



YEAR-END REPORT 2020



Cover image: Antenna maintenance at Esrange Space Center.

YEAR-END REPORT 2020

FINANCIAL DEVELOPMENT IN BRIEF

Amount in MSEK	2020	2019
NET SALES	1 001	1 013
OPERATING PROFIT	-5	30
PROFIT BEFORE TAX	-18	23
PROFIT AFTER TAX	-31	10
CASH FLOW AFTER INVESTMENTS	-46	23

2020 IN BRIEF

EBIT for 2020 amounted to -5 MSEK. The EBIT margin was 0%, which was a decrease from 3% previous year.

- The revenues, adjusted for currency impact, decreased with 1% which was mainly caused by a reduced activity level at Esrange Space Center due to the restrictions related to the pandemic.
- The pandemic has mainly had an impact on the Division Science Services which is also the main explanation for the reduced profitability during 2020. The impact on the divisions Satellite Management Services and Engineering Services has financially been limited.
- A number of important orders have been signed during the year, among them the agreement between five countries to cooperate around Esrange which is the foundation for the operation and the development of the Space Center. The contract is prolongation for another five years.
- A new Testbed was inaugurated at Esrange Space Center during the last quarter.
- The Swedish Government decided to co-finance the next step in the development of Esrange, an investment in launching capabilities for small satellites.
- Total investments amounted to 205 MSEK, where-of 81 MSEK was related to the development of Esrange Space Center.

SIGNIFICANT EVENTS DURING THE 2020

Following a good start during the first two months of the year the situation quickly changed when the pandemic hit the world. After an initial period of large uncertainty around what impact this would have it was clear that a large part of SSC's operations continued to deliver services to a normal extent. SSC's customers largely consist of institutional customers with projects and programs running over several years and in many cases SSC's services are also critical for the society. An important part of handling the crisis was therefore to make sure that the ability to deliver was secured, both under and after the pandemic.

The year has been characterized by the ongoing pandemic and the adjustments that followed. Despite this the operations in the divisions Satellite Management Services and Engineering Services have continued to deliver their services. In the division Science Service it has however been more challenging since almost all launches in the rocket and balloon segment have been postponed. In order to have some operations going at Esrange Space Center extensive actions have been taken. The activity at Esrange is expected to catch up as soon as the pandemic allows, but revenues for 2020 as well as the profit have been negatively impacted by the pandemic. Mitigating actions have been taken in the form of furlough and cost reductions.

Despite the pandemic the construction of the Testbed at Esrange Space Center continued. The Testbed, which is a first step towards launching satellites from Esrange, was inaugurated during the fall. In conjunction to this the Swedish Government took the decision to co-finance the next step, which means that Esrange Space Center will become a Spaceport for launching smaller satellites. The construction of the Spaceport has already started.

DEVELOPMENT OF THE GROUP'S FINANCIAL POSITION DURING THE YEAR

Group Net Sales decreased from 1 013 MSEK previous year to 1 001 MSEK, a decrease of 1% adjusted for currency effects compared to previous year. The decrease is mainly related to reduced revenues in Science Services due to the pandemic.

Group operational profit was -5 MSEK (30 MSEK), where the decrease was mainly related to Science Services. The operational profit in Satellite Management Services was positive but decreased compared to previous year which was related to a write-off of some antenna investments and costs for handling the OneWeb restructuring. Engineering Services operational profit increased during 2020.

Group financial net was -13 MSEK (-7 MSEK). Included in the financial net was a negative impact of currency effects of -4 MSEK (2 MSEK).

Profit before tax was -18 MSEK (23 MSEK).

Group profit after tax amounted to -31 MSEK (10 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 December 2020 amounted to 1 378 MSEK (1 355 MSEK 31 December 2019), an increase with 23 MSEK.

Cash flow after investments amounted to -46 MSEK (23 MSEK). Net investments amounted to -205 MSEK (-171 MSEK), whereof -81 MSEK (-21 MSEK) related to investments at the Esrange Space Center.

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

Operating profit for the Parent Company was -47 MSEK (-15 MSEK).

Profit after tax for the Parent Company amounted to -42 MSEK (-1 MSEK).

Total assets 31 December 2020 amounted to 997 MSEK (947 MSEK 31 December 2019), an increase with 50 MSEK. Interest-bearing liabilities have increased with 31 MSEK, whereof -20 MSEK relates to currency translation differences.

Cash flow from operations amounted to -99 MSEK (9 MSEK). Net investments amounted to -171 MSEK (-88 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.

MARKET AND FUTURE PROSPECTS

The space industry and its markets are characterized by rapid change with an increasing element of private actors and investments. The space industry is still heavily depending on public sector financing and SSC is striving toward increased sales to the private sector.

SSC is continuously working with the upgrade and enhancement of the Esrange Space Center and has the ambition to launch smaller satellites into orbit from Esrange. The project is named SmallSat Express. project. During 2018 the Swedish Government took the decision to co-fund the establishment of a Testbed at Esrange. The test facility, which



became operational late 2020, is also the first step in the construction of the infrastructure needed for launching satellites from Esrange. During fall 2020 the Swedish Government took the decision to co-finance the next step to establish the infrastructure for satellite launching from Esrange Space Center. The work has started late 2020 and is expected to continue until 2023.

SSC continues its expansion within Satellite Management Services. Already made and planned investments in enlarged capacity, strategically placed earth stations and investments in new technology are positioning the company well for new businesses and a gradual development of a broader and even more attractive global offering for both present and new customers.

SSC also has the ambition to extend the operations within Engineering Services, mainly through organic growth, where the establishment of a UK subsidiary serves as an example.

It is currently hard to deem the long-term impact of the pandemic on the global economy and hence, as a next step, its impact on SSC's operations. The industry is in general very long-term oriented, but at the same time largely based on tax financing which means that in the long run the industry is depending on the contributing states' financial situation.

SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

No essential events after the balance sheet date.

PROPOSED DIVIDEND

The Board of Directors proposes that no dividend is paid to the owner for 2020.

CONSOLIDATED INCOME STATEMENT

Amount in MSEK	2020	2019	2020	2019
	OCT-DEC	OCT-DEC	JAN-DEC	JAN-DEC
Net sales	230	262	1 001	1 013
Other revenues	4	10	13	25
External Expenses ¹⁾	-83	-94	-301	-344
Personnel costs ¹⁾	-157	-142	-592	-541
Amortizations and depreciations	2	-35	-126	-122
OPERATING PROFIT	-4	0	-5	30
Financial income and expenses	-1	-5	-13	-7
PROFIT BEFORE TAX	-5	-4	-18	23
Income taxes	-1	-4	-13	-13
PROFIT AFTER TAX	-6	-8	-31	10
TOTAL OTHER INCOME				
ITEMS THAT WILL BE RECLASSIFIED TO PROFIT AND LOSS WHEN SPECIFIC CONDITIONS ARE MET				
Translation differences in foreign operations	-16	-10	-19	8
Cash flow hedges	2	0	4	-2
ITEMS THAT WILL NOT BE INCLUDED IN PROFIT AND LOSS				
Change in fair value of financial assets available for sale	2	0	2	1
Income tax relating to items above	-1	0	-1	0
TOTAL OTHER INCOME	-12	-10	-14	7
TOTAL PROFIT/LOSS	-17	-18	-44	16
Of which attributable to the parent company's shareholders	-17	-18	-44	16
Of which attributable to non-controlling interests	0	-	0	-
Earnings per share, SEK	-340	-512	-1 880	613
¹⁾ Change in provisions external costs and personnel costs	2,5 -4,6	0,4 4,7	-3,5 -4,4	1,2 0,7

CONSOLIDATED BALANCE SHEET

Amount in MSEK	2020-12-31	2019-12-31
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	106	98
Tangible assets	803	760
Other securities held as non-current assets	0	0
Deferred tax assets	4	4
TOTAL NON-CURRENT ASSETS	914	861
CURRENT ASSETS		
Inventories	17	13
Current receivables	265	269
Cash and cash equivalents	182	212
TOTAL CURRENT ASSETS	465	494
TOTAL ASSETS	1 378	1 355
Amount in MSEK	2020-12-31	2019-12-31
EQUITY AND LIABILITIES		
EQUITY		
Share equity	33	33
Other reserves	21	35
Retained earnings including profit for the period	378	408
TOTAL EQUITY ATTRIBUTABLE TO HOLDERS OF THE PARENT COMPANY	431	475
Attributable to non-controlling interests	0	-
TOTAL EQUITY	431	475
NON-CURRENT LIABILITIES		
Interest bearing liabilities	214	367
Other liabilities	160	108
Provisions	6	2
Deferred tax liability	3	8
TOTAL NON-CURRENT LIABILITIES	383	485
CURRENT LIABILITIES		
Interest bearing liabilities	203	35
Short-term non-interest bearing liabilities	355	358
Provisions	5	1
TOTAL CURRENT LIABILITIES	564	394
TOTAL EQUITY AND LIABILITIES	1 378	1 355

CONSOLIDATED STATEMENT OF CASH FLOW

Amount in MSEK	2020	2019
OPERATING ACTIVITIES		
Cash flow from operations	102	128
Change in working capital	57	67
CASH FLOW FROM OPERATING ACTIVITIES	158	195
INVESTING ACTIVITIES		
Investments in intangible assets	-14	-24
Investments in tangible assets	-192	-144
Sale of subsidiary, net liquidity impact	0	-8
Transactions with non-controlling interests	0	-
Disposal in financial assets	0	4
CASH FLOW FROM INVESTING ACTIVITIES	-205	-171
CASH FLOW AFTER INVESTMENTS	-46	23
CASH FLOW FROM FINANCING ACTIVITIES	33	-27
CASH FLOW FOR THE YEAR	-14	-3
Cash and cash equivalents at the beginning of the year	212	212
Currency gains/losses in liquid assets	-15	3
CASH AND CASH EQUIVALENTS, END OF THE YEAR	182	212

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 2019	33	26	405	464	-	464
Dividend for 2018			-	-	-	-
Net effect of IFRS 16			-5	-5	-	-5
Movement from Reserves to equity		2	-2	0	-	0
Total result		7	10	16	-	16
CLOSING BALANCE 31 DECEMBER 2019	33	35	408	475	-	475
OPENING BALANCE 1 JANUARY 2020	33	35	408	475	-	475
Dividend for 2019			-	-	-	-
Transactions with non-controlling interests			0	0	0	0
Total result		-14	-31	-44	0	-44
CLOSING BALANCE 31 DECEMBER 2020	33	21	378	431	0	431

PARENT COMPANY INCOME STATEMENT

Amount in MSEK	2020	2019	2020	2019
	OCT-DEC	OCT-DEC	JAN-DEC	JAN-DEC
Net sales	117	125	449	478
Other revenues	2	8	9	23
External expenses ¹⁾	-55	-67	-210	-248
Personnel costs ¹⁾	-66	-54	-240	-220
Amortizations and depreciations	-17	-13	-55	-48
OPERATING PROFIT	-18	-1	-47	-15
Financial income and expenses	2	0	16	25
PROFIT BEFORE TAX	-16	-1	-31	10
Dispositions	-15	-14	-15	-14
Income taxes	3	3	4	3
PROFIT AFTER TAX	-28	-12	-42	-1
TOTAL OTHER INCOME				
ITEMS THAT WILL BE RECLASSIFIED TO PROFIT AND LOSS WHEN SPECIFIC CONDITIONS ARE MET				
Cash flow hedges	2	0	4	-2
ITEMS THAT WILL NOT BE INCLUDED IN PROFIT AND LOSS				
Change in fair value of financial assets available for sale	2	0	2	1
Income tax relating to items above	-1	0	-1	0
TOTAL OTHER INCOME	4	0	5	-1
TOTAL PROFIT/LOSS	-24	-12	-37	-2
¹⁾ Change in provisions external costs and personnel costs	0,6 -4,6	0,2 4,7	0,6 -4,4	0,5 0,7

PARENT COMPANY BALANCE SHEET

Amount in MSEK	2020-12-31	2019-12-31
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	55	43
Tangible assets	417	347
Other securities held as non-current assets	287	278
Deferred tax assets	44	40
TOTAL NON-CURRENT ASSETS	803	708
CURRENT ASSETS		
Inventories	15	10
Current receivables	133	135
Cash and cash equivalents	46	94
TOTAL CURRENT ASSETS	194	239
TOTAL ASSETS	997	947
Amount in MSEK	2020-12-31	2019-12-31
EQUITY AND LIABILITIES		
EQUITY		
Share equity	33	33
Other reserves	7	7
Fair value reserves	4	-1
Retained earnings including profit for the period	57	99
TOTAL EQUITY	100	137
UNTAXED RESERVES	211	196
NON-CURRENT LIABILITIES		
Interest bearing liabilities	137	275
Other liabilities	159	108
Provisions	2	2
TOTAL NON-CURRENT LIABILITIES	298	385
CURRENT LIABILITIES		
Interest bearing liabilities	185	15
Short-term non-interest bearing liabilities	197	213
Provisions	5	1
TOTAL CURRENT LIABILITIES	387	228
TOTAL EQUITY AND LIABILITIES	997	947

PARENT COMPANY STATEMENT OF CASH FLOW

Amount in MSEK	2020	2019
OPERATING ACTIVITIES		
Cash flow from operations	29	56
Change in working capital	43	41
CASH FLOW FROM OPERATING ACTIVITIES	71	97
INVESTING ACTIVITIES		
Investments in intangible assets	-14	-24
Investments in tangible assets	-123	-70
Investments in subsidiaries, net cash impact	-2	-
Investments in financial assets	-36	-22
Disposal in financial assets	4	28
CASH FLOW FROM INVESTING ACTIVITIES	-171	-88
CASH FLOW AFTER INVESTMENTS	-99	9
CASH FLOW FROM FINANCING ACTIVITIES	52	-8
CASH FLOW FOR THE YEAR	-48	1
Cash and cash equivalents at the beginning of the year	94	93
Currency gains/losses in cash and cash equivalents	0	0
CASH AND CASH EQUIVALENTS, END OF THE YEAR	46	94

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amount in MSEK	Share capital	Other reserves	Hedge reserves	Retained earnings	Total equity
OPENING BALANCE 1 JANUARY 2019	33	7	-1	101	139
Dividend for 2018				-	-
Movement from Reserves to equity			2	-2	0
Total result			-1	-1	-2
CLOSING BALANCE 31 DECEMBER 2019	33	7	-1	99	137
OPENING BALANCE 1 JANUARY 2020	33	7	-1	99	137
Dividend for 2019				-	-
Total result			5	-42	-37
CLOSING BALANCE 31 DECEMBER 2020	33	7	4	57	100

NOTE 1 ACCOUNTING PRINCIPLES

This condensed consolidated interim financial report for the quarterly reporting period ended December 31, 2020, has been prepared in accordance with Accounting Standard IAS 34 "Interim Financial Reporting" and the Swedish Annual Accounts Act. The 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 assumption bases have been applied as in the most recent annual report, with the addition that, due to the outbreak of Covid-19, the IAS 20 - "Reporting of government grants and disclosures of Government Assistance" has been applied in 2020 as described below.

Reporting of state aid as a result of Covid-19

In 2020, SSC, has benefited from, and is expected to continue to benefit from, as long as there is support and need for support, the state support measures implemented due to the outbreak of Covid-19. The support received is mainly direct support in the form of compensation for short-term layoffs. This remuneration is paid from the state in the form of grants and is thereby deemed to meet the criteria in IAS 20. SSC has chosen to report this support for short-term layoffs as "Other operating income" in the income statement. The aid is reported in the income statement and balance sheet when it is reasonably certain that the conditions for the aid are met and that the aid will be received. In 2020, remuneration for mainly short-term work has reported at SEK 1.8 MSEK.

For more information on accounting and valuation principles, see Note 2 in the Annual Report 2019.

Amounts are in MSEK (millions of SEK) unless otherwise stated.

NOTE 2 FORWARD-LOOKING INFORMATION

Forward-looking information in this report is based on the management's expectations by the time of reporting. Even if the Management deems the expectations reasonable, it is no guarantee for the correctness of these expectations. Accordingly, the future outcome will vary due to changed market conditions for SSC's services as well as more general changes in the global economy, competition, legal requirements and/or political changes and currency impact.

NOTE 3 NET SALES

GROUP NET SALES, MARKET DISTRIBUTION

Amount in MSEK	2020	2019
Sweden	128	89
Europe excl. Sweden	612	634
Asia	112	128
America	145	158
Other Markets	4	4
NET SALES	1 001	1013

GROUP NET SALES HAVE BEEN INVOICED IN THE FOLLOWING CURRENCIES

Amount in MSEK	2020	2019
SEK	137	121
EUR	665	668
USD	185	205
Other Currencies	14	19
NET SALES	1 001	1013

PARENT COMPANY NET SALES, MARKET DISTRIBUTION

Amount in MSEK	2020	2019
Sweden	128	89
Europe excl. Sweden	190	243
Asia	95	107
America	34	36
Other Markets	2	2
NET SALES	449	478

PARENT COMPANY NET SALES HAVE BEEN INVOICED IN THE FOLLOWING CURRENCIES

Amount in MSEK	2020	2019
SEK	137	121
EUR	254	288
USD	47	55
Other Currencies	10	15
NET SALES	449	478

NOTE 4 FINANCIAL INSTRUMENTS BY CATEGORY AND FAIR VALUE

The tables below present financial assets and liabilities by category.

THE GROUP 31 DECEMBER 2020	FINANCIAL ASSETS VALUED AT INCOME PROCUREMENT VALUE	DERIVATIVE INSTRUMENTS USE FOR SECURITY PURPOSES	FINANCIAL ASSETS THAT CAN BE SOLD	LIABILITIES VALUED AT INCREASED PROCUREMENT VALUE	ACCOUNTED VALUE	FAIR VALUE
ASSETS						
Other securities held as non-current assets	-	-	0	-	0	0
Accounts received	149	-	-	-	149	149
Other receivables	-	5	-	-	5	5
LIABILITIES						
Interest bearing liabilities	-	-	-	322	322	322
Accounts payable	-	-	-	59	59	59
Other liabilities	-	1	-	-	1	1

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 DECEMBER 2020	LEVEL 1	LEVEL 2	LEVEL 3	AMOUNT
ASSETS				
Other securities held as non-current assets	-	-	0	0
Other receivables	-	5	-	5
LIABILITIES				
Other liabilities	-	1	-	1

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 5 SSC GROUP KPI'S

	2020	2019
Return on equity	-7%	2%
Solidity	31%	35%
Return on operating capital	-1%	5%
Net debt / equity	0,55	0,40

Return on equity is calculated as net profit as a percentage of average equity during the year.

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.

NOT 6 CONTINGENT LIABILITIES

	2020-12-31	2019-12-31
Credit guarantees	50	50
Contingent liabilities	8	9

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 Annual report for 2020 will be published 31 March, 2021.

The date of the AGM is determined to 27 April 2021.

The interim report for the first quarter 2021 will be published 29 April 2021.

Questions about the interim report can be addressed to Head of Group accounting Kerstin Bergqvist,

+46 8 627 62 00

Europa

SSC
P.O. Box 4207
SE-171 04 Solna
Sweden
Tel: +46 8 627 62 00

SSC
Esrange Space Center
P.O. Box 802
SE-981 28 Kiruna
Sweden
Tel: +46 980 72 000

SSC
Stockholm Teleport
Vidjavägen 15
SE-123 52 Farsta
Sweden
Tel: +46 8 447 35 70

SSC
LSE Space
Friedrichshafener Str. 2
D-82205 Gilching
Germany
Tel: +49 8105 777 404 0

SSC
LSE Space
Robert-Bosch-Strasse 16a
D-64293 Darmstadt,
Germany
Tel: +49 6151 666 19 0

SSC
Aurora Technology
Zwarteweg 39
2201 AA, Noordwijk,
The Netherlands
Tel: +31 715327141

SSC
Atlas Building, Fermi Avenue,
Harwell Campus, Didcot,
Oxfordshire OX11-0QX
United Kingdom

Amerika

SSC
417 Caredean Drive
Suite A
Horsham, PA 19044
USA
Tel: +1-215-328-9130

SSC
Autopista Los
Libertadores Km 28,
Colina
Santiago
Chile
Tel: +56 2 2698 1702

SSC
3425 2nd Avenue
Lethbridge,
AB T1J 4V1
Canada
Tel: +1 403 329-1552

Asien och Australien

SSC
Space Krenovation Park
88 Moo Tambon Thung Sukala,
Amphoe Siracha, Chonburi
20230 Thailand
Tel: +66 871486006

SSC
PO Box 94
Mingenew, 6522 WA
Australia
Tel: +61 8 9929 1000

