



AAC Clyde Space AB (publ) acquires Swedish space company Omnisys Instruments

2021-03-31 AAC Clyde Space AB (publ)

AAC Clyde Space AB ("AAC Clyde Space" or the "Company") today announces that the Company has entered into a conditional agreement for the acquisition of the privately owned Swedish company Omnisys Instruments AB ("Omnisys"), a leading developer and manufacturer of measuring instruments for advanced space projects (the "Acquisition"). The purchase price amounts to approximately SEK 75 million, where SEK 25 million is paid in cash and approximately SEK 50 million is paid through 17,340,100 newly issued consideration warrants in AAC Clyde Space. The completion of the Acquisition of Omnisys is, inter alia, conditional on the issue of the consideration warrants being approved at an extraordinary general meeting.

The Acquisition of Omnisys

Gothenburg based Omnisys, develops and manufactures measuring instruments for advanced space projects. Omnisys has 20 years of experience developing profitable high-performance electronics hardware, including world-class sensors. Omnisys has a proven track record developing sensors for weather data in order to create reliable weather forecasting and data for climate research. Several interesting areas within AAC Clyde Space's growth plans including Space Data as a Service offerings.

Among Omnisys' customers are ESA, Airbus Defense & Space, the Swedish Space Agency, as well as a wide range of commercial companies in Europe and the USA. Omnisys is renowned for complex problem solving and innovation. Omnisys has recently developed a new type of microwave-based sensor that provides weather data with superior quality, which has gained strong interest from both public and private customers. In 2020, Omnisys generated revenue of SEK 34.9 million and EBITDA of SEK 1.9 million. Omnisys currently has an order book valued at SEK 133 million, and AAC Clyde Space had, per 31 December 2020, an order book valued at SEK 156 million.

Earlier in March, Omnisys was awarded a EUR 12.2 million (SEK 124 million) contract to supply Microwave sounding sensors to the ESA project Artic Weather Satellite (AWS). AAC Clyde Space is the intended provider of avionics systems to the same contract. This is the pilot project, laying the path to a potential next phase, a constellation of 16 satellites.

"We have tracked Omnisys for several years and have grown increasingly impressed with the quality of the instruments they provide for advanced space projects, among other sensors that will allow us to build constellations that can provide high quality data with great sampling frequency to a data hungry market. An excellent example is Omnisys microwave sounders where we will gain a leading position in space based weather data, a field set to grow strongly as new technology enables dramatically improved forecasts" says **Luis Gomes, CEO of AAC Clyde Space**.

"We are delighted to be joining the AAC Clyde Space group at this exciting stage of our development. The combination of our advanced sensor technology with AAC Clyde Space's leading capabilities in small satellite design, manufacture and deployment offers exciting opportunities to a fast growing and truly global market. Our track record in providing sophisticated sensors will allow the group to gradually open up new market segments in need of data from space" says **Martin Kores, Managing Director of Omnisys**.



Preliminary unaudited consolidated accounts

Below is a preliminary unaudited consolidated pro forma income statement and balance sheet for the FY 2020 in order to describe a hypothetical income statement and balance sheet if the Acquisition had been completed as of December 31, 2020. It is important to note that the preliminary consolidated income statement and the balance sheet should not be seen as an estimate for the current year or the next twelve months. Omnisys applies K2 as accounting standard, while AAC Clyde Space applies IFRS.

2020	AAC Clyde Space Group (IFRS)	Omnisys Instruments AB (K2)	Eliminations	Proforma
<i>Unaudited financial accounts</i>				
(SEK '000)				
Net revenue	98,384	34,931	-	133,315
Work performed by the company for its own use and capitalized	8,334	-	-	8,334
Other operation income	12,732	817	-	13,549
Total	119,450	35,748	0	155,198
COGS	-50,262	-5,501	-	-55,763
Gross profit	69,188	30,247	0	99,435
<i>Gross margin %</i>	<i>70.3%</i>	<i>86.6%</i>		<i>74.6%</i>
Personnel expenses	-61,146	-22,879	-	-84,025
Other external expenses	-19,504	-5,424	-	-24,928
Other operating expenses	-15,357	-	-	-15,357
Total OPEX	-96,007	-28,303	-	-124,310
EBITDA	-26,819	1,944	0	-24,875
<i>EBITDA margin %</i>	<i>Neg</i>	<i>5.6%</i>		<i>Neg</i>
D&A	-10,713	-277	-	-10,990
EBIT	-37,532	1,667	0	-35,865
<i>EBIT margin %</i>	<i>Neg</i>	<i>4.8%</i>		<i>Neg</i>
Net interest expenses	-1,274	-256	-	-1,530
EBT	-38,806	1,441	0	-37,365



B/S per 2020-12-31	AAC Clyde Space Group (IFRS)	Omnisys Instruments AB (K2)	Share issue & Acquisition	Proforma
Unaudited financial accounts				
LTM (SEK 000')				
ASSETS				
Non-current assets				
Intangible assets	67,913	-	-	67,913
Tangible assets	28,715	293	-	29,008
Financial assets	110	-	-	110
Goodwill	426,338	-	70,412	496,750
Total non-current assets	523,076	293	70,412	593,781
Current assets				
Inventories etc.	12,848	11,402	-	24,250
Accounts receivables and other current assets	37,893	8,651	-	46,542
Cash & bank	62,434	-2	68,100	130,534
Total current assets	113,175	20,051	68,100	201,326
Total assets	636,251	20,344	138,512	795,107
EQUITY AND LIABILITIES				
Equity	557,770	4,588	138,512	700,870
Total equity	557,770	4,588	138,512	700,870
Liabilities				
Non-current liabilities	18,823	8,999	-	27,822
Current liabilities	59,658	6,757	-	66,415
Total provisions and liabilities	78,481	15,756	-	94,237
Total equity and liabilities	636,251	20,344	138,512	795,107

Further information about the Acquisition and the preliminary unaudited consolidated balance sheet and income statement can be found in an investor presentation published on AAC Clyde Space's website today.

Transaction terms

The issue of the consideration warrants is subject to approval at an extraordinary general meeting, which is planned to be held end-April, 2021. Shareholders who together hold approximately 22 per cent of the total number of shares and votes in AAC Clyde Space have undertaken to vote in favour of the consideration warrant issue at the extraordinary general meeting.

The consideration warrants will be exercisable at a 1:1 ratio (1 warrant will convert into 1 share), at a price equal to the quota value of the shares (SEK 0.04), 6 months (1/3), 12 months (1/3) and 18 months (1/3), respectively after the completion of the Acquisition. Additional earn-out, amounting to a maximum of SEK 25 million may be paid out if Omnisys achieves certain earn-out milestones. Payment of potential earn-out will be made in both cash (60%) and consideration warrants (40%) at the earliest 2021-2023. The earn-out warrants will be exercisable at a 1:1 ratio (1 warrant will convert into 1 share) at a price equal to the quota value of the shares (SEK 0.04) within two months from the date of the final determination of the agreed earn-out milestones. The cash earn-out will be paid out within 15 days from the final determination of the agreed earn-out milestones.



Background and rationale

AAC Clyde Space is expanding its range of space services and growing sales fast. The Company aims to change the economics of space-based services, through controlling the design, manufacture, and deployment of ever increasingly capable constellations of small satellites. Part of this strategy is achieved through internal and organic development, but AAC Clyde Space also seeks to acquire companies that bring additional value, either through technology or commercial relationships. Omnisys, with its strong business and market position, particularly in sensor technology, meets both these criteria.

Omnisys develops a new type of sensor that provides superior quality of weather data, which has gained strong interest from both public and private customers. In constellations of cube satellites, weather forecasting can be greatly improved through more frequent data collection at very competitive cost, revolutionizing the weather prediction capability, a fast-growing market currently worth about USD 1.5 billion. The ability to predict weather more precisely is highly sought-after in many important sectors, such as agriculture, shipping, and aerospace. The Acquisition will allow AAC Clyde Space to extend its product and service offering with this sought-after technology and will enable the group to also offer weather data to customers in its subscription format, Space Data as a Service. Omnisys also produces instruments and systems for other attractive application areas that AAC Clyde Space will benefit from bringing in-house. Alongside its microwave radiometer sensors, Omnisys also manufactures satellite power systems (PCDU:s), optical instruments and electrochemical instruments, which have attractive applications for AAC Clyde Space's existing customers.

Omnisys Instruments AB

Omnisys develops and manufactures customized scientific instruments for advanced science applications, mainly used in space projects. Omnisys has successfully delivered several satellite subsystems and scientific payloads. Important products are power systems, (PCDU:s), microwave radiometer payloads, optical instruments and electrochemical instruments. Based on its track record and unique know-how, the company has reached a position as technology leader in the area of satellite-based microwave sensors for weather and climate data collection. Omnisys also has significant experience from delivering radiometer equipment for ground-based radio astronomy, e.g. for the ALMA telescope in Chile. Omnisys Instruments was founded in 1992, has 26 employees and is based in Gothenburg, Sweden. Omnisys is currently privately held and is headed by its Managing Director and two founders.

Advisers

Setterwalls Advokatbyrå is legal counsel and PwC is financial advisor to the Company in connection with the Acquisition.

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 17:31 CET on 31 March 2021.

**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 listed on Nasdaq First North Premier Growth Market. 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".