

ASX RELEASE

6 September 2021

Kleos secures A\$12.6 million to grow constellation

- Placement to new and existing sophisticated and institutional investors in Australia and the U.S. at A\$0.85 per CDI, and three attaching options for every five CDIs
- Cornerstone investments by Perennial Value Management and Thorney Investment Group
- Capital enables Kleos to further grow its satellite constellation and scale its geolocation data-as-a-service offering, operations and core competencies to build on strong customer demand

Kleos Space S.A (ASX: KSS, Frankfurt: KS1, Kleos or Company), a space-powered Radio Frequency Reconnaissance data-as-a-service (DaaS) company, has secured A\$12.6 million from new and existing institutional and sophisticated investors in Australia and the U.S. via a Placement of approximately 14,823,529 new CHESS Depositary Interests over Kleos ordinary shares (CDIs) at A\$0.85 per CDI (Placement). The A\$0.85 Placement price represents a 9.6% discount to the 30-day volume weighted average trading price and is inclusive of three attaching options for every five CDIs issued, exercisable at A\$1.20 and expiring three years from the date of issue.

The Placement includes cornerstone investments from Perennial Value Management and Thorney Investment Group.

Commenting on the Placement, Kleos CEO Andy Bowyer said, "I am extremely pleased to welcome new high-calibre institutional investors Perennial and Thorney to the register. The strong support we have received from new and current investors reflects Kleos' significant technical and commercial progress that is accelerating rapidly."

The 14,823,529 CDIs will rank equally with existing ordinary CDIs of the Company and will be issued under the Company's issuing capacity in accordance with ASX Listing Rule 7.1A. Settlement is expected to occur by 10 September 2021, with allotment expected to occur on 15 September 2021. The 8,894,118 Options will be issued under ASX Listing Rule 7.1.

The Placement proceeds will be used to fund the launch of future satellite clusters and to scale Kleos' data-as-a-service offering.

Business Update

Capital raise to continue constellation expansion, fund cluster four development & launch & expand team to meet customer demand

Technology de-risked with the constellation growing in volume and capability:

- Cluster 1; Scouting Mission; the four satellites are operating and collecting data with the evaluation data being delivered to customers
- Cluster 2; Vigilance Mission; the four satellites are in orbit commissioning and are designed to deliver twice the data collect capacity of Scouting satellites
- Cluster 3; Patrol Mission; the four satellites are in build for upcoming launch with SpaceX, with twice the payload capability of Scouting & Vigilance satellites

Commercial traction; building and converting pipeline:

- Over 170 qualified¹ deals in the pipeline including:
 - 69 Government agencies/entities,
 - 26 Integrators and analytics tool vendors engaged to include data in their service offerings.
 - 18 resellers across US, Europe, Japan, Australia, and Middle East countries on 4 continents & another 10 resellers in discussions
- Currently 48 signed evaluation contracts with customers, that include a free trial period to evaluate data products prior to revenue generation
- Greater than 50 unqualified² leads in unqualified status ensuring a healthy funnel feeding the qualified pipeline

Operations: Scaling to meet growing demand

- An experienced C Suite with global reputé fully staffed.
- Active recruitment to facilitate transition to independent board to prepare for complementary listing
- Growth in Luxembourg, UK & Denver engineering teams & customer satisfaction team to both meet customer needs whilst maintaining OPEX that facilitate achievement of EBITDA positive status rapidly.

Engagement:

- Monthly 'Insights' interview series has been launched, episodes can be found here: <https://www.youtube.com/channel/UCw6rV6iMB8LR5GMQG4zZcnw>
- Episode 1: tackling the technology and satellites' constellations with Kleos CTO
- Episode 2: unveiling the data-as-a-business model with Kleos CRO
- Conference speaking
 - Chief Revenue Officer Eric von Eckartsberg talking at Satellite 2021 in Washington DC on 9 September 2021

¹ A qualified deal is defined as such through detailed communication in some form with the customer, i.e. ensuring that the KSS products can fulfil the customer need and there is a procurement budget available.

² An unqualified deal is defined as a lead that has not been verified through communication, therefore there is uncertainty as to whether KSS products would be able to fulfil the customer need and if there is a procurement budget available

- CEO Andy Bowyer speaking at Gabelli Funds' 27th Annual Aerospace & Defense Symposium in New York on 9 September 2021. More information here.
- Chair & Military Advisor Pete Round speaking at DSEI in London on 14 September 2021.

This announcement has been approved for release by the CEO of Kleos Space S.A.

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About Kleos Space S.A.

Kleos is a space-enabled radio frequency reconnaissance data-as-a-service company with operations in Luxembourg, the US and UK. Kleos locates radio transmissions in key areas of interest around the globe, efficiently uncovering data points to expose human activity on land and sea. Using clusters of four satellites, proprietary radio frequency data (RF Data) is collected, transmitted to the ground, processed, and delivered to customers worldwide. Customers, including analytics and intelligence entities, will license data on a subscription basis (Data-as-a-Service aka DaaS), for government and commercial use cases – aiding better and faster decision making. Kleos' first satellite cluster, the Kleos Scouting Mission (KSM), successfully launched in November 2020 is performing as a test and technology demonstration whilst collecting data. The company's second satellite cluster, the Polar Vigilance Mission, successfully launched in June 2021 and its Polar Patrol Mission is scheduled to launch in late 2021. These satellite clusters form the foundation of a global high-capacity constellation of up to 20 satellite clusters, which will deliver high value global observation. For more information visit www.kleos.space