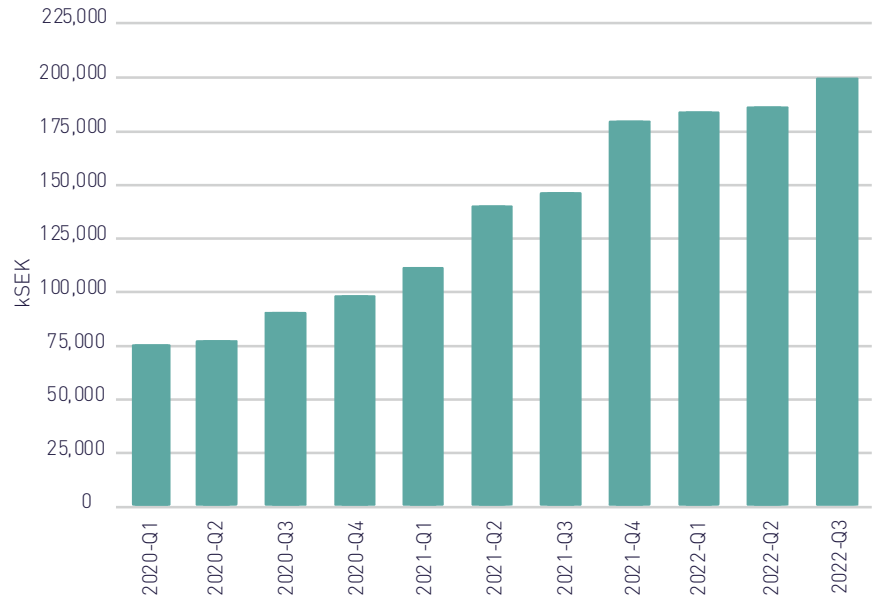
kSEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full-year
	2022	2021	2022	2021	2021
Net sales	45,668	33,659	136,372	117,819	179,950
EBITDA	-7,692	-10,018	-18,468	-13,966	-14,942
EBIT	-14,620	-16,855	-38,746	-30,641	-38,606
Basic and diluted earnings per share, SEK	-0.06	-0.09	-0.15	-0.18	-0.23
Equity ratio	79%	78%	79%	78%	78%
Cash flow from operating activities	-11,377	16,387	-36,625	-33,823	-35,461
Cash flow for the period	-21,867	6,231	-71,923	44,907	32,399
Cash and cash equivalents	25,030	108,047	25,030	108,047	96,110
Order backlog	418,636	406,313	418,636	406,313	407,215

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

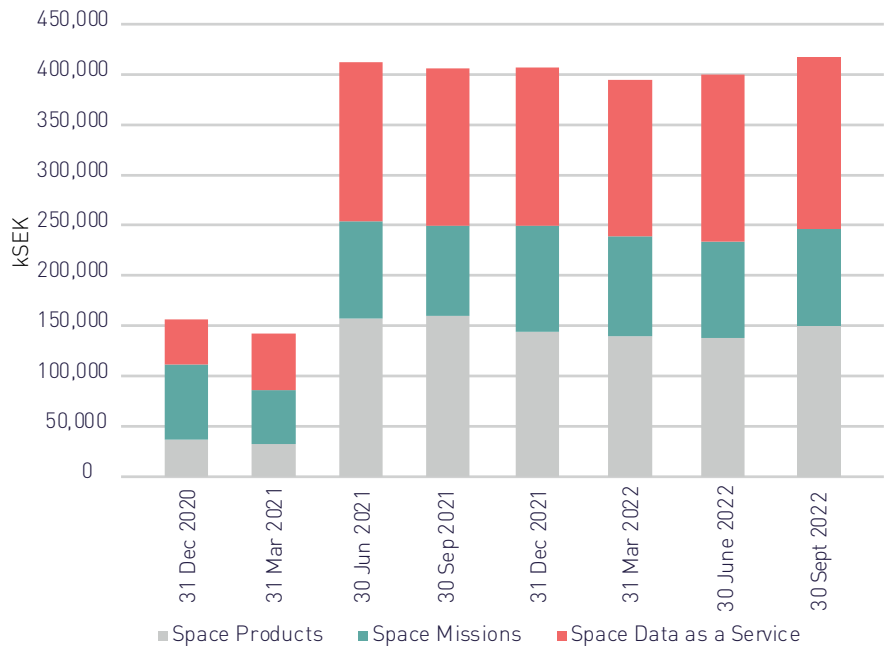


* EBITDA for Q2 2021 adjusted for acquisition costs of SEK 1.7 M

**NET SALES –
ROLLING 12 MONTHS**



ORDER BACKLOG





COMMENTS FROM THE CEO

Against a similar backdrop to the first half of the year, our third quarter results reveal growing momentum within the business. We have delivered several key orders. Our power system and computers are in strong demand. New orders are boosting our backlog and we are seeing good progress on a series of key launches.

Earlier this month, Rocket Lab launched the MATS satellite, a Swedish scientific mission. It carries our Starbuck-Mini power system, Sirius data-handling subsystem and custom-built solar panel, as well as scientific instruments developed by AAC Omnisys. The mission is studying waves in the upper atmosphere and their influence on weather and climate. It has already started to send images and data.

We have also now delivered Amber-1 (IOD-3) to Spaceport Cornwall for the historic first satellite launch from UK soil. Amber-1 will monitor the ocean, helping to fight piracy, illegal fishing and refugee smuggling, amongst other purposes. It will be launched on Virgin Orbit's LauncherOne from Cornwall in the coming weeks.

Next month will see the launch of two other satellites for Orbcomm and NSLComm on Space-X's Transporter-6: an exciting and productive end to 2022.

Rising inflation and turbulence in the global financial markets have created some uncertainty in the space economy. Despite these challenges, we made solid progress in the third quarter, increasing net sales by 36% to SEK 45.7 M (compared to SEK 33.7 M in Q3 2021) and our order backlog to SEK 418.6 M (SEK 406.3 M).

We expect to recognise SEK 75 M of order backlog as revenue in the fourth quarter. This is lower than anticipated largely because of delays by launch providers, which is pushing revenue recognition from the fourth quarter to next year. Measures to mitigate potential short-term cash flow effects are under evaluation. Cash flow from operating activities for the period amounted to SEK -36.6 M (-33.8).

Based on the current order backlog and new customer orders intake, we assess that the Group is financed for the next 12 months. We are particularly encouraged by multiple orders for our computers and power systems, including several repeat orders from existing customers. We expect to generate SEK 210 M of annual sales in 2022 from existing contracts.

For example, in August we secured an order from OHB Sweden for our Sirius computers and Starbuck power systems, and a follow-on order from an international customer for 25 power systems for an earth observation constellation. Also in the third quarter, we won two orders from Astroscale, totaling over SEK 22.5 M, for a power system and Sirius computer. Both will be used in the company's end-of-life space debris removal service. We were also awarded funding by the European Space Agency's ARTES Core Competitiveness program to develop our Starbuck Mini power system to address the needs of future constellations.

Since the end of the quarter, we have maintained this momentum with several key announcements.

We have agreed with our partners to move into the final phase of the xSPANCION project. This phase focuses on scaling constellation production capacity and delivering data services to users. It is valued at SEK 35.8 M.

We have also won a contract to continue operating the SeaHawk satellite for one more year, with a possible two-year extension. The satellite, launched in 2018 in partnership with NASA and University of North Carolina, captures around 100 images per week of the ocean. This data reveals important information about the marine food chain, ocean climate, fisheries and pollution phenomena.

Finally, I am delighted that we have delivered our first ground station in Africa this month. This is an important steppingstone to leveraging space-based data in the region. It also marks the first contract for AAC Space Africa, which has been expanding its operations over the last few months to capitalize on the rapidly growing market for satellites and space services. Most recently, it has licensed the technology for the Pulsar range of satellite communications systems and brought their manufacture and distribution in house. AAC Space Africa is the Group's centre for radio communications systems. The license will enable it to reduce delivery lead times.

We remain committed to driving innovation and development in small satellites across the Group. We are particularly excited by progress with our initial VDES (VHD Data Exchange System) satellites. These will allow two-way communication between ships and land via satellite. In Sweden, we are set to receive the payload from our partner Saab as, together with Orbcomm, we develop our joint venture.

Despite the challenging global outlook, I am encouraged by the progress we have made in the last quarter and remain optimistic about our prospects in 2023. Our power systems and computers are a core part of many upcoming missions. Thanks to their fundamental quality and reliability we are seeing a strong pattern of repeat orders from around the world.

As always, thank you to shareholders for your support – and to our team for their innovation and hard work to deliver contracts and develop new products and services.

Luis Gomes
CEO

Net sales increased 16% to SEK 136.4 M (117.8). Total revenue, including work performed by the company for its own use and capitalised, amounted to SEK 167.6 M (137.2).

Third quarter 2022

Sales and earnings

Net sales, including recognised revenues from royalties of SEK 3.8 M, increased 36% to SEK 45.7 M (33.7). Total revenue, including work performed by the company for its own use and capitalised, amounted to SEK 56.1 M (41.3). The order backlog amounted to SEK 418.6 M (406.3), of which SEK 75 M is expected to be recognised as revenue during October to December 2022, which is lower than earlier anticipated. Revenues to recognise are pushed forward from the fourth quarter to next year mainly due to delayed launches.

The gross margin, including royalties of SEK 3.8 M, amounted to 60% (51%). Personnel costs and Other external expenses increased by 30% to SEK 44.3 M (34.0), reflecting a larger organisation to manage the expected growth and larger business opportunities.

EBITDA improved to SEK -7.7 M (-10.0). EBIT totalled SEK -14.6 M (-16.8) and the loss after tax was SEK -11.6 M (-17.6).

Exchange-rate differences had a negative impact on the total comprehensive income for the period of SEK 15.7 M (4.3), primarily related to recalculation of goodwill items which reduced the goodwill with SEK 25.7 M.

January-September 2022

Sales and earnings

Net sales increased 16% to SEK 136.4 M (117.8). Total revenue, including work performed by the company for its own use and capitalised, amounted to SEK 167.6 M (137.2).

EBITDA amounted to SEK -18.5 M (-14.0). EBIT totalled SEK -38.7 M (-30.6) and the loss after tax was SEK -29.1 M (-31.2).

Investments and financial position

Available cash and cash equivalents as of 30 September 2022 totalled SEK 25.0 M (108.0), excluding an unutilised bank overdraft facility of SEK 5 M.

Cash flow from operating activities for the period amounted to SEK -36.6 M (-33.8). The assessment, based on the current order backlog and new customer orders intake, is that the Group is financed for the next 12 months. Scheduled launches next coming months have been delayed by launch providers, having a negative impact on milestones to be invoiced in the fourth quarter. Measures to mitigate potential short term cash flow effects are under evaluation.

The Group's investments in non-current assets for the period totalled SEK 26.7 M (18.6), of which intangible assets accounted for SEK 25.0 M (16.5). Investment in intangible assets mainly comprised development expenses related to the ORBCOMM project, ongoing development of next-generation space products and satellite platforms (50% financed by Scottish Enterprise) and development.

Other current receivables increased to SEK 65.5 M (53.5), mainly due to accrued revenue in ongoing projects. Other non-current liabilities of SEK 23.1 M (35.8) pertain to non-cash restatements of additional considerations for the acquisitions of SpaceQuest and Omnisys Instruments under IAS 32 and IFRS 9. The additional considerations are settled through the conversion of warrants to shares.

The equity ratio amounted to 79% (81).

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.

Personnel and organisation

There were 180 employees (167) at the end of the period.

Parent Company

Parent Company net sales for the period totalled SEK 49.0 M (27.9), and the loss after tax, before impairment of the shares in the subsidiary Clyde Space Ltd, was SEK -7.6 M (-12.3) and after impairment SEK -66.2 M (-12.3). The impairment amount equals the shareholders' contribution that was made from the Parent Company to Clyde Space Ltd in September 2022. Investments in non-current assets amounted to SEK 1.4 M (0.8). The equity ratio amounted to 90% (91).

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 2022, 199,030,976 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 2022, the number of shareholders totalled 12,451. A table with the largest shareholders can be found on page 18 in this report.

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 2022, Board members had subscribed for 192,000 warrants (incentive scheme 2020/2023:C)
- As of 30 September 2022, employees in Sweden had subscribed for 365,336 warrants (incentive scheme 2020/2023:A)
- As of 30 September 2022, employees in the UK had subscribed for 1,216,000 warrants (incentive scheme 2020/2023:B)

A total of 1,773,336 warrants have been subscribed for, which entails a potential dilution effect of around 1% and that AAC Clyde Space will potentially raise approximately SEK 7.6 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 2022, Board members had subscribed for 325,000 warrants (incentive scheme 2022/2025:C)
- As of 30 September 2022, employees in Sweden had subscribed for 1,150,000 warrants (incentive scheme 2022/2025:A)
- As of 30 September 2022, employees outside of Sweden had subscribed for 1,665,000 warrants (incentive scheme 2022/2025:B)

A total of 3,140,000 warrants have been subscribed for, which entails a potential dilution effect of around 2% and that AAC Clyde Space will potentially raise approximately SEK 6.0 M.

AAC Clyde Space and its partners, agreed to progress into the final phase of the xSPANCION project, the demonstration phase. This will begin with a phase 3A focused on scaling constellation production capacity and delivering data services to users. The value of this phase is EUR 3.3 M (approx. SEK 35.8 M), of which the UK Space Agency, through the ESA's Pioneer Partnership Projects, will contribute EUR 1.6 M (approx. SEK 17.9 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 events after the end of the reporting period

AAC Clyde Space won a contract to continue to operate the SeaHawk satellite for one more year, a contract that may be extended up to two years further provided that the spacecraft continues to deliver data. The one-year contract has a value of USD 175 k (approx. SEK 1.9 M). Launched in 2018 with an expected lifetime of four years, the Seahawk is exceeding life expectancy for cube satellites, continuing to deliver data.

AAC Space Africa, part of the AAC Clyde Space group, brought in the manufacture and distribution of the Pulsar range of satellite communication systems after licensing the technology. The Pulsar range is already part of the AAC Clyde Space offering, having proven its outstanding performance and excellent quality in many missions since 2012, including in AAC built satellites. AAC Space Africa is the group's centre for radio communication systems and the license will enable it to reduce delivery lead times whilst building on existing experience as a manufacturer.

AAC Clyde Space and its partners, agreed to progress into the final phase of the xSPANCION project, the demonstration phase. This will begin with a phase 3A focused on scaling constellation production capacity and delivering data services to users. The value of this phase is EUR 3.3 M (approx. SEK 35.8 M), of which the UK Space Agency, through the ESA's Pioneer Partnership Projects, will contribute EUR 1.6 M (approx. SEK 17.9 M). The 3-year project aims to develop an innovative satellite constellation service. The full third and final phase of the project includes the manufacturing of 10 novel spacecraft and the launch of 4 demonstration spacecraft. The phase 3A now initiated, includes satellite platform qualification, scaling production capacity with increased automation and the development of cloud-based software for delivery of data services to users. Once customer agreements are finalized, a phase 3B is expected to commence in which the project will be completed in Q3 2024 with the manufacture, launch and in-orbit operations activities. The value of phase 3B is EUR 9.0 M (approx. SEK 99.3 M).

AAC Clyde Space won an GBP 0.875 M (approx. SEK 10.9 M) order for a Sirius computer from Astroscale Ltd., for inclusion in their End-of-Life space debris removal service, ELSA-M. The order follows a GBP 0.94 M (approx. SEK 11.6 M) order for a Starbuck power system from Astroscale announced on September 22, 2022. The Sirius computer will be delivered during the first quarter 2024. AAC Clyde Space has previously been commissioned by Astroscale to design and update its Starbuck power system to meet the requirements of the ELSA-M mission. The total order value for the Starbuck power system and the Sirius computer for the mission equates to GBP 1.815 M (approx. SEK 22.5 M).

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 2021 Annual Report. COVID-19 affected operations in the form of lower income recognition than planned in projects, since deliveries from subcontractors were delayed. The ongoing war in Ukraine has not so far affected operations. It remains difficult to estimate the final impact of COVID-19 and the war on the Group. No further significant risks are deemed to have arisen during the period.

Reporting calendar

Year-end Report 2022	23 Feb 2023
Annual Report 2022	27 Apr 2023
Interim Report Jan-Mar 2023	25 May 2023
Annual General Meeting 2023	25 May 2023
Interim Report Jan-Jun 2023	24 Aug 2023
Interim Report Jan-Sep 2023	23 Nov 2023

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 report for the period January–September 2022 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, 24 November 2022

Rolf Hallencreutz

Chairman of the Board

Per Aniansson

Board member

Anita Bernie

Board member

Per Danielsson

Board member

Nicole Robinson

Board member

William Whitehorn

Board member

Luis Gomes

CEO

Questions may be directed to:

CEO Luis Gomes, investor@aac-clydespace.com

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.

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

kSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full-year 2021
Net sales	45,668	33,659	136,372	117,819	179,950
Work performed by the company for its own use and capitalised	4,822	3,972	15,702	9,392	13,630
Other operating income	5,645	3,652	15,508	10,043	17,245
TOTAL	56,135	41,283	167,582	137,254	210,825
Raw materials and subcontractors	-18,095	-16,480	-48,871	-51,769	-83,234
Personnel costs	-32,740	-25,558	-100,868	-73,564	-106,946
Other external expenses	-11,571	-8,492	-31,147	-21,922	-30,454
Other operating expenses	-1,421	-771	-5,164	-3,965	-5,216
EBITDA	-7,692	-10,018	-18,468	-13,966	-14,942
Depreciation/amortisation and impairment of tangible and intangible assets	-6,928	-6,837	-20,278	-16,675	-23,583
EBIT	-14,620	-16,855	-38,746	-30,641	-38,606
Financial income	2,382	27	8,483	641	764
Financial expenses	-567	-1,568	-1,349	-2,892	-4,927
Net financial items	1,815	-1,541	7,134	-2,251	-4,163
Income tax	1,199	793	2,503	1,693	3,282
PROFIT/LOSS FOR THE PERIOD	-11,606	-17,603	-29,109	-31,199	-39,483
Other comprehensive income:					
Items that may be transferred to profit or loss					
Exchange-rate differences	-15,748	4,342	29,022	26,204	38,336
Other comprehensive income for the period	-15,748	4,342	29,022	26,204	38,336
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-27,354	-13,261	-87	-4,995	-1,151

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	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full-year 2021
Average no. of shares – basic	199,030,976	186,419,996	195,527,926	168,990,802	173,829,770
No. of shares at end of period	199,030,976	186,419,996	199,030,976	186,419,996	192,200,029
Average no. of shares – diluted	204,811,010	206,331,524	201,307,960	181,195,619	173,829,770
Basic and diluted earnings per share	-0.06	-0.09	-0.15	-0.18	-0.23

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

kSEK	30 Sep 2022	30 Sep 2021	31 Dec 2021
ASSETS			
Non-current assets			
Intangible assets	679,245	631,361	639,515
Tangible assets	38,840	32,803	41,475
Financial assets	97	71	90
Total non-current assets	718,182	664,235	681,080
Current assets			
Inventories	21,500	13,571	13,201
Accounts receivable	28,367	29,223	23,023
Other receivables	65,462	53,544	60,992
Cash and cash equivalents	25,030	108,047	96,110
Total current assets	140,359	204,385	193,327
TOTAL ASSETS	858,541	868,620	874,407
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	681,867	674,869	678,812
Non-current liabilities			
Lease liabilities	6,739	11,271	9,989
Other non-current liabilities	23,146	36,453	28,931
Deferred tax liabilities	21,757	23,538	22,410
Total non-current liabilities	51,642	71,262	61,330
Current liabilities			
Accounts payable	21,891	20,053	26,473
Other liabilities	103,141	102,436	107,793
Other current liabilities	125,032	122,489	134,266
TOTAL EQUITY AND LIABILITIES	858,541	868,620	874,407

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
Opening balance, 1 January 2021	4,928	87,973	682,295	1,184	-218,612	557,770
Profit/loss for the period					-31,199	-31,199
Other comprehensive income				26,204		26,204
Total comprehensive income	0	0	0	26,204	-31,199	-4,995
Transactions with shareholders						
Reclassification of additional purchase consideration, SpaceQuest			-14,487			-14,487
Directed share issue	1,569		98,431			100,000
Issue expenses			-5,912			-5,912
Non-cash issue – acquisition of Omnisys			41,770			41,770
Non-cash issue – acquisition of SpaceQuest	960	-87,973	87,013			0
Warrants T02020/2023			723			723
Closing balance, per 30 Sep 2021	7,457	0	889,833	27,388	-249,810	674,869
Opening balance, 1 January 2022	7,688	0	889,723	39,481	-258,080	678,812
Profit/loss for the period					-29,109	-29,109
Other comprehensive income				29,022		29,022
Total comprehensive income	0	0	0	29,022	-29,109	-87
Transactions with shareholders						
Reclassification of additional purchase consideration, SpaceQuest					-300	-300
Directed share issue						0
Issue expenses						0
Subscription of warrants						0
Non-cash issue – acquisition of Omnisys	273		2,679			2,952
Warrants T02020/2023			244			244
Warrants T02022/2025			246			246
Closing balance, per 30 Sep 2022	7,961	0	892,892	68,503	-287,189	681,867

Equity is attributable in its entirety to Parent Company shareholders.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

kSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full-year 2021
Cash flow from operating activities before changes in working capital	-8,767	-10,743	-17,800	-13,950	-15,189
Total changes in working capital	-2,610	27,130	-18,825	-19,873	-20,272
Cash flow from operating activities	-11,377	16,387	-36,625	-33,823	-35,461
Cash flow from investing activities	-9,348	-9,244	-26,660	-11,189	-21,779
Cash flow from financing activities	-1,142	-912	-8,638	89,919	89,639
CASH FLOW FOR THE PERIOD	-21,867	6,231	-71,923	44,907	32,399
Cash and cash equivalents at start of period	46,512	101,700	96,110	62,434	62,434
Exchange-rate differences in cash and cash equivalents	385	116	843	706	1,278
CASH AND CASH EQUIVALENTS AT END OF PERIOD	25,030	108,047	25,030	108,047	96,110

CONDENSED PARENT COMPANY INCOME STATEMENT

kSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full-Year 2021
Net sales	19,013	6,146	49,029	27,941	55,133
Work performed by the company for its own use and capitalised	81	79	366	118	137
Other operating income	626	359	1,431	640	816
Total operating income	19,720	6,584	50,826	28,699	56,086
Raw materials and subcontractors	-4,199	-2,465	-11,807	-12,073	-19,830
Personnel costs	-6,139	-4,437	-20,150	-15,057	-21,574
Other external expenses	-9,614	-5,142	-27,210	-13,711	-28,108
Other operating expenses	-422	-114	-921	-357	-517
EBITDA	-654	-5,574	-9,262	-12,499	-13,943
Depreciation/amortisation and impairment of tangible and intangible assets	-91	-250	-267	-753	-1,009
EBIT	-745	-5,824	-9,529	-13,252	-14,952
Other interest income and similar profit/loss items	902	477	2,475	1,034	1,630
Interest expenses and similar profit/loss items	-272	-64	-535	-105	-167
Impairment of shares in subsidiaries	-58,655	-	-58,655	-	-
Total earnings from financial items	-58,025	413	-56,715	929	1,463
PROFIT AFTER FINANCIAL ITEMS	-58,770	-5,411	-66,244	-12,323	-13,489
Tax on profit/loss for the period	-	-	-	-	-
Profit/loss for the period	-58,770	-5,411	-66,244	-12,323	-13,489

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 2022	30 Sep 2021	31 Dec 2021
ASSETS			
Non-current assets			
Intangible assets	3,293	2,604	2,422
Tangible assets	926	545	698
Receivables from Group companies	8,931	25,476	26,037
Financial assets	536,440	541,699	543,487
Total non-current assets	549,590	570,324	572,644
Current assets			
Inventories	4,804	2,918	2,646
Accounts receivable	10,388	9,520	6,063
Receivables from Group companies	17,971	7,323	18,217
Other receivables	15,707	10,085	10,930
Cash and bank balances	7,093	68,160	70,548
Total current assets	55,963	98,006	108,404
TOTAL ASSETS	605,553	668,330	681,048
EQUITY AND LIABILITIES			
Equity			
Restricted equity	11,075	9,371	9,556
Unrestricted equity	532,073	597,706	596,451
Total equity	543,148	607,077	606,007
Non-current liabilities			
Other non-current liabilities	33,146	45,787	38,931
Total non-current liabilities	33,146	45,787	38,931
Current liabilities			
Accounts payable	6,084	4,349	6,823
Liabilities to Group companies	9,733	220	9,940
Other liabilities	13,442	10,897	19,347
Other current liabilities	29,259	15,466	36,110
TOTAL EQUITY AND LIABILITIES	605,553	668,330	681,048

SHAREHOLDERS AS OF 30 SEPTEMBER 2022

SHAREHOLDERS	NO. OF SHARES	VOTES & CAPITAL
CBNY-RJA-CLIENT ASSET ACCT*	24,000,000	12.06%
AVANZA PENSION	13,112,809	6.59%
AESA2104 AB	6,354,928	3.19%
NORDNET PENSIONS FÖRSÄKRINGAR AB	3,554,353	1.79%
UBS SWITZERLAND AG, W8IMY	3,217,628	1.62%
KOCK, JOHN	3,024,822	1.52%
TJ JUNIOR AB	3,000,000	1.51%
BNY MELLON SA/NV (FORMER BNY) , W8IMY	2,585,000	1.30%
C INT VELD BEHEER B.V	2,585,000	1.30%
G.L.E MONNA BEHEER B.V	2,585,000	1.30%
Övriga	135,011,436	67.83%
TOTAL	199,030,976	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 2021.

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, HR Director, 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 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
AAC Clyde Space	-2,147	-5,009	-11,622	-12,495*	-14,302**
Clyde Space	-8,023	-7,506	-17,982	-12,338	-10,737
Hyperion	-1,091	746	-312	2,506	758
SpaceQuest	2,822	1,699	6,975	4,850	5,245
Omnisys	1,689	227	6,825	3,686	5,387
AAC Space Africa	-942	-175	-2,352	-175	-1,293
Total EBITDA	-7,692	-10,018	-18,468	-13,966*	-14,942

* includes acquisition costs of kSEK 1,668

** includes acquisition costs of kSEK 1,668 and non-recurring personnel costs of kSEK 948

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

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Total EBITDA	-7,692	-10,018	-18,468	-13,966	-14,942
Net financial items	1,815	-1,541	7,134	-2,251	-4,163
Depreciation and amortisation of tangible and intangible assets	-6,928	-6,837	-20,278	-16,675	-23,664
Earnings before tax	-12,805	-18,397	-31,612	-32,892	-42,769

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 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

July–September 2021

	Clyde Space	AAC Clyde Space	Hyperion	Space Quest	Omnisys	AAC Space Africa	Total
Income by segment	11,952	6,146	3,487	5,299	9,393	25	36,302
Income from other segments	-400	-725	-1,449	-44	-	-25	-2,643
Income from external customers	11,552	5,421	2,038	5,255	9,393	0	33,659
Space Data as a Service	1,092	-	-	3,153	-	-	4,245
Space Missions	8,421	1,513	-	-	-	-	9,934
Space Products	2,039	3,908	2,038	2,102	9,393	-	19,480
Licenses/Royalties	-	-	-	-	-	-	0
Total	11,552	5,421	2,038	5,255	9,393	0	33,659

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–September 2021							
	Clyde Space	AAC Clyde Space	Hyperion	Space Quest	Omnisys	AAC Space Africa	Total
Income by segment	44,473	27,941	11,447	14,652	24,877	25	123,415
Income from other segments	-1,346	-2,732	-1,449	-44	-	-25	-5,596
Income from external customers	43,127	25,209	9,998	14,608	24,877	0	117,819
Space Data as a Service	1,214	-	-	8,021	-	-	9,235
Space Missions	32,678	4,824	-	-	-	-	37,502
Space Products	9,235	19,004	9,998	6,587	24,877	-	69,701
Licenses/Royalties	-	1,381	-	-	-	-	1,381
Total	43,127	25,209	9,998	14,608	24,877	0	117,819

January–December 2021							
	Clyde Space	AAC Clyde Space	Hyperion	Space Quest	Omnisys	AAC Space Africa	Total
Income by segment	73,475	55,133	16,402	19,435	43,840	488	208,773
Income from other segments	-11,971	-13,695	-2,467	-202	-	-488	-28,823
Income from external customers	61,504	41,438	13,935	19,233	43,840	0	179,950
Space Data as a Service	1,203	-	-	11,637	-	-	12,840
Space Missions	48,575	8,935	-	-	-	-	57,510
Space Products	11,726	31,122	13,935	7,596	43,840	-	108,219
Licenses/Royalties	-	1,381	-	-	-	-	1,381
Total	61,504	41,438	13,935	19,233	43,840	0	179,950

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

As of 30 September 2022, 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 SpaceQuest and 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 kSEK 897 (927) 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 2022 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.

Uppsala Place, 24 November 2022
Öhrlings PricewaterhouseCoopers AB

Lars Kylberg

Authorized Public Accountant
Auditor in charge

Andreas Mattsson

Authorized Public Accountant