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AAC Clyde Space targets profitable growth with expansion of its own satellite fleet

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The space technology and services company AAC Clyde Space AB (“AAC Clyde Space” or the “Company”) aims to grow its Space Data as a Service (SDaaS) business, by accelerating the development of its next generation space data services. It is to finance such an acceleration, that the Board of Directors resolved on a rights issue as communicated on June 6, 2023.

The acceleration will take place by advancing the xSPANCION project at a higher pace to enable the Group to reap specific business opportunities in earth observation farming data, which are arising as increasingly Digital Agriculture platforms and governments adopt satellite data and some of the older generation satellites used to deliver this data, are being phased out. With the satellites in the xSPANCION project, AAC Clyde Space can deliver multispectral data for the agricultural sector at a very competitive price, with margins that are higher than in other parts of its business.

“A very attractive business opportunity has presented itself as some key older satellites are being retired and we see an increased use of this data by Digital Agriculture platforms and governments. With the xSPANCION project in its later stages, AAC Clyde Space is well positioned to take advantage of the situation for the benefit of both data users as well as the Group and its shareholders,” says **AAC Clyde Space CEO Luis Gomes**.

AAC Clyde Space has a strategic ambition to increase its operations in SDaaS, a segment with net margins of approximately 30-40 per cent. In 2022, SDaaS generated Group revenues of SEK 16.9 million from four satellites while the SDaaS order stock at year-end amounted to SEK 166.8 million. Over the next 18 months, AAC Clyde Space aims to add another seven satellites to its proprietary constellation, transforming the company into a space-based data company. In parallel, the company is building the four new satellites to provide multispectral data.

“This transformation is key for us to deliver on our targets of continued positive EBITDA in the coming years, and SEK 500 million revenue 2024. We expect 2023 to be a value inflection point in our strategy of profitable growth”, says **Luis Gomes**.

In the xSPANCION project, a total of 10 novel spacecraft will be manufactured, of which four will be launched within the project’s framework. The UK Space Agency, through the ESA’s Pioneer Partnership Projects, is co-funding the Group’s investments in the project. In line with previous plans, the remaining satellites in the xSPANCION project will be sold to customers for their choice of use and payload.

On June 6, 2023, AAC Clyde Space announced a rights issue to raise a maximum of SEK 73.7 million before transaction costs, subject to approval by an extraordinary shareholders meeting on June 26, 2023. After the announcement, the Company has received questions from several shareholders. In response to these questions, AAC Clyde Space would like to clarify that the business, according to the current business plan, is financed 12 months into the future. The board and management have committed to subscribe for shares for a total of SEK 4.7 million in the rights issue. Dino Lorenzini will carry his pro rata share.



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

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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 Growth Market with Erik Penser as Certified Adviser. The share is also traded on the US OTCQX-market under the symbol ACCMF.

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A prospectus regarding the rights issue as communicated on June 6, 2023 (the "**Rights Issue**") described in this release will be published by the Company on or around 29 June 2023 and be held available on the Company's website, www.aac-clyde.space. This release is however not a prospectus in accordance to the definition in the Prospectus Regulation. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an **advertisement**. Complete information regarding the Rights Issue can only be obtained through the prospectus. AAC Clyde Space has not authorized any offer to the public of shares or rights in any other member state of the EEA. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation. This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Rights Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Bookrunner. The Bookrunner is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in AAC Clyde Space have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in AAC Clyde Space may decline and investors could lose all or part of their investment; the shares in AAC Clyde Space offer no guaranteed income and no capital protection; and an investment in the shares in AAC Clyde Space is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is



without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue.

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Each distributor is responsible for undertaking its own target market assessment in respect of the shares in AAC Clyde Space and determining appropriate distribution channels.