



Interim report for AAC Clyde Space AB (publ) January – June 2021

2021-08-26 AAC Clyde Space AB (publ)

Second quarter, April–June 2021 (compared with April–June 2020)

- Net sales increased 156% to SEK 47.4 M (18.5) Omnisys Instruments, which was acquired on 30 April, accounted for SEK 15.5 M
- Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK -3.5 M (-7.5) and to SEK -1.8 M (-7.5) excluding acquisition costs of SEK 1.7 (0) M
- Earnings before interest and tax (EBIT) amounted to SEK -7.7 M (-10.3), excluding acquisition costs
- The loss after tax was SEK -9.6 M (-10.5) Omnisys Instruments, which was acquired on 30 April, contributed a profit of SEK 3.02 M to earnings after tax
- Basic and diluted earnings per share amounted to SEK -0.06 (-0.11)
- Cash flow from operating activities totalled SEK +5.9 M (-0.4).
- The order backlog increased 152% to SEK 413 M (164).

January–June 2021 (compared with January–June 2020)

- Net sales increased 99% to SEK 84.2 M (42.4) Net sales excluding companies acquired during 2020 and 2021 increased 21% to SEK 51.4 M (42.4)
- Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK -3.9 M (-13.7) and to SEK -2.3 M (-13.7) excluding acquisition costs of SEK 1.7 (0) M
- Earnings before interest and tax (EBIT) amounted to SEK -12.1 M (-19.5), excluding acquisition costs
- The loss after tax was SEK -13.6 M (-20.0)
- Basic and diluted earnings per share amounted to SEK -0.08 (-0.21)
- Cash flow from operating activities totalled SEK -14.9 M (-6.5)

Significant events in the second quarter of 2021

- AAC Clyde Space entered into a GBP 8.4 M (approx. SEK 100 M) contract to deliver Space Data as a Service to Canadian Earth observation company Wyvern Inc.
- AAC Clyde Space was honoured to be visited by Her Majesty The Queen and Her Royal Highness The Princess Royal at the Glasgow facility.
- AAC Clyde Space received a USD 135,000 order (approx. SEK 1.1 M) to continue operating the SeaHawk-1 satellite from its Operations Centre in Glasgow for a further 12 months.
- Horizon Space Technologies Ltd. placed a GBP 4.6 M (approx. SEK 54 M) order for a full turn-key solution, including two new satellite launches, operations and data delivery.
- AAC Clyde Space won a USD 1.0 M (approx. SEK 8.3 M) order for subsystems for the ice-drilling mission IM-2 led by the US company Intuitive Machines.
- AAC Clyde Space's US subsidiary SpaceQuest received an order of USD 0.55 M (approx. SEK 4.6 M) for global navigation satellite systems (GNSS) receivers and antennas to be delivered to a customer in Asia.



- AAC Clyde Space was selected by Astroscale UK Ltd to co-engineer their UK-based space debris removal programme known as End-of-Life Services (ELSA-M). The contract is valued at GBP 0.26 M (approx. SEK 3 M).
- Nicole Robinson was newly elected to the Board of Directors at the 2021 Annual General Meeting.
- AAC Clyde Space was selected by the Mohammed Bin Rashid Space Centre in the United Arab Emirates to deliver a EUR 0.2 M (approx. SEK 2 M) computer system for the Rashid lunar rover.
- AAC Clyde Space acquired all of the shares in Omnisys Instruments AB on 30 April 2021. The company was consolidated into the financial reporting from 1 May 2021.

Significant events after the end of the reporting period

- AAC established AAC Space Africa in South Africa to join Africa's quickly growing space sector.

Comments from the CEO

It's been a challenging but rewarding second quarter, as our global team has come together to drive sales and advance our ambition to become a world leader in commercial small satellites and services from space.

The huge progress we have made is reflected in our orderbook, which has grown markedly across all three segments of the business and now stands at SEK 413M – over four times FY2020 revenues. I'm particularly delighted to see our Space Data as a Service (SDaaS) order book growing strongly, and our overall pipeline growing on the back of our recent acquisitions.

In June, we secured our largest SDaaS contract to date: a four-year, SEK 100M agreement with Canadian Earth observation company Wyvern Inc. AAC will design, manufacture, and own the satellites and simply provide Wyvern with the data – specifically, hyperspectral images of Earth. They will be used across various sectors, including agriculture, where they will help to optimize yields and detect invasive plants, pests, and changes in soil makeup – a great example of how high-quality, timely data from space can be used to improve life on Earth and our ability to feed a growing population.

As well as securing new contracts, our existing partnerships are moving from strength to strength – a testament to the AAC client experience. This includes the SEK 55M order from Horizon Technologies to expand its Amber constellation, dedicated to delivering Maritime Domain Awareness intelligence data. The order includes two new CubeSat launches, operations and data delivery – and has the potential to be extended to include more than 10 additional CubeSats. These satellites will be able to locate and track vessels worldwide by geolocating and demodulating RF signals in a system that can be used to fight piracy, illegal fishing, and refugee smuggling, amongst other purposes.

It also includes a SEK 8M follow-on subsystems order from Intuitive Machines for an ice-drilling mission (IM-2) to the Moon. AAC recently delivered the flight models for Intuitive Machine's IM-1 mission, the first lander in NASA's Commercial Lunar Payload Services initiative, focused on the exploration and use of natural resources of the moon. We will deliver our most potent and efficient power system, Starbuck, to the IM-2 mission, scheduled for launch in late 2022. The mission data will help scientists in the search for water at the Moon's pole, as they try to pave the way for a sustainable human presence on the Moon by the end of the decade.

In addition to IM-2, our lunar missions experience continues to grow with the exciting news that we have been selected by UAE's Mohammed Bin Rashid Space Centre to deliver a SEK 2M computer system for the Rashid lunar rover. This is a hugely exciting time for AAC - the use of systems developed for small spacecraft in these types of mission is proof that the small satellite industry has truly come of age.

In June, we were honoured to host Her Majesty The Queen and Her Royal Highness The Princess Royal at our Glasgow facility, in celebration of our contribution to the UK's thriving space sector. We look forward to helping the



country fulfil its commitment to becoming a global leader in the space industry, STEM (Science, Technology, Engineering and Mathematics) promotion and the development of sovereign capabilities, including the UK's first orbital spaceport.

As we move into the third quarter, we remain committed to working with our clients and partners across the globe to realise the full potential of small satellites to build a safer, healthier, and more efficient planet. That means investing for the future, which is why we are expanding our team: headcount has increased by 35 per cent since the end of 2020. It also means encouraging collaboration and innovation: our new company newsletter, SPAACE TALK, not only rounds up the latest news from across the Group, but also explores the most exciting themes in New Space. Finally, it means proactively helping to solve the challenges we face as an industry: for example, we have been selected by Astroscale in the UK to participate in its mission to remove space debris, one of the main threats to the sustainability of the space environment itself.

Financially, we remain on track to be EBITDA positive in 2022 and achieve target revenues of SEK 500M by 2024, with a 53 per cent improvement in EBITDA compared to Q2 2020 and net sales up by 156 per cent to SEK 47.4M over the same period. Delays from subcontractors in major projects mean that revenues will be shifted from the third quarter to the fourth quarter of 2021. In total for the second half of the year, we expect continued growth and reach net sales of approximately SEK 200 million for the full year 2021. These results should give stakeholders confidence in both our team and our strategy.

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 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.