



## Year-end report for AAC Clyde Space AB (publ) January – December 2019

2020-02-20 AAC Clyde Space AB

### Fourth quarter, October–December 2019 (compared with October–December 2018)

- Net sales amounted to SEK 20.6 M (29.0 including royalty of 4.1)
- Earnings before interest, tax, depreciation and amortisation (EBITDA) totalled SEK -5.2 M (3.4)
- Earnings before interest and tax (EBIT) totalled SEK -8.4 M (0.3)
- The loss after tax was SEK -8.4 M (0.4)
- Basic and diluted earnings per share amounted to SEK -0.09 (0.1)
- Cash flow from operating activities totalled SEK -0.6 M (-4.0)
- The order backlog increased to SEK 169 M (SEK 67.1) at year end

### Full-year 2019 (compared with full-year 2018)

- Net sales amounted to SEK 66.4 M (77.9)
- EBITDA totalled SEK -27.3 M (-28.5)
- EBIT totalled SEK -40.2 M (-43.3)
- The loss after tax was SEK -40.6 M (-42.7)
- Basic and diluted earnings per share amounted to SEK -0.48 (-0.65)
- Cash flow from operating activities totalled SEK -16.6 M (-48.6)
- In June, the oversubscribed rights issue raised funds of SEK 82.5 M for the company before issue expenses

### Information on significant events during the fourth quarter of 2019

- In November, the Parent Company ÅAC Microtec AB changed its name to AAC Clyde Space AB. The name change secures the values incorporated into the Group in conjunction with the merger with Clyde Space Ltd in 2018
- Iraklis Hatzithanasiou stepped down from his position as VP Business Development. Until further notice, CEO Luis Gomes is acting VP Business Development
- An agreement was signed for the delivery of subsystems for SEK 11.3 M to one of Europe's leading small satellite manufacturers
- The US Air Force Academy placed a SEK 6.4 M order for subsystems

### Significant events after the end of the reporting period

- NSLComm placed a SEK 15 M order for another 6U satellite together with associated services. AAC Clyde Space was also appointed a preferred supplier for NSLComm's planned constellation
- Intuitive Machines ordered power systems with an order value of SEK 5.4 M for a lunar lander mission
- AAC Clyde Space appointed John Charlick COO and Ross Lang UK Head of Finance to the executive management team



## Comments from the CEO

2019 culminated with AAC Clyde Space hitting a new record for our order intake with new important commercial contracts, started new ambitious projects, carried out a successful rights issue and launched several key missions. We unfortunately also faced headwinds with programmatic problems particularly in two satellite projects. These problems have weighed on both revenues and earnings primarily in the second half of the year. Both projects were delivered to clients in January 2020, freeing up resources to move forward.

This was the year when we saw a marked increase in the interest in nanosatellites as operational satellites rather than just technology demonstrators. This transition, that we are seeing in a variety of applications, is best illustrated by the contracts signed with Orbcomm and Eutelsat, two of the world leading satellite operators. As well as showing an evolution of the market, these contracts demonstrate the trust that established commercial satellite operators have in AAC Clyde Space to deliver operational missions. These contracts helped us to have our best ever order book – SEK 169 million at the end of December 2019, an increase of more than 150% from a year before.

The positive trends in our business extended to our subsystems business, that in 2019 reached new milestones, in particular the Sirius range of on-board data handling solutions that became a solid performer in the 100kg satellite class, hitting the 50 units sold. Our subsystems were successful in some of the world's most established space markets (Europe, US and Japan), as well as developing space markets, showing the continued trust in our quality and performance.

We have had a good start of 2020 with two more important contract wins for the company: our Starbuck power solutions are going to the Moon in a couple years' time as part of the Intuitive Machine's Lunar lander; and we will make another EPIC satellite for NSLComm, continuing our close collaboration with the most exciting new space company in the world of broadband communications. These extend our order backlog to SEK 187 million at the end of January 2020.

Throughout 2020 we will continue to work to make our processes more robust, ensure that our teams appropriately staffed and that we are delivering the best solutions for small satellites. We will continue to bring in new recruits to bolster our ability to deliver and increase our technical skills. And we have taken measures to reduce lead-times and to meet new demands for shorter delivery times.

We are developing exciting new products and technologies that will meet the requests from our current and future customers; we will expand the range of sizes of our platforms, increase their capabilities with more power, better downlink capabilities and new payload solutions. The avionics we are developing will be optimised for mass production, offering standard, easy to use and configure satellite designs, slashing the need for expensive non-recurring engineering.

2020 will be a year where we will give special attention to the environment and the management of our climate. Space offers the possibility to perform global scale measurements, allowing for global, informed decisions to be taken by governments and international bodies. AAC Clyde Space has developed over the last two years several missions to monitor the Earth's environment, and we will build upon those to offer comprehensive, low cost solutions to support environment needs.

Our ambition to transfer the listing of the company's shares to the main market remains. A readiness assessment has been performed by an external consultant with a list of actions as a result, that will be implemented over time. And our acquisition strategy remains the same: we continue to look for strong companies that will add value to AAC Clyde Space, either through their business or through their technology and products.



We now have a solid plan for how to put the company on a path to growth and profitability. We expect a strong growth in 2020 and to be EBITDA and operating cash flow positive in 2021. For 2020 we have already a contracted revenue of SEK 88 million (more than the revenue of 2019) and expect to add more. In January we have shipped two satellites for launch and as we wait for the results from those, we are working full time on the new projects and R&D plans. This will be a year of change and growth.

**Luis Gomes**  
**CEO**

**FOR MORE INFORMATION:**

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

**ABOUT AAC CLYDE SPACE**

AAC Clyde Space offers turnkey solutions and services from mission design to on-orbit operations, including reliable customizable satellite platforms in the range of 1 to 50 Kg and a full range of subsystems for cube and small satellites. With unrivalled flight heritage and end-to-end service, AAC Clyde Space enables customers to reach their mission goals through a single, trusted point of contact.

AAC Clyde Space's shares are traded on Nasdaq First North Premier Stockholm. Erik Penser Bank AB, e-mail [certifiedadviser@penser.se](mailto:certifiedadviser@penser.se), telephone +46 8 463 83 00, is the Certified Adviser