



Interim report for AAC Clyde Space AB (publ) January – September 2024

2024-11-07 AAC Clyde Space AB (publ)

Third quarter, July – September 2024 (compared with July – September 2023)

- Net sales amounted to SEK 84.8 M (56.1), an increase of 51.1 %
- Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK 17.5 M (6.7). The net effect from the license deal with a US based supplier of space solutions was SEK 19.5 M (0)
- Earnings before interest and tax (EBIT) amounted to SEK 6.8 M (-1.0)
- The total result after tax was SEK 7.6 M (-2.5)
- Basic and diluted earnings per share amounted to SEK 1.34 (-0.48)
- Cash flow from operating activities totalled SEK +9.3 M (-2.2)
- The order backlog amounted to SEK 641.2 M (433.6)

January – September 2024 (compared with January – September 2023)

- Net sales amounted to SEK 209.8 M (205.9), an increase of 1.9 %
- Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK 13.7 M (10.7)
- Earnings before interest and tax (EBIT) amounted to SEK -24.5 M (-11.8) including impairment of SEK -6.5 M (0) of a satellite not performing as expected
- The total loss after tax was SEK -23.0 M (-13.6)
- Basic and diluted earnings per share amounted to SEK -4.04 (-3.06)
- Cash flow from operating activities totalled SEK 3.1 M (-55.0)

Events in the third quarter of 2024

- AAC Clyde Space granted an existing customer, a US-based supplier of space solutions, a license to manufacture its power and data handling systems. In return, AAC Clyde Space will receive a one-off payment of USD 2.0 M (approx. SEK 20.4 M) from the customer. The license will replace an existing royalty agreement.
- AAC Clyde Space entered into an agreement to acquire Spacemetric AB for a consideration of approx. SEK 16 M and possible earn-outs up to a total of approx. SEK 9 M. Spacemetric is a leading provider of geospatial data.
- AAC Clyde Space won a EUR 1.025 M (approx. SEK 11.6 M) order for four Starbuck power systems and related services. AAC Clyde Space expects to have completed delivery of the order in the second quarter of 2025.
- AAC Clyde Space won its first order for the Cyclops Earth observation satellite constellation by entering into a pre-commercial agreement valued at GBP 612,000 (approx. SEK 8.3 M) with the Scottish Government. The project will start in Q3 2024 and continue until Q3 2026.
- AAC Clyde Space won a USD 0.69 M (approx. SEK 7.1 M) order for reaction wheels to be used on a number of small satellites. The order comes from a US blue chip company and follows an order received in February 2023 on the same type of equipment.
- ESA's Arctic Weather Satellite (AWS) was successfully launched, carrying an innovative scientific weather payload from AAC Clyde Space. It started to deliver images showing atmospheric temperature and humidity, aiming to improve short-term weather forecasts in the Arctic and around the world.

Events after the end of the reporting period

- AAC Clyde Space has recruited communications expert Håkan Tribell to the newly created position as Head of Communications for Investor Relations and Public Affairs. Håkan will assume his new role on January 7, 2025.
- A total of 188,000 shares, issued as consideration for the acquisition of Spacemetric AB, were registered, bringing the total number of shares in AAC Clyde Space to 5,891,835 from the previous 5,703,835. The acquisition was completed in October.
- AAC Clyde Space won a EUR 0.5 M (approx. SEK 5.8 M) order for a Starbuck power system and related services. AAC Clyde Space expects to have completed delivery of the order in the third quarter of 2025.



Comments from the CEO

Focus on Performance

As we approach the end of the year, we have now closed a successful third quarter for the AAC Clyde Space group. The quarter delivered a healthy net profit of SEK 7.6 M (EBITDA SEK 17.5 M) and a strong positive operational cashflow of SEK 9.3 M, showing how a focus on financial performance is delivering a stronger, more successful business.

Our net sales for the quarter were 51% higher when compared with the same quarter last year, partially offsetting the issues we saw in the second quarter and placing us back on the path of growth. Our order backlog remains strong at SEK 641 M and it will allow us to continue to grow into the next quarter. Many of the supply chain issues that we experienced in the past quarter have been resolved, and we continue to work towards meeting a SEK 350 M to SEK 400 M revenue and EBITDA of 5% to 10%, however, our dependence on some key suppliers remains and we need their timely delivery to meet those targets.

The quarter was a busy period for the company, with the highlights being launch of another of our maritime services satellites (Sedna-1) and the launch of the OHB built Arctic Weather Satellite (AWS) that uses a microwave sounder instrument developed by our team in Gothenburg, and a Starbuck power system and Sirius computer from our team in Uppsala.

Sedna-1 will join the other maritime satellites in our own constellation, allowing us to deliver an increased range of services to our maritime customers. AWS is the first satellite in an expected new constellation of weather monitoring satellites, that will help meteorologists predict weather more accurately and timelier. The data of this first satellite is currently being evaluated by meteorologists around Europe.

The earth observation business continued to grow and strengthen, with the acquisition of Spacemetric showing the ambition and drive to expand our product offering beyond just selling data. An example of this is the contract we signed with Scottish Forestry for the supply of a forest monitoring service, looking for diseased trees using our Cyclops satellites. And as I write this text, I can see in our cleanroom the structural qualification model for the Cyclops satellite that just returned back from successful testing – this marks a major step in the deployment of our first xSPANCION satellites.

Our hardware business continued to perform well, with several project milestones achieved, one satellite shipped out and various products delivered. We sold a license to one of our customers, allowing them to produce in house power systems and on board data handling systems for their satellites, a model of business that we see as a potential additional revenue stream for the future.

Looking forward to the fourth quarter, we have two launches planned for November, one of a customer satellite, and one for our maritime services constellation, adding extra capacity to our ship tracking data and services. Additionally, most of our major projects have critical milestones to achieve before the end of the year, making for a busy quarter for our teams across the world.

As we prepare our plans for 2025, we are strongly focused on improving profitability and positive operational cashflow, two key objectives for the management team. These objectives will guide the year ahead, driving us through our journey to build a more efficient business, focused on delivering the products, missions and data & services that the market is looking for, while reducing our overheads and growing our margins.

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 CET on 7 November 2024.

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, in our chosen market, 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 Growth Market (Ticker: AAC). Carnegie Investment Bank AB is the Certified Adviser. The share is also traded on the US OTCQX- market under the symbol ACCMF.