



Interim report for AAC Clyde Space AB (publ) January – June 2023

2023-08-30 AAC Clyde Space AB (publ)

Second quarter, April-June 2023 (compared with April-June 2022)

- Net sales amounted to SEK 75.9 M (49.5), an increase of 53%
- Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK +2.3 M (-3.2)
- Earnings before interest and tax (EBIT) amounted to SEK -5.4 M (-9.5)
- The loss after tax was SEK -4.7 M (-5.8)
- Basic and diluted earnings per share amounted to SEK -0.02 (-0.03)
- Cash flow from operating activities totalled SEK -43.0 M (-32.2)
- The order backlog amounted to SEK 443.7 M (400.2)

January-June 2023 (compared with January-June 2022)

- Net sales amounted to SEK 149.8 M (90.7), an increase of 65%
- Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK +4.0 M (-10.8)
- Earnings before interest and tax (EBIT) amounted to SEK -10.9 M (-24.1)
- The loss after tax was SEK -11.1 M (-17.5)
- Basic and diluted earnings per share amounted to SEK -0.05 (-0.09)
- Cash flow from operating activities totalled SEK -52.8 M (-25.2)

Events in the second quarter of 2023

- AAC Clyde Space was part of the team developing the SWI instrument onboard the European Space Agency's (ESA) Jupiter mission JUICE, which started travelling to its destination after launching from French Guinea on April 14 onboard an Ariane 5 rocket.
- EPICHyper-1, a 6U AAC Clyde Space EPIC VIEW satellite, was successfully launched on the SpaceX Transporter-7 mission on April 15, 2023. The satellite will deliver Earth observation data to Canadian company Wyvern Inc., under an exclusive Space Data as a Service (SDaaS) deal. It is planned to be followed by the launch of a further two 6U satellites during 2023.
- The AGM on 25 May resolved on the proposals of the Board of Directors and Nomination Committee. The AGM re-elected the board members Rolf Hallencreutz (chairman), Per Aniansson, Per Danielsson, Will Whitehorn and Anita Bernie and to elect Dino Lorenzini as ordinary board members for the time until the end of next annual general meeting. The Board of Directors was authorized to increase the share capital and the number of shares and votes by a maximum of 20 per cent of the current share capital as well as number of shares and votes through issue of shares, warrants and/or convertibles with or without deviation from the shareholders' preferential rights. The AGM also resolved to issue warrants under three incentive programmes.
- On June 6, the Board of Directors resolved on a rights issue of approx. SEK 74 M and secured loan facilities of SEK 20 M with the aim to grow the Group's Space Data as a Service (SDaaS) business. An EGM on June 26 approved the proposal.
- The Group won a GBP 1.25 M (approx. SEK 16.1 M) order from the NewSpace company Kawa Space for a 6U EPIC LINK satellite and payload. The satellite is planned for delivery during the fourth quarter of 2024.



Events after the end of the reporting period

- The European Space Agency's (ESA) Arctic Weather Satellite passed Critical Design Review, a key step to start manufacturing the satellite ahead of the planned launch in 2024. AAC Clyde Space supplies the mission's main instrument, as well as core avionics, under contracts valued at a total of EUR 13.5 M (approx. SEK 160 M).
- The rights issue raised a total of approx. SEK 47.6 M before deduction of transaction costs.
- AAC Clyde Space and its partners, agreed to move into the phase 3B of the xSPANCION project, in which the project will be completed with the manufacturing of 10 novel spacecraft of which four will be launched within the project's framework. The UK Space Agency, through the ESA Pioneer Partnership Projects, will co-fund the Group's investments in the project with EUR 4.5 M (approx. SEK 51.7 M). Through the project, AAC Clyde Space will be able to expand its SDaaS business.

Comments from the CEO

Strong half-year performance with improving financials

The momentum from the first quarter has carried through to the second, driving a strong first half of 2023, with increased sales and positive EBITDA.

Q2 net sales increased 53% on the previous year, growing to SEK 75.9M from SEK 49.5M, highlighting the increased performance of the company's operations. Half year net sales are 65% higher than in 2022.

This quarter saw the continuation of the improving trend on EBITDA, with a positive EBITDA of SEK 2.3M for Q2, what together with the positive result in Q1, generated an EBITDA of SEK 4.0M for the first half of the year, placing us on course to achieve our goal of a positive EBITDA for the year.

Our order backlog remains strong, currently sitting at SEK 443.7M compared with SEK 400.2M the previous year. Growing this backlog continues to be a priority, and we won a GBP 1.25M order from Kawa Space for a 6U EPIC LINK satellite and payload that will be delivered in the fourth quarter of 2024.

The quarter was another busy period for our teams, with several product deliveries and satellite launches. The JUICE mission launched from French Guiana, carrying the SWI instrument developed by a team from AAC Clyde Space. April saw the launch of some of our satellites on SpaceX's Transporter 7 mission, including the first of our 6U EPIC VIEW satellites. This group-owned satellite will soon start to deliver Earth Observation data to our Canadian client Wyvern.

Over the next year and a half, we will continue to grow our constellations as we bring the number of AAC Clyde Space owned satellites in orbit to 13, including the first VDES satellite. These satellites are vitally important as they will drive our expansion into a space-based data company. Progress on this journey can be seen in our flagship xSPANCION project, manufacturing 10 novel spacecraft with the UK Space Agency, which will see us expand our Space Data as a Service (SDaaS) business. Shortly following the reporting period for our second quarter we agreed to move into phase 3B.

To accelerate the growth of our SDaaS business, on June 6 the Board of Directors resolved on a rights issue. This capital will support the build of the satellites under the xSPANCION project, allowing us to achieve our growth targets quicker.

In line with our mission to improve life on Earth we have begun working towards our own sustainability roadmap. This work will look at how we can make a positive impact on the world around us, not only through the data delivered by our satellites but also through the policies, processes and actions of our own business.

We are delighted with the progress we have made so far in 2023 and want to thank everyone in the team for their hard work which has resulted in our great first half of the year. We continue to work with our customers and partners to help realise the potential of small satellites for our business, the wider sector, and the planet, throughout 2023.

Luis Gomes
CEO



FOR MORE INFORMATION:

Please visit: www.aac-clyde.space or contact:

CEO Luis Gomes investor@aac-clydespace.com

CFO Mats Thideman, investor@aac-clydespace.com, mobile +46 70 556 09 73

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 30 August 2023.

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 is the Certified Adviser. The share is also traded on the US OTCQX- market under the symbol ACCMF.