



Interim Report

January - March 2023



On the cover:

The BROR-rocket, Stefan Gardefjord, CEO
and Esrage-antenna.



INTERIM REPORT Q1 2023

FINANCIAL DEVELOPMENT IN BRIEF

Amount in MSEK	2023	2022	2022
	Jan-March	Jan-March	Jan-Dec
NET SALES	359	280	1 263
OPERATING PROFIT	13	-12	-414
PROFIT BEFORE TAX	-1	-10	-445
PROFIT AFTER TAX	-4	-14	-405
CASH FLOW AFTER INVESTMENTS	11	-119	-149
Operating margin	3,48%	-4,16%	-32,78%

SIGNIFICANT EVENTS DURING THE FIRST QUARTER 2023

During the period, two campaigns have been carried out at the Esrange space base. BROR was launched to an altitude of 240 km where it created a spectacular aurora in the evening sky. The research will deepen our knowledge of the northern lights and how space weather affects us. The second concerned REXUS/BEXUS-29/30 and data from the completed experiments are currently being processed and analyzed. Balloon operations at the Esrange space base continue as planned.

The global sanctions against Russia have had a major impact on the entire space industry, among other things because there is a great dependence on both Russian technology and Russian infrastructure as well as capacity for launching satellites. The war has led to realizations about the dependence on space-based infrastructure, which has increased global interest in the space industry. The industry sees an increased willingness to invest as a result of this, both in individual countries, in various associations such as the EU, ESA and NATO and others, as well as in private companies.



The development of the Esrange Space Center and the satellite launch capability has continued at a high pace during the first quarter. At the end of 2022, the first stage of the launch site with the associated integration halls was ready and the official inauguration took place in January 2023.

SSC's CEO Stefan Gardefjord announced in February that he will retire in the Fall. As a result, the board has begun the recruitment of a new CEO, which is proceeding according to plan.

DEVELOPMENT OF THE GROUP'S FINANCIAL POSITION DURING FIRST QUARTER 2023

Group Net Sales increased during the period from 280 MSEK to 359 MSEK, which was an increase with 28% compared to previous year. Currency adjusted Net Sales increased with 22%. The increase in volume is seen in all divisions, Science Services, Satellite Management Services and Engineering Services.

Group operational profit was 13 MSEK (-12 MSEK). The result has been positively affected by increased utilization within Engineering Services and positive earnings development for Satellite Management Services. The result has been positively affected by exchange rate differences and insurance compensation.

Group financial net was -14 MSEK (1 MSEK). Included in the financial net was a negative impact of currency effects of -8 MSEK (4 MSEK).

Profit before tax was -1 MSEK (-10 MSEK).

Group profit after tax amounted to -4 MSEK (-14 MSEK). Since SSC runs operations in several countries, and profits in one country can not be deducted against losses in another country, SSC's tax paid is high in relation to the Group's profit level.

Total assets 31 March 2023 amounted to 2 310 MSEK (2 227 MSEK 31 December 2022), an increase with 83 MSEK.

Cash flow after investments for the period amounted to 11 MSEK (-119 MSEK). Net investments amounted to -35 MSEK (-38 MSEK).

DEVELOPMENT OF THE PARENT COMPANY'S FINANCIAL POSITION DURING THE PERIOD

The operating profit for the Parent Company was 0 MSEK (-22 MSEK).

Profit after tax for the Parent Company amounted to -9 MSEK (-18 MSEK).

Total assets 31 March 2023 amounted to 1 916 MSEK (1 872 MSEK 31 December 2022), an increase with 44 MSEK. Interest-bearing liabilities have increased with 5 MSEK, where-of 5 MSEK relates to currency translation differences.

Cash flow from operations for the period amounted to 4 MSEK (-89 MSEK). Net investments amounted to -49 MSEK (-47 MSEK).



SIGNIFICANT RISK FACTORS FOR THE SSC GROUP

Enterprise Risk Management (ERM) is an integrated part of SSC's strategic and business planning processes and is regularly revisited during the year. Risk assessments are made according to a structured methodology on all levels in SSC, and risks are then aggregated on group level.

Operational risks are handled in the daily operations. Strategic risks are handled by group management where they are reviewed and evaluated from a probability as well as a consequence perspective. The largest strategic risks are presented to and discussed in the Audit Committee as well as in the Board.

Risks are categorized as political risks, market risks, operational risks, sustainability and security risks, financial and compliance risks.

For a more in-depth description of the risks and the management of risks see the Annual and Sustainability report 2022, pages 30-33.

MARKET AND FUTURE PROSPECTS

The space industry and its markets are characterized by rapid changes, which are now also driven by the changed geopolitical situation in the world. The role that the space-based infrastructure plays and the importance of being able to establish this in space has never been as evident as it is now.

At the same time, an extensive restructuring of the industry has been going on for several years in many countries and regions, where private actors play an increasingly important role. Space companies' dependence on publicly funded orders is still very high. SSC therefore strives for increased sales to the private sector at the same time, the publicly financed part of the market forms an important basis for the group's stability.

SSC works continuously to upgrade and further develop the Esrange Space Center and has the ambition to launch satellites from Esrange in the near future. The project, which goes by the name SmallSat Express, has been going on for several years and step by step a new spaceport has emerged. As part of this, a test operation was established at Esrange in 2020. The test facility constituted a first step in the infrastructure needed to enable the launch of satellites from Esrange. In 2022, the first stage of the new launch site with associated integration halls was completed. Work now continues with technical installations to support specific missions. Thus, a continued extensive development of the space base and its operations is planned for 2023 and beyond.

SSC continues its investment and expansion in Satellite Management Services. Made and planned investments in, above all, increased capacity and strategically placed ground stations position the group well for new business and the gradual development of an increasingly broad and attractive global offer to both existing and new customers.

SSC also has the ambition to expand operations within Engineering Services, primarily through continued organic growth.

Russia's war in Ukraine has reinforced the challenges that SSC, like other companies, has already seen coming in the aftermath of the pandemic: Increased uncertainty regarding currencies, inflation, rising commodity prices, shortages, logistics problems and rising energy prices. Russia's invasion of Ukraine, and the subsequent sanctions against Russia will affect



the space industry also in the longer term, as Russia has been a major player in terms of, among other things, the launching of satellites. Thus, there is a lack of launch capacity, which may affect SSC negatively financially in the short to medium term. At the same time, the war and an increased focus on defense have also put space - and the dependence that exists on space-based services - in focus.

SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

On April 24, a rocket for weightlessness research was launched from Esrange. The rocket took a slightly longer and more westerly trajectory than expected and landed after a completed flight approximately 15 kilometers into Norway. The landing site consists of mountains and is uninhabited. The payload is collected and returned to Esrange by helicopter. An investigation is underway to determine the technical reasons behind the deviating flight path.

CONSOLIDATED INCOME STATEMENT SUMMARY

Amount in MSEK	2023	2022	2022
	Jan-March	Jan-March	Jan-Dec
Net sales	359	280	1 263
Other revenues	25	13	63
External expenses	-152	-101	-884
Personnel costs	-186	-172	-683
Amortizations and depreciations	-33	-32	-174
OPERATING PROFIT	13	-12	-414
Financial income and expenses	-14	1	-31
PROFIT BEFORE TAX	-1	-10	-445
Income taxes	-2	-4	40
PROFIT AFTER TAX	-4	-14	-405
TOTAL OTHER INCOME			
ITEMS THAT WILL BE RECLASSIFIED TO PROFIT AND LOSS WHEN SPECIFIC CONDITIONS ARE MET			
Translation differences in foreign operations	0	5	25
Cash flow hedges	1	0	-3
ITEMS THAT WILL NOT BE INCLUDED IN PROFIT AND LOSS			
Change in fair value of financial assets available for sale	-	-	-
Income tax relating to items above	0	0	1
TOTAL OTHER INCOME FOR THE PERIOD	0	5	23
TOTAL PROFIT/LOSS FOR THE PERIOD	-3	-9	-382
Of which attributable to the parent company's shareholders	-3	-9	-381
Of which attributable to non controlling interests	-1	0	-1
Earnings per share, SEK (Total of 16 250 shares)	-193	-842	-24 827

CONSOLIDATED BALANCE SHEET SUMMARY

Amount in MSEK	2023-03-31	2022-03-31	2022-12-31
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	87	88	87
Tangible assets	1 070	961	1 071
Deferred tax assets	74	31	72
TOTAL NON-CURRENT ASSETS	1 230	1 080	1 230
CURRENT ASSETS			
Inventories	18	18	17
Current receivables	541	356	467
Cash and cash equivalents	521	103	513
TOTAL CURRENT ASSETS	1 080	477	997
TOTAL ASSETS	2 310	1 557	2 227

Amount in MSEK	2023-03-31	2022-03-31	2022-12-31
EQUITY AND LIABILITIES			
EQUITY			
Share equity	33	33	33
Other reserves	52	34	52
Retained earnings including profit for the period	406	323	410
TOTAL EQUITY ATTRIBUTABLE TO HOLDERS OF THE PARENT COMPANY	491	390	494
Attributable to non-controlling interests	-3	-1	-2
TOTAL EQUITY	488	389	491
NON-CURRENT LIABILITIES			
Interest bearing liabilities	451	438	447
Other liabilities	207	212	212
Provisions	3	5	3
Deferred tax liability	21	27	21
TOTAL NON-CURRENT LIABILITIES	682	681	683
CURRENT LIABILITIES			
Interest bearing liabilities	29	32	30
Short-term non-interest bearing liabilities	711	452	622
Provisions	400	3	400
TOTAL CURRENT LIABILITIES	1 140	488	1 052
TOTAL EQUITY AND LIABILITIES	2 310	1 557	2 227

CONSOLIDATED STATEMENT OF CASH FLOW SUMMARY

Amount in MSEK	2023	2022	2022
	Jan-March	Jan-March	Jan-Dec
OPERATING ACTIVITIES			
Cash flow from operations	37	9	118
Change in working capital	8	-90	-24
CASH FLOW FROM OPERATING ACTIVITIES	46	-81	95
INVESTING ACTIVITIES			
Investments in intangible assets	-1	0	-3
Investments in tangible assets	-33	-38	-240
Disposals of tangible assets	-	-	0
Disposal in financial assets	-	-	0
CASH FLOW FROM INVESTING ACTIVITIES	-35	-38	-243
CASH FLOW AFTER INVESTMENTS	11	-119	-149
FINANCING ACTIVITIES			
Shareholder contribution	-	-	476
Admission of loans	-	-	125
Repayment of loans	-4	-5	-174
CASH FLOW FROM FINANCING ACTIVITIES	-4	-5	427
CASH FLOW FOR THE PERIOD	7	-124	278
Cash and cash equivalents at the beginning of the year	513	222	222
Currency gains/losses in liquid assets	1	5	13
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	521	103	513

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amount in MSEK	Equity attributable to holders of the parent company						Total equity
	Share capital	Reserves	Retained earnings	Amount attributable to the parent company's shareholders	Attributable to non-controlling interests		
OPENING BALANCE 1 JANUARY 2022	33	29	337	398	-1	397	
Dividend for 2021			-	-	-	-	
Shareholders contribution, received			476	476	-	476	
Total result		23	-403	-381	-1	-382	
CLOSING BALANCE 31 DECEMBER 2022	33	52	410	494	-2	491	
OPENING BALANCE 1 JANUARY 2023	33	52	410	494	-2	491	
Dividend for 2022			-	-	-	-	
Total result		0	-3	-3	-1	-3	
CLOSING BALANCE 31 MARCH 2023	33	52	406	491	-3	488	

PARENT COMPANY INCOME STATEMENT SUMMARY

Amount in MSEK	2023	2022	2022
	Jan-March	Jan-March	Jan-Dec
Net sales	192	139	675
Other revenues	24	12	61
External expenses	-127	-87	-801
Personnel costs	-74	-70	-271
Amortizations and depreciations	-15	-15	-76
OPERATING PROFIT	0	-22	-413
Financial income and expenses	-9	5	-5
PROFIT BEFORE TAX	-9	-17	-417
Dispositions	-	-	-
Income taxes	0	-1	45
PROFIT AFTER TAX	-9	-18	-372
TOTAL OTHER INCOME			
ITEMS THAT WILL BE RECLASSIFIED TO PROFIT AND LOSS WHEN SPECIFIC CONDITIONS ARE MET			
Cash flow hedges	1	0	-3
ITEMS THAT WILL NOT BE INCLUDED IN PROFIT AND LOSS			
Change in fair value of financial assets available for sale	-	-	-
Income tax relating to items above	0	0	1
TOTAL OTHER INCOME FOR PERIOD	1	0	-2
TOTAL PROFIT/LOSS FOR PERIOD	-9	-18	-374

PARENT COMPANY BALANCE SHEET SUMMARY

Amount in MSEK	2023-03-31	2022-03-31	2022-12-31
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	34	37	34
Tangible assets	580	497	569
Other securities held as non-current assets	484	380	464
Deferred tax assets	86	39	86
TOTAL NON-CURRENT ASSETS	1 183	952	1 152
CURRENT ASSETS			
Inventories	15	15	14
Current receivables	313	202	304
Cash and cash equivalents	405	-14	401
TOTAL CURRENT ASSETS	733	203	719
TOTAL ASSETS	1 916	1 156	1 872

Amount in MSEK	2023-03-31	2022-03-31	2022-12-31
EQUITY AND LIABILITIES			
EQUITY			
Share equity	33	33	33
Other reserves	7	7	7
Fair value reserves	-1	0	-2
Retained earnings including profit for the period	153	40	162
TOTAL EQUITY	190	79	199
UNTAXED RESERVES	195	195	195
PROVISIONS			
Other provisions	402	8	403
TOTAL PROVISIONS	402	8	403
NON-CURRENT LIABILITIES			
Interest bearing liabilities	397	375	392
Other liabilities	207	212	212
TOTAL NON-CURRENT LIABILITIES	604	587	604
CURRENT LIABILITIES			
Interest bearing liabilities	16	15	16
Short-term non-interest bearing liabilities	508	273	455
TOTAL CURRENT LIABILITIES	524	288	471
TOTAL EQUITY AND LIABILITIES	1 916	1 156	1 872

PARENT COMPANY STATEMENT OF CASH FLOW SUMMARY

Amount in MSEK	2022	2021	2021
	Jan-Sep	Jan-Sep	Jan-Dec
OPERATING ACTIVITIES			
Cash flow from operations	17	-6	71
Change in working capital	35	-36	48
CASH FLOW FROM OPERATING ACTIVITIES	53	-42	119
INVESTING ACTIVITIES			
Investments in intangible assets	-1	0	-3
Investments in tangible assets	-24	-30	-158
Disposals of tangible assets	-	-	0
Investment in subsidiaries, net cash impact	0	-	-
Investments in financial assets	-23	-16	-84
Disposal in financial assets	-	-	9
CASH FLOW FROM INVESTING ACTIVITIES	-49	-47	-236
CASH FLOW AFTER INVESTMENTS	4	-89	-118
FINANCING ACTIVITIES			
Shareholder contribution	-	-	476
Admission of loans	-	-	125
Repayment of loans	-	-	-155
CASH FLOW FROM FINANCING ACTIVITIES	-	-	446
CASH FLOW FOR THE PERIOD	4	-89	328
Cash and cash equivalents at the beginning of the year	401	73	73
Currency gains/losses in cash and cash equivalents	0	1	0
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	405	-14	401

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amount in MSEK	Other			Retained earnings	Total equity
	Share capital	reserves	Hedge reserves		
OPENING BALANCE 1 JANUARY 2022	33	7	0	58	97
Dividend for 2021				-	-
Shareholder contribution, received				476	476
Total result			-2	-372	-374
CLOSING BALANCE 31 DECEMBER 2022	33	7	-2	162	199
OPENING BALANCE 1 JANUARY 2023	33	7	-2	162	199
Dividend for 2022				-	-
Income for the period			1	-9	-9
CLOSING BALANCE 31 MARCH 2023	33	7	-1	153	190

NOTE 1 ACCOUNTING PRINCIPLES

This interim report for the Group has been prepared in accordance with IAS34 Interim Financial Reporting Standards and applicable provisions in the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, Chapter 9, Interim Report. For the Group and the Parent Company, the same accounting principles and calculation bases have been applied as in the latest annual report.

Insurance claims

Insurance compensation is reported as other operating income and any deductible as operating expenses. At the end of the reporting period insurance compensation not yet received is reported as accrued income in the balance sheet in cases where SSC has had the amount approved by the insurer. For the first quarter of 2023, insurance compensation of 2 440 TSEK (1 638 TKR), was recognized as income, which is attributable to remediation costs relating to the fire at Esrange and a bigger part to fixed asset investments and for 2022, insurance compensation of 26 390 TSEK (6 539 TSEK) was recognized as income. During the first quarter of 2023, insurance income of 13 251 TSEK also was recognized as other operating income concerning damages to transported goods.

For more information on accounting and valuation principles, see Note 2 in the Annual- and Sustainability Report 2022.

Amounts are in MSEK (million SEK) unless otherwise stated.

NOTE 2 FORWARD-LOOKING INFORMATION

Forward-looking information in this report is based on management's expectation at the time of the report. Although the management considers the expectations reasonable, there is no guarantee that the expectations are or will prove to be correct. Consequently, future outcomes may vary materially compared to what appears in the forward-looking information due to, among other things, changed market conditions for the SSC Group's services and more generally changed conditions regarding economy, market and competition, changes in legal requirements and other policy measures and exchange rate fluctuations.

NOTE 3 NET SALES

GROUP NET SALES, MARKET DISTRIBUTION

Amount in MSEK	2023	2022	2022
	Jan-March	Jan-March	Jan-Dec
Sweden	30	16	98
Europe excl. Sweden	226	184	800
Asia	43	35	149
America	11	42	204
Other Markets	49	3	12
NET SALES	359	280	1263

GROUP NET SALES INVOICED IN THE FOLLOWING CURRENCIES

Amount in MSEK	2023	2022	2022
	Jan-March	Jan-March	Jan-Dec
SEK	64	54	273
EUR	222	172	734
USD	66	50	222
Other Currencies	7	4	35
NET SALES	359	280	1263

PARENT COMPANY NET SALES, MARKET DISTRIBUTION

Amount in MSEK	2023	2022	2022
	Jan-March	Jan-March	Jan-Dec
Sweden	28	16	97
Europe excl. Sweden	111	78	378
Asia	38	31	126
America	14	11	65
Other Markets	1	3	9
NET SALES	192	139	675

PARENT COMPANY NET SALES HAVE BEEN INVOICED IN THE FOLLOWING CURRENCIES

Amount in MSEK	2023	2022	2022
	Jan-March	Jan-March	Jan-Dec
SEK	65	54	273
EUR	108	70	324
USD	16	13	64
Other Currencies	3	2	14
NET SALES	192	139	675

NOTE 4 PROVISIONS

Amount in MSEK	2023	2022	2022
	Jan-March	Jan-March	Jan-Dec
NON-CURRENT PROVISIONS			
Restructuring reserve	1	1	1
Other	2	3	2
	3	5	3
CURRENT PROVISIONS			
Restructuring reserve	4	3	4
Other*	396	0	396
	400	3	400
Total provisions	402	8	403

* The provisions mainly refer to future expenses to manage contractual commitments in certain business relationships.

NOTE 5 FINANCIAL INSTRUMENTS BY CATEGORY AND FAIR VALUE

The tables below present financial assets and liabilities by category.

THE GROUP 31 March 2023	FINANCIAL	DERIVATIVE	LIABILITIES	ACCOUNTED VALUE	FAIR VALUE
	ASSETS VALUED AT INCOME PROCUREMENT VALUE	INSTRUMENTS USE FOR SECURITY PURPOSES	VALUED AT INCREASED PROCUREMENT VALUE		
ASSETS					
Accounts receivables	261	-	-	261	261
Other current receivables	134	-	-	134	134
Accrued income	89	-	-	89	89
Liquid funds	521	-	-	521	521
LIABILITIES					
Interest bearing liabilities	-	-	480	480	480

Accounts payable	-	-	77	77	77
Other liabilities	-	4	31	35	35
Accrued expenses		-	59	59	59

The fair value of financial instruments that are reported at accrued acquisition value is considered to correspond to their fair value.

The table below provides information on how fair value has been determined for the financial instruments that are valued at fair value in the balance sheet. The division of how fair value is determined is made on the basis of the following three levels.

Level 1: according to prices quoted on an active market for the same instrument.

Level 2: directly or indirectly observable market data not included in level 1.

Level 3: based on input data that is not observable on the market.

THE GROUP 31 March 2023	LEVEL 1	LEVEL 2	LEVEL 3	AMOUNT
ASSETS				
Other receivables	-	-	-	-
LIABILITIES				
Other liabilities	-	4	-	4

Other receivables and liabilities reported in level 2 relate to currency derivatives. For these contracts, fair value is reported based on the foreign exchange market with regard to the remaining maturity of each instrument. The carrying amount of accounts receivables, other receivables, cash and cash equivalents, accounts payable and other liabilities constitutes a reasonable approximation of fair value and is therefore not included in the table above.

Interest bearing liabilities are reported at accrued acquisition value, which in all material respects is deemed to correspond fair value as the loans bear variable interest rates.

NOTE 6 SSC GROUP KPI'S

	2023 Jan-March	2022 Jan-March	2022 Jan-Dec
Return on equity	79%	-2%	-91%
Solidity	21%	25%	22%
Return on operating capital	69%	-4%	-75%
Net debt/equity	-0,08	0,94	-0,07

Return on equity is calculated as net profit after tax as a percentage of average equity during the period.

The equity/assets ratio is calculated as (adjusted) equity as a percentage of total assets.

Return on operating capital is calculated as operating profit through average operating capital.

Net debt/equity is calculated as net of cash and interest bearing liabilities through equity.

NOTE 7 CONTINGENT LIABILITIES

	<u>2023-03-31</u>	<u>2022-03-31</u>	<u>2022-12-31</u>
Credit guarantees	50	50	50
Contingent liabilities	-	-	-

End of August 2021 a fire at Estrange led to extensive damage to real estate. SSC has an ongoing dialogue with the insurance company IF regarding compensation to cover the reconstruction. Contingent assets for future insurance compensation have not been reported as an asset as of 31 March 2023 or 31 of December 2022, since the amount has not yet been determined. However, the insurance compensation received for restructuring costs has been accounted for as an income as of 31 March 2023 and as per December 31, 2022.

OTHER INFORMATION

The interim report has not been reviewed by the auditors. The interim report is issued by the Board of Directors.

UPCOMING FINANCIAL REPORTS

The interim report for the second quarter 2023 will be published August 15, 2023

The interim report for the third quarter 2023 will be published October 31, 2023

Questions about the interim report can be addressed to Head of Group accounting Kerstin Bergqvist, +46 8 627 62 00