



Year-End report for AAC Clyde Space AB (publ) January – December 2021

2022-02-17 AAC Clyde Space AB (publ)

Fourth quarter, October–December 2021 (compared with October–December 2020)

- Net sales increased 116% to SEK 62.1 M (28.7)
- Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK -1.0 M (-10.9) and to 0.0 M (-1.6) excluding non-recurring personnel costs of -1.0 M (-1.7) and acquisition costs of 0 M (-7.6)
- Earnings before interest and tax (EBIT) amounted to SEK -8.0 M (-13.2)
- The loss after tax was SEK -8.3 M (-13.4)
- Basic and diluted earnings per share amounted to SEK -0.04 (-0.14)
- Cash flow from operating activities totalled SEK -1.7 (-11.7)
- The order backlog increased 161% to SEK 407.2 M (156.3)

Full-year 2021 (compared with full-year 2020)

- Net sales increased 83% to SEK 180.0 M (98.4)
- Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK -14.9 M (-26.8) and to -12.3 M (-17.5) excluding non-recurring personnel costs -1.0 M (-1.7) and acquisition costs -1.7 M (-7.6)
- Earnings before interest and tax (EBIT) amounted to SEK -38.6 M (-37.5)
- The loss after tax was SEK -39.5 M (-38.3)
- Basic and diluted earnings per share amounted to SEK -0.23 (-0.37)
- Cash flow from operating activities totalled SEK -35.5 (-17.4)

Significant events in the fourth quarter of 2021

- The previous owners of Omnisys Instruments AB converted a third of their warrants into shares in AAC Clyde Space. AAC Clyde Space consequently issued 5 780 033 shares, bringing the total number of shares to 192 200 029
- AAC Clyde Space won an order from U.S. Aegis Aerospace to supply its Starbuck power systems and battery solutions worth 500 kUSD (approx. 4.5 MSEK)
- AAC Clyde Space named Chris Fauquier, previously COO at SpaceQuest, as CEO for the US subsidiary. The move follows Dr. Dino Lorenzini's transition to the role of Group Chief Science Officer (CSO) of AAC Clyde Space
- AAC Clyde Space and its partners, successfully completed the first phase of the xSPANCION project with a successful Preliminary Design Review. Together with the partners, the company has agreed to accelerate the project by kicking off the Spacecraft Manufacturing Preparation Phase. To achieve this, a Phase 2 was introduced to the project valued at 5.6 MEUR (approx. 57.3 MSEK), of which the UK Space Agency, through the ESA's Pioneer Partnership Projects, will contribute 2.8 MEUR (approx. 28.7 MSEK)
- AAC Clyde Space entered a Memorandum of Understanding to cooperate with ORBCOMM and Saab to develop the next generation of global maritime communication services based on a VHF Data Exchange System (VDES). The parties, collaborating under a new brand name, AOS, aim both for services directed to end customers as well as for safety of navigation services. The goal of the consortium is to create a global maritime communication network enabling ship-to-ship and ship-to-shore communication everywhere on the globe
- AAC Clyde Space was contracted by OHB Sweden to deliver its Sirius command and data handling unit worth approx. 545 kEUR (approx. 5.6 MSEK) to ESA's Arctic Weather Satellite



Significant events after the end of the reporting period

- AAC Clyde Space received a 441 kEUR (approx. 4.5 MSEK) order from UK-based Space Forge to provide space products for a demonstration spacecraft designed to leverage the space environment for production and experiments, capable of performing multiple trips to space

Comments from the CEO

2021 was a year of formation: we built a platform to power AAC's future growth, bringing on board new capabilities and reorganising the company. Now, this work is coming to fruition, helping us to secure new projects and new customers – and to become a market leader in Space Data as a Service (SDaaS).

In April, we acquired Omnisys Instruments, gaining nearly three decades of experience in developing profitable, high-performance electronics hardware, including world-class atmospheric sensors.

This expertise means that we can build small satellite constellations that provide high-quality, timely data for a range of commercial and scientific applications. In fact, Omnisys' innovative microwave-based sensor gives us a leading position in space-based weather data, a field that is growing strongly due to demand for improved weather forecasting and climate research.

We have expanded into new, rapidly growing markets.

In August, we launched our South African subsidiary, AAC Space Africa, giving us a strategic foothold in Africa's rapidly growing market for satellites and space services.

The African space industry is expected to generate over USD 10 billion in revenue by 2024 as governments, companies and communities seek efficient ways to support development and build out crucial infrastructure. Our new Cape Town base positions us to capitalise on this growth.

We have strengthened our management team.

AAC now spans six companies on three continents. We have refreshed our management structure to reflect this growth and ensure that we remain agile and innovative.

We have also bolstered our management team to provide our employees, customers, and shareholders with the support they need. In 2021, we welcomed Dr. Andrew Carrel, now President of Data & Services, to drive our SDaaS strategy forward; Dr. Dino Lorenzini, founder of SpaceQuest, became Group Chief Science Officer; Nicole Robinson joined the Board, bringing strong experience of the US and European space markets; and we strengthened our operations and people management with the appointments of Stefania Mandirola as Chief Operating Officer and Kulwinder Bhumbra as HR Director. Together, these colleagues bring years of valuable experience that will be key to supporting our future ambitions and improve our future operating performance.

We have integrated our capabilities to win larger, more complex contracts in areas of strategic focus.

In June, we secured our largest SDaaS contract to date: a four-year, SEK 100M agreement with Canadian Earth observation company Wyvern Inc. We will provide Wyvern with hyperspectral images of Earth for use 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 data from space can be used to improve life on Earth.

We are also working with Horizon Technologies to expand its Amber constellation, a system dedicated to delivering Maritime Domain Awareness intelligence data. These satellites will be able to locate and track vessels worldwide, helping to fight piracy, illegal fishing, and refugee smuggling.

Together with Saab and ORBCOMM, we moved closer to creating the world's first dedicated, global maritime communication system, formalizing our partnership through a Memorandum of Understanding. Based on a VHF Data Exchange System (VDES), this will not only improve the safety of seafarers but also contribute to a greener shipping industry – a critical part of the climate change mission. We plan to have our first VDES satellite up in space this year.

We continue to cement our leading position in space-based weather data with an order from OHB Sweden to combine our classic core avionics with Omnisys weather sensors for the ESA Arctic Weather Satellite. We are proud to have such a



central role in a mission that will improve Arctic and global weather forecasts for the benefit of both people and businesses.

The xSPANCION project is also progressing well. The technology and processes we are developing will allow us to share space data and services with customers quickly and at significantly lower cost – and catalyse a new generation of applications. Having successfully completed phase 1 of the project (Preliminary Design Review), we kicked off phase two in November, which includes detailed design of constellation-ready spacecraft as well as licensing and launch coordination. We also continue discussions with selected customers around data delivery from the constellation, which is expected to be operational by 2024.

Net sales were strong and back on track in Q4, after a slight dip in Q3 due to late deliveries from major suppliers. Overall, our financials for the quarter and the year show clear progress, with net sales growing by 83% year on year. Our EBITDA (inclusive of one-off costs) also improved by 36% for the full year compared to 2020.

I am hugely proud that our projects are not only driving our own business forward, but also playing a critical role in helping the world to move forward and create a more sustainable future improving our quality of life on Earth.

Take the issue of space debris, which is now approaching critical levels. We have been selected by Astroscale to co-engineer the satellite platform for its spacecraft decommissioning service, ELSA (End of Life Services by Astroscale). The servicer, ELSA-M, is specifically designed for constellation satellites and will remove multiple retired satellites from Low Earth Orbit in a single mission.

We are also working with UK-based Space Forge to supply designs and core avionics for a reusable satellite platform. This revolutionary project aims to take advantage of the conditions in space – such as microgravity and lack of contaminants – to enable space-based manufacturing of materials and medicines that cannot be made as easily on Earth.

Ultimately, the commercial small satellite industry is uniquely positioned to support global sustainability and climate change goals by providing access to increasingly sophisticated and timely Earth observation data and space-based services. If analysed and acted upon quickly by businesses and governments, this can make a meaningful difference. Our role at AAC is to help capture and deliver this high-quality, granular, and timely data.

We start 2022 with 10 launches confirmed - and a further 12 in the pipeline that will form part of the next exciting phase of AAC Clyde Space's growth: our own constellation of satellites. Our intention is to focus on sectors such as weather, climate, and maritime services, providing our partners and clients with more accurate and timely data – and establishing AAC as a market leader in SDaaS.

Luis Gomes
CEO

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

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 17 February 2022.

The year-end 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.