



Interim report for AAC Clyde Space AB (publ) January –March 2022

2022-05-19 AAC Clyde Space AB (publ)

First quarter, January–March 2022 (compared with January–March 2021)

- Net sales increased 12% to SEK 41.2 M (36.8)
- Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK -7.6 M (-0.5)
- Earnings before interest and tax (EBIT) amounted to SEK -14.7 M (-4.4)
- The loss after tax was SEK -11.7 M (-4.0)
- Basic and diluted earnings per share amounted to SEK -0.06 (-0.03)
- Cash flow from operating activities totalled SEK 7.0 M (-20.8)
- The order backlog increased 178% to SEK 395 M (142)

Significant events in the first quarter of 2022

- A EUR 441 k (approx. SEK 4.5 M) order was received from UK-based Space Forge to provide space products for a demonstration spacecraft designed to leverage the space environment for production and experiments, capable of performing multiple trips to space
- AAC Clyde Space issued 525,457 shares to the previous owners of Omnisys Instrument AB as an earn-out payment achieved following the completion of the preliminary design of a weather instrument. The earn-out is the first of potentially three equal earnout issues of remuneration shares related to the weather instrument project. AAC Clyde Space is developing a new WeatherCube for Space Data as a Service weather constellations. The share issue increases the total number of shares in AAC Clyde Space to 192,725,486

Significant events after the end of the reporting period

- AAC Hyperion acquired a contract to develop an onboard artificial intelligence (AI) capability for small satellites in collaboration with the Royal Netherlands Aerospace Centre (NLR). The European Space Agency (ESA) will fund the project with EUR 0.41 M (approx. SEK 4.2 M) sponsored by the Netherlands Space Office (NSO), with means from ESA's General Support Technology Programme (GSTP)
- AAC Space Africa was selected to deliver a ground station to a client in Africa. The order at approx. SEK 3.4 M will be delivered in 2022
- AAC Clyde Space issued 525,457 shares to the previous owners of Omnisys Instrument AB as an earn-out payment achieved following the completion of the preliminary design of the weather instrument to the ESA project Artic Weather Satellite (AWS). The earn-out is the first of potentially three equal earnout issues of remuneration shares related to the AWS-project. Omnisys was awarded a EUR 12.2 million contract to supply microwave sounding sensors to the AWS-project in March 2021. The share issue increases the total number of shares in AAC Clyde Space to 193,250,943



Comments from the CEO

We've had a productive start to 2022 despite disruption to global supply chains, increased market uncertainty and recent volatility caused by worrisome geopolitical tensions.

The growing need for more accurate and timely data to improve life on earth is generating strong demand in the space economy. We continue to build off the momentum we achieved in 2021 and have seen enhanced interest in our products and services across all areas of our Group.

In the first quarter, we reported net sales of SEK 41.2M and our order backlog improved by 178% over the same period to SEK 395M. Our target remains to be EBITDA positive and to generate positive operational cash flow in 2022.

However, the start of 2022 has not been plain sailing. Ongoing global supply chain issues and the lingering impacts of the pandemic continue to fuel an industry-wide shortage of components and skilled labour.

The component shortage has delayed existing programmes as we are forced to wait for important parts to complete projects. And we have had to hire more contractors, at a higher cost, to mitigate the labour shortage.

This has had a knock-on impact on business sales during the first quarter, but we expect to recognise SEK 171.2M of our order backlog as revenue over the remainder of the year. This means that we expect to generate over SEK 210M of annual sales in 2022 from existing contracts as of end of March. In addition, we expect to recognise more revenue from new orders to meet our financial targets this year.

Furthermore, our capabilities and market-leading technology are driving innovation across critical areas of research.

For example, we continue to make strides in weather forecasting. This quarter we have completed preliminary designs for both the European Space Agency's Arctic Weather Satellite programme and a new WeatherCube for Space Data as a Service weather constellations.

We are also moving closer to making space-based production a reality. In January, we secured a follow-on order from UK-based Space Forge to provide space products for a demonstration spacecraft designed to leverage the space environment for production and experiments – and capable of performing multiple trips to space.

Later this year we plan to launch several of our small satellites, including satellites for Eutelsat and Horizon, and two for our own SDaaS fleet, to provide data for Orbcomm and Wyvern. These launches, scheduled to start from Cornwall, in the summer, the first satellite launch from the British Isles will mark a new phase of growth for the company. They reflect our increasing work with governments and national space programs to further research and development in space.

We remain committed to our ambition to become a world leader in commercial small satellites and services from space.

I also want to thank our entire global team for their commitment and hard work through this period of fast growth and transformation.

Luis Gomes
CEO



FOR MORE INFORMATION:

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The information in this press release is such that AAC Clyde Space AB (publ) shall announce publicly according to the EU Regulation No 596/2014 on market abuse (MAR). The information was submitted for publication, through the agency of the contact person set out above, at 8:30 CEST on 19 May 2022.

The interim report and further information are available at <https://investor.aac-clyde.space/en/financial-reports>

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's shares are traded on Nasdaq First North Premier Stockholm. Erik Penser Bank AB, e-mail certifiedadviser@penser.se, telephone +46 8 463 83 00, is the Certified Adviser. The share is also traded on the US OTCQX-market under the symbol ACCMF.