



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

2023-11-23 AAC Clyde Space AB (publ)

Third quarter, July - September 2023 (compared with July - September 2022)

- Net sales amounted to SEK 56.1M (45.7), an increase of 23%
- Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK +6.7 M (-7.7)
- Earnings before interest and tax (EBIT) amounted to SEK -1.0 M (-14.6)
- The total loss after tax was SEK -2.5 M (-11.6)
- Basic and diluted earnings per share amounted to SEK -0.01 (-0.06)
- Cash flow from operating activities totalled SEK -2.2 M (-11.4)
- The order backlog amounted to SEK 433.6 M (418.6)

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

- Net sales amounted to SEK 205.9 M (136.4), an increase of 51%
- Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK 10.7 M (-18.5)
- Earnings before interest and tax (EBIT) amounted to SEK -11.8 M (-38.7)
- The total loss after tax was SEK -13.6 M (-29.1)
- Basic and diluted earnings per share amounted to SEK -0.06 (-0.15)
- Cash flow from operating activities totalled SEK -55.0 M (-36.6)

Events in the third quarter of 2023

- A rights issue raised a total of approx. SEK 47.6 M before deduction of transaction costs. Through the rights issue, the number of shares in AAC Clyde Space increased by 79,405,296 shares to 284,216,306 shares.
- 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).
- A total of 525,458 shares were issued to the previous owners of Omnisys Instrument AB as an earn-out payment achieved as the European Space Agency's (ESA) Arctic Weather Satellite passed Critical Design Review in July 2023.
- 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.
- AAC Clyde Space and its partners were granted EUR 0.85 million (approx. SEK 10.1 million) from the European Space Agency's Business Applications and Space Solutions (ESA BASS) programme to develop a service for the



planning of construction and maintenance of offshore wind farms. The service will leverage weather data and AIS data collected by the Group's own satellites to enhance the efficiency among wind farm operators.

- AAC Clyde Space won a GBP 0.902 million (approx. SEK 12.1 million) order for a 3U satellite, for delivery in Q4 2024.
- AAC Clyde Space delivered the satellites Ymir-1, EPICHyper-3 and after period-end, the Intuition-1, satellites to the Vandenberg Space Force base in California for launch integration.
- AAC Clyde Space recognises royalties from an existing license agreement for the period January to September 2023 totalling USD 3.045 M (approx. SEK 32.2 M) relating to its power and data handling systems, triggered by the licensee's start of production.

Events after the end of the reporting period

- An Extraordinary General Meeting held 1 November 2023 decided to consolidate shares, combining 50 shares into 1 new share. The EGM also resolved on other items to enable the share consolidation. Shares in the company were thereafter consolidated with trading in the new consolidated shares starting on 13 November 2023. The total number of shares in the company decreased from 285,191,750 to 5,703,835 through the consolidation. The reduced number of shares impact on key figures and incentive programs will be reported in the Year-end Report 2023.
- AAC Clyde Space received an order for a new satellite, Amber™ Phoenix, from UK-based Horizon Technologies. The total order value is GBP 645,000 (approx. SEK 8.8 million), which Horizon Technologies partially finances by a grant from the UK Space Agency.
- The Swedish built Ymir-1 satellite, as well as the Space Data as a Service satellite, EPICHyper-3 as well as KP Labs AI Powered Intuition-1 Satellite, were all successfully launched on November 11, 2023 from the Vandenberg Space Force base in California, USA aboard a SpaceX Falcon 9 rocket on the Transporter 9 mission.
- The 3U Space Data as a Service satellite Kelpie-2 suffered an anomaly of its payload antenna, which made it unable to deliver the planned data services, resulting in the satellite being reported as lost to the company's insurer. AAC Clyde Space is investigating other options to deliver the data service to the customer to mitigate any financial consequences.

Comments from the CEO

Growth and profitability

Following a very positive first half of the year, the third quarter of 2023 was another busy and successful period for AAC Clyde Space, with strong financials and a high level of activity across the company.

We continued our 2023 growth with our net sales to the end of September growing 51% year on year, to 205.9M SEK. This quarter had a positive EBITDA of 6.7M SEK, making it the third positive quarter in a row. This shows the improvement and strength of our business as we continue our journey to sustainable profitability. We are on course to have our best year ever, giving us a solid foundation for a successful 2024.

Over the quarter, we readied three satellites for launch. This included our first satellite built in Sweden, which is also our first VDES satellite. All three satellites were successfully launched on a Falcon 9 rocket on 11th November. This launch marks our fourth successful launch event of the year, bringing our total satellites launched in 2023 to ten, including six for our own constellation.

A key milestone was reached on the Arctic Weather Satellite mission ahead of its planned launch in 2024. It passed critical design review after the payload's integration with the satellite. This revolutionary mission is the first step on the way to change to the way we predict weather, making it easier to monitor, and therefore manage, the impacts of climate change on our weather.



The resolution of a rights issue has provided new funds that will allow us to increase our operations in Space Data as a Service by putting these funds to good use in projects like the xSPANCION programme. We have agreed with our partners on the programme to move into phase 3B. This has seen the continued development of our Space Data as a Service Earth Observation (EO) constellation and we are still planning for a first launch by the end of 2024. This first satellite to be built under the xSPANCION programme will allow us to expand our Earth Observation offering, and will be the first 16U satellite built by AAC Clyde Space.

We have maintained a strong order backlog, standing at 433.6M SEK, with some important new contracts signed. We have been contracted to build a VDES capable satellite for a customer. This contract will extend the use of VDES technology and cement our position as one of the pioneers of satellite enabled VDES, as part of a 12M SEK contract. We have also been contracted by Horizon Technologies to build another satellite for their constellation, replacing the one lost during launch in January.

As the year draws to a close, we begin to focus on 2024. Next year will see new products delivered, new satellites built, and new developments in our Space Data as a Service offer. Our consistently improving financials place the company in a fantastic position as we look forward to next year. I would like to thank all our staff, shareholders and customers for their continued support, allowing us to deliver a good quarter for the company.

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