

ASX RELEASE**Kleos Space S.A. signs second MoU with Airbus Defence and Space**

- **This MoU covers the companies' agreement to collaborate on In-Space manufacturing technology**

Luxembourg / Bremen (G), 15 October 2018: Luxembourg-based and ASX listed Kleos Space S.A (ASX:KSS), state-of-the-art space technology operator, today announces the signature of a second Memorandum of Understanding with Airbus Defence and Space, as both companies investigate opportunities to collaborate for the manufacture In-Space of structural elements.

Kleos Space and parent Magna Parva (UK) have developed an In-Space manufacturing system that will provide a method of producing huge carbon composite 3D structures in space. A prototype system has been successfully built and tested under 'near space' conditions at Kleos' development facility. It demonstrates the potential for production of assemblies, equipment or even buildings from fully cured and consolidated carbon fibre materials, potentially miles in length.

The Kleos Space precision robotic technology manufactures 3D space structures using a supply of carbon fibres and a resin that are processed by pultrusion through a heat forming die in a continuous process, producing cured carbon composite elements of extraordinary length. As the resin and materials behave differently in space, the development has included testing under both ambient atmospheric and vacuum conditions. While pultrusion itself is an established manufacturing process, it has now been miniaturised down to a size where the equipment can be accommodated on spacecraft, and further work is under way to advance the technical readiness of the concept.

The Kleos Space machine allows the fabrication of In-Space structures that would be difficult to produce on Earth due to limitations at launch. Current pre-manufactured structures designed to go into space are high in mass and volume and have specific launch environment requirements. By manufacturing in space, many of these requirements are eliminated, allowing the production and deployment of extremely large composite structures.

Airbus is prospecting In-Space manufacturing with a view to developing and accessing the required capabilities in Europe. In this capacity Airbus has agreed to support Kleos with guidance and expertise, enabling the development of applicable 3D structures.

For further information on the Kleos In-Space Manufacturing technology please visit: <https://kleos.space/in-space-manufacturing/>

- ends -

For personal use only

For further information, please contact:

Kleos Space S.A.

Andy Bowyer

Andy.bowyer@kleos.space

+352 2088 2290

Investors

Eric Kuret, Market Eye

eric.kuret@marketeye.com.au

+61 3 9591 8904

Media (Australia)

Tristan Everett, Market Eye

tristan.everett@marketeye.com.au

+61 403 789 096

Media (International)

Pascale Kauffman

pascale.kauffman@apollo.lu

+352 621 889 403

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 and innovative In-Space Manufacturing technology developer 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), 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. For more information please visit: www.kleos.space.

Supporting Notes:

- 1. The intellectual property rights developed by Magna Parva relating to the use of pultrusion in Space applications (In-Space Manufacturing technology) have been fully assigned to Kleos and the technology is now being further developed by Kleos.*
- 2. The In-Space Manufacturing industry encompasses many applications (Communications, Science, Exploration, Earth Observation and Space Resources) and is a significant long term business opportunity for the Company in a complimentary fashion to the near term primary mission geolocation intelligence data sales. Future revenue for the Company from the technology is expected in the form of specific application hardware sales and/or application based licencing.*

For personal use only