

ASX RELEASE**26 July 2023****Company Update and Bankruptcy Proceedings**

Kleos Space S.A. (ASX: KSS, Frankfurt: KS1, Kleos or Company), a space-powered defence & intelligence technology company, advises that its mandated broker has been unable to secure the required commitments to progress the converting note facility previously advised to the market (see the announcement lodged with ASX on 6 June 2023).

Further, the Company's financier has informed the Company (on 25 July 2023) that it will no longer extend forbearance on the loan facility terms or provide additional credit, and called the loans and other accrued amounts immediately due and payable. (See the announcement lodged with ASX on 12 August 2022 for details of the facility arrangements).

In these circumstances, the Company's Board has had no alternative but to acknowledge that the Company is unable to meet its financial commitments as they fall due, and that there is no prospect of viable alternative financial accommodation and will, accordingly, petition the relevant commercial district court in Luxembourg for a bankruptcy adjudication. The Company is preparing documentation to support the petition, which must be filed within 30 days. Further details, including contact details of any bankruptcy receiver appointed, will be provided once and if the petition has been adjudicated.

While the petition is pending, trading in the Company's securities will remain suspended.

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This announcement has been authorised by the Company's Executive Director.

For further information, please contact:**Kleos Space S.A.**

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