

COMPANY UPDATE

Luxembourg, 31 August 2018 - Kleos Space S.A. (ASX: KSS) (“Kleos Space” or “the Company”) is pleased to provide this company update

Highlights:

- Commenced trading on the Australian Stock Exchange after successfully raising A\$11 million via initial public offering
- Signed non-binding Memorandum of Understanding with Airbus Defence and Space
- Executed agreement with GomSpace for the supply of multi-nanosatellite system
- First contractual milestone completed for the Scouting Mission Satellite system build
- First technical milestone completed with the European Space Agency
- Kleos Space Asia Pacific, (a subsidiary of Kleos Space S.A.) in Australia with offices in Canberra continues to develop and focus on the Australian and wider region opportunities
- Scientific Management Associates, an Australian Government and Defence contractor have been engaged to provide Australian national surveillance and defence opportunities
- Key technical experts have been recruited in Radio Frequency, Data and Project Engineering
- Kleos Space team to move into a larger office facility and laboratory in Luxembourg City, Luxembourg

Key Developments:

Commenced trading on the Australian Stock Exchange after successfully raising A\$11 million via initial public offering

Kleos Space has successfully closed an A\$11 million IPO round and commenced trading on the Australian Stock Exchange on Friday, 24 August 2018 at 11:00 am Sydney time (3:00 am CET).

The interest shown in Kleos Space by investors is reflective of the world’s current desire to advance space-powered intelligence, particularly in Australia and Luxembourg. The capital

raising has had significant interest from Australian based institutional groups. Listing comes at a time where governments around the world are seeking new technology to protect their borders, and we believe Kleos will provide a solution.

Étienne Schneider, Deputy Prime Minister and Minister of the Economy of Luxembourg stated within our press release that: “The launch of a Luxembourg-based new space company on the Australian stock exchange underlines the international character of the Grand-Duchy’s dynamic business space sector. The capital raising of Kleos Space reflects the success of the Luxembourg unique space strategy that is focused on creating a strong supportive ecosystem for space companies to grow and thrive.”

Signed non-binding Memorandum of Understanding with Airbus Defence and Space

Kleos Space have signed a non-binding Memorandum of Understanding with Airbus Defence and Space. Both Companies aim to expand the international market of radio frequency monitoring, transmitter geolocation, and to investigate opportunities to collaborate.

With Kleos Space long term constellation goal of 20 nano-satellite systems in low Earth orbit, and as of 2019 we will start to monitor the Earth, capturing data currently ‘hidden’ from detection, data on ‘passive’ radio transmissions without AIS, GPS or VMS protocol which will be used for answering real societal challenges, security and for defence purposes.

Kleos Space accessible and commercial solutions respond to the world’s countries concerns with regards to surveillance, intelligence gathering and defence issues.

Executed agreement with GomSpace for the supply of multi-nanosatellite system

Kleos Space was proud to announce the signing of a contract for the supply of a multi-nanosatellite system with GomSpace A/S - a subsidiary of GomSpace Group AB. The signing follows the announcement of an authorisation to proceed with GomSpace in March 2018. The contract value is €2.42 million including test equipment, launch support and the delivery of the multi-nanosatellite system which is expected to take place in 2019.

Kleos Space aims to guard borders, protect assets and save lives by delivering global activity-based intelligence & geolocation as a service. The first Kleos Space satellite system, known as the ‘Scouting Mission’, will perform commercial and technology demonstration that will be the keystone for a later global high capacity constellation. The Scouting Mission will deliver targeted daily services with the full constellation delivering near-real-time global observation.

GomSpace is a critical partner for Kleos Space to deliver our goal of providing global Radio Frequency geolocation intelligence as a service. We continue to be impressed with the quality, value, responsiveness and capability of the GomSpace team who have shown themselves to be able to work truly synergistically with the Kleos team.

“Kleos is a fantastic example of the revolution that is taking place in New Space. We are happy to see the perfect match between our technology roadmap and the services that



Kleos will provide and we are confident that this collaboration will be a success”, says Niels Buus, CEO at GomSpace.

First contractual milestone completed for the Scouting Mission Satellite system build

A preliminary design review was held between the Kleos mission team and GomSpace engineering team to review the technical progress on the Satellite build contract. Progress was deemed to be on track with the next contractual milestone to be held in October 2018.

First technical milestone completed with the European Space Agency

A preliminary design review was carried out between Kleos Space and the European Space Agency which has been deemed passed subject to action close out, at which point Kleos will submit a grant funding request of €392k via direct invoice.

Kleos Space Asia Pacific, (a subsidiary of Kleos Space S.A.) in Australia with offices in Canberra continues to develop and focus on the Australian and wider region opportunities

The Kleos Space (Asia Pacific) office provides the Company with the opportunity to align itself with the Australian Government’s recent pledge to invest A\$500 million to improve Australia’s space-based Intelligence, Surveillance and Reconnaissance (ISR) capabilities.

Scientific Management Associates, an Australian Government and Defence contractor have been engaged to provide Australian national surveillance and defence opportunities

Kleos Space and Scientific Management Associates intend to work together for mutual benefit arising from business opportunities in relation to Australian Defence and Government Space Based intelligence and monitoring systems, the control of those systems and related services.

Key technical experts have been recruited in Radio Frequency, Data and Project Engineering

Kleos Space technical management and principal engineer positions are filled with experts in their field. Key areas for the Company’s development include focus on Radio Frequency Engineering, Data Processing and Analysis and Project Engineering for delivering the technical programme. Further recruitment is ongoing in order to fill supporting roles.

Kleos Space team to move into larger office facility and laboratory in Luxembourg City, Luxembourg

To date, Kleos Space have been based at Technoport, a shared, Luxembourg Government supported incubator office space. Technoport has been a fantastic base from which to

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incubate and accelerate. Given growth in the Company, Kleos is now in the process of moving into a larger commercial office and laboratory facility close to the city centre.

CEO Update:

Over the last few months the business has gone from strength to strength with a clear focus on investing in business development, research and development, Scouting Mission hardware and the recruitment of technical experts.

The team has achieved technical milestones with our build partner GomSpace, completed research and development milestones with the European Space Agency and made commercial progress through engaging with one of the world's largest Aerospace companies; Airbus Defence and Space.

Post the IPO process the technical and commercial planned programme as outlined in the prospectus is on track.

The Executive team and Board look forward to continuing to achieve technical and commercial excellence which will ensure our Scouting Mission is a success.

Thank you for your support as we continue to accelerate Kleos Space's growth.



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About Kleos Space S.A.

Kleos Space S.A., listed on the Australian Stock exchange (ASX: KSS) is a Space enabled, Activity Based Intelligence, Data as a Service company based in Luxembourg. Kleos Space aims to guard borders, protect assets and save lives by delivering global activity based intelligence & geolocation as a service. The first Kleos Space satellite system, known as Kleos Scouting Mission (KSM) launching 2019, will deliver commercially available data and perform as a technology demonstration. KSM will be the keystone for a later global high capacity constellation. The Scouting Mission will deliver targeted daily services with the full constellation delivering near-real-time global observation. The company is also developing In-Space Manufacturing technology for near and long-term commercial applications. For more information please visit: www.kleos.space.

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Forward-Looking Statements

This announcement contains forward-looking statements. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. These forward-looking statements are based on management's beliefs and assumptions and on information currently available to our management. The Company's management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the ASX Listing Rules. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experience and our present expectations or projections.