



## Interim report for AAC Clyde Space AB (publ) January – September 2020

### 2020-11-26 AAC Clyde Space AB (publ)

#### Third quarter, July–September 2020 (compared with July–September 2019)

- Net sales amounted to SEK 27.3 M (14.2)
- Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) totalled SEK -2.2 M (-7.9)
- Earnings before interest and tax (EBIT) totalled SEK -4.9 M (-11.0)
- The loss after tax was SEK -4.9 M (-11.1)
- Basic and diluted earnings per share amounted to SEK -0.05 (-0.12)
- Cash flow from operating activities totalled SEK 3.8 M (-7.4)
- The order backlog amounted to SEK 159.4 M (179.6 M)

#### January–September 2020 (compared with January–September 2019)

- Net sales amounted to SEK 69.7 M (45.9)
- Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) totalled SEK -15.9 M (-22.1)
- Earnings before interest and tax (EBIT) totalled SEK -24.4 M (-31.8)
- The loss after tax was SEK -24.9 M (-32.2)
- Basic and diluted earnings per share amounted to SEK -0.26 (-0.40)
- Cash flow from operating activities totalled SEK -2.8 M (-16.0)

#### Significant events in the third quarter of 2020

- AAC Clyde Space captured two Japanese orders totalling EUR 360,000 (approximately SEK 3.7 M)
- AAC Clyde Space, Saab and ORBCOMM are building the next generation of maritime communications. The order value is SEK 17 M
- AAC Clyde Space's share began trading on the American OTCQX market
- Peter Anderson was appointed VP Business Development

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

- AAC Clyde Space began a three-year project to develop an innovative constellation of satellites for EUR 19.7 M (approximately SEK 202 M) together with ESA and the UK Space Agency
- AAC Clyde Space agreed to acquire the American SpaceQuest Ltd for the equivalent of approximately SEK 75.6 M. The acquisition is pending approval from the Committee on Foreign Investment in the United States (CFIUS)
- AAC Clyde Space acquired Hyperion Technologies BV, based in the Netherlands, for the equivalent of SEK 21.2 M
- The Board of AAC Clyde Space resolved, pursuant to the authority granted at the Annual General Meeting on 2 June 2020, to carry out a directed share issue that raised SEK 52 M for AAC Clyde Space before transaction costs



- In conjunction with the directed share issue, Erik Penser Bank negotiated the purchase of shares in a block transaction totalling SEK 28.5 M. The sellers were Fouriertransform AB and Craig Clark. Fouriertransform AB has already announced that it will divest all of its holdings over the long term, according to a parliamentary resolution from June 2016
- An extraordinary general meeting on 5 November approved the acquisitions and accordingly the corresponding new share issue

### Comments from the CEO

The 3rd Quarter of 2020 was a busy and successful period for AAC Clyde Space when we focused in delivering our projects and actively preparing the future of the company. During the fall, we have taken several strategically critical actions to position AAC Clyde Space for continued leadership in the small satellite market. Our aim is to drastically change the economics for space-based services. The transformation of AAC Clyde Space into a company servicing a wide range of companies with business-critical data has now begun in earnest.

A key building block of this strategy was forming the Public Private Partnership (PPP) with the European Space Agency (ESA) and the UK Space Agency (UKSA). Through this partnership, we will develop the next generation of Space as a Service (SaaS) offerings with the support of both agencies and with our partners in industry. The programme, called xSPANCION, includes the building of 10 demonstration satellites forming a ramp up for the establishment of a multiservice constellation to serve a variety of uses.

As the SaaS service offering evolves, becoming self-sustaining, we will add new satellites and new capabilities to the constellation to grow the services it delivers. We will bring in customers for services from the constellation start, enabling us to collaborate closely with those key users for the service offering as well as to finance our part of the project through service agreements. Through the xSPANCION programme, AAC Clyde Space will design and deploy an extremely scalable and flexible system. This can provide services as varied as communications, weather forecasting or environmental monitoring, all on an accessible basis to companies and operators, making it much easier and affordable to access and use services from space.

We also agreed to acquire two successful and profitable space companies, Dutch Hyperion and US SpaceQuest, also a major step forward in meeting our strategic objectives. The Hyperion acquisition has since been completed while the acquisition of SpaceQuest awaits approval from US authorities.

Through Hyperion we strengthen our product range and the competitiveness of our satellites, bringing in-house many subsystems that until now we had to buy in, particularly in the attitude control domain. This acquisition was also driven by the important new technologies that Hyperion has been developing in laser communications and advanced propulsion, opening new opportunities for future business. Through the combination of both company's product lines and distribution networks, we expect to substantially increase sales of subsystems and products.

With SpaceQuest in the group we gain a clear presence in the United States, the world's largest space market. The US company brings a wealth of experience in delivering services from space, as well as a fleet of operational satellites and associated ground segment. As part of the group, they will be able to offer a larger, and more attractive space as a service-offering to US customers.

Following these announcements, we concluded an oversubscribed directed rights issue, raising 52 MSEK before transaction costs, to strengthen our Space as a Service offering and develop new technology.

All these strategic initiatives did not distract us from our regular business. On the contrary, we report a record quarter, almost doubling our revenue to 27.3 MSEK and posting a 52 percent gain to 69.7 MSEK for the first nine months. The increased revenue led to more than halving of the negative EBITDA during the quarter, taking us closer to our goal of a positive EBITDA in 2021 or 2022. Operating cashflow also improved substantially being positive



during the quarter. The measures we have taken to manage the effects of the pandemic, have successfully mitigated most of the negative impacts in the operation of the business, largely recovering from the delays suffered in Q2.

Over the summer, we won several new important projects, adding to our order backlog and in some cases introducing new capabilities to our portfolio of solutions. Chief among these is the VDES satellite, where together with our partners SAAB and Orbcomm, we are building an innovative mission that will demonstrate an entire new way of communicating with ships worldwide. This system will offer the possibility of continuous, real time monitoring of ocean-going vessels at a very small price point. Such a system could underpin the expected growth of autonomous shipping, a movement that could dramatically change how the oceans are used.

In addition to all this, our shares joined the OTC QX market in the US, the Vega rocket launched in September carrying two satellites and a variety of other hardware built by AAC Clyde Space for missions around the world.

As we go through the last quarter of the year, we are continuing to progress our many projects, preparing for our deliveries next year, engaging in dialogue with existing and new customers, both for hardware and data. At the same time, we are starting the alignment of operations between all the companies of the group, building a much stronger and capable company. The end of 2020 will be a busy and fast paced period, when our excellent and dedicated staff will be delivering some very capable space systems.

**Luis Gomes**  
**VD**

**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 26 November 2020.

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