

Kleos Space S.A.*Société anonyme*

Registered office: 26, rue des Gaulois, L-1618 Luxembourg, Grand Duchy of Luxembourg
R.C.S. Luxembourg: B 215591
(the "**Company**")

**CHESS Depository Nominees
Pty Limited**

Exchange Centre, 20 Bridge Street
Sydney NSW 2000
Australia

Luxembourg, 12 June 2019

Concerning: Convening to the annual and extraordinary general meeting of the Company

Dear shareholder,

In accordance with articles 450-1 and 450-8 of the Luxembourg law dated 10 August 1915 on commercial companies as well as article 13 of the Company's articles of association, the shareholders must be convened in writing to any general meeting of the Company's shareholders at least eight (8) days prior to the date of such meeting.

In this context, we are pleased to confirm that you are invited at the annual and extraordinary general meeting of the shareholders of the Company, to be held on 25 June 2019 at 10 a.m. Luxembourg time (UCT+2) and 6 p.m. Sydney time (UTC+10), at the registered office of the Company (i.e. 26, rue des Gaulois, L-1618 Luxembourg, Grand Duchy of Luxembourg) (the "**Meeting**"), with the following agenda:

AGENDA

1. Acknowledgment and approval of the Annual Accounts;
2. Discharge of the Directors ;
3. Renewal of the appointment of Deloitte Audit as the Company's external auditor;
4. Amendment to article 6.2 of the Articles of Association;
5. Re-election of David Christie as a Director;
6. Approval of Additional 10% Placement Capacity;
7. Miscellaneous.

The text of the resolutions which are proposed to be adopted at the Meeting as well as the necessary information in connection with the conduct and voting rights at such Meeting are further detailed in the notice attached hereto as Schedule 1.

Shareholders who are unable to attend the Meeting are requested to complete, sign and return the proxy in the form provided by the Company and attached hereto as Schedule 2.

Signed in Melbourne, Australia, on 12 June 2019.

For and on behalf of the board of directors of the Company

A handwritten signature in black ink, appearing to read 'Mark Licciardo', with a large, sweeping flourish extending to the right.

Name: Mark Licciardo

Title: Company Secretary and authorised
signatory

SCHEDULE 1
NOTICE



(ARBN 625 668 733 / RCS B215591)

Notice of Annual and Extraordinary General Meeting

Notice is given that the Annual and Extraordinary General Meeting of Shareholders of Kleos Space S.A., a public limited liability company (*société anonyme*), having its registered office at 26, rue des Gaulois, L - 1618 Luxembourg and registered with the Luxembourg Trade and Companies' Register under number B215591 (**KSS** or the **Company**) will be held as follows:

Date: **Tuesday 25 June 2019**

Time: **10:00am (Luxembourg time) / 6:00pm (Sydney time)**

Venue: **26 Rue des Gaulois, L-1618, Luxembourg**

Business

1. Financial Statements and Reports

To receive and consider the Company's Annual Financial Report, including the Directors' Report and the Auditor's Report for the financial year ended 31 December 2018.

2. Resolution 1 - Approval of the Standalone and Consolidated Financial Statements

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of articles 17 and 19 of the Company's articles of association, article 461-7 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, and for all other purposes, the Shareholders (i) approve and adopt the standalone financial statements of the Company for the financial year ended 31 December 2018, (ii) approve and adopt the consolidated financial statements of the Company and its subsidiary for the financial year ended 31 December 2018, (iii) acknowledge that the Company made a loss in the amount of EUR 2,101,103 for the financial year ended 31 December 2018 and (iv) resolve to carry forward this loss to the next financial year".

RECOMMENDATION: The Board recommends that Shareholders vote in **FAVOUR** of Resolution 1. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 1.

3. Resolution 2 – Discharge to the Directors

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of article 461-7 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, and for all other purposes, the Shareholders resolve to grant full discharge (quitus) to the following directors of the Company for the exercise of their mandates for and in connection with the financial year ended 31 December 2018:

- *Mr. Miles Ashcroft, executive director;*
- *Mr. Andrew Bowyer, executive director;*
- *Mr. David Christie; non-executive director;*
- *Mr. Peter Round; executive director; and*
- *Mr. Erik Tyler, executive director.*

RECOMMENDATION: The Board recommends that Shareholders vote in **FAVOUR** of Resolution 2. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

4. Resolution 3 - Renewal of the appointment of Deloitte Audit as the Company's external auditor

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purpose of article 18 of the Company's articles of association, article 443-1 of the law of 10 August 1915 on commercial companies, as amended, and article 69 of the law on the register of commerce and companies and the accounting and annual accounts of undertakings, the Shareholders renew the terms of office of Deloitte Audit, a private limited liability company (société à responsabilité limitée) incorporated and existing under the laws of the Grand-Duchy of Luxembourg, having its registered office at 560, rue de Neudorf, L - 220 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B67895, as the Company's external auditor (réviseur d'entreprises agréé) for a period of one year, expiring at the annual general meeting of the Shareholders of the Company to be held in 2020 to resolve on the annual accounts for the financial year 2019".

RECOMMENDATION: The Board recommends that Shareholders vote in **FAVOUR** of Resolution 3. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

5. Resolution 4 - Amendment to Articles of Association

To consider and, if thought fit, to pass the following resolution as an **extraordinary resolution**:

"That, for the purpose of article 6.2 of the articles of association of the Company, article 420-26 6° of the law of 10 August 1915 on commercial companies, as amended, and for all other purposes, Shareholders amend article 6.2 of the articles of association in order to authorize the board of directors of the Company to record by way of a notarial deed any issuance of bonus shares made in accordance with such article 6.2, Luxembourg law and the long term incentive plan pertaining to the Company. As a result of the foregoing,

the Shareholders resolve to add an additional sentence at the end of article 6.2 of the articles of association which shall read as follows:

"The Board is further authorised to record each issuance of Bonus Shares by way of a notarial deed and amend the shareholders' register to reflect the amendment accordingly as per the terms of article 6.1(iv), to be applied and interpreted mutatis mutandis, and in accordance with article 420-26 of the Law."

RECOMMENDATION: The Board recommends that Shareholders vote in **FAVOUR** of Resolution 4. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 4.

6. Resolution 5 - Re-election of Mr David Christie as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 14.5, Mr Christie, a Director, retires by rotation, and be eligible, be re-elected as a Director for a term ending on 25 June 2022."

RECOMMENDATION: The Board (other than Mr Christie, who abstained) recommends that Shareholders vote in **FAVOUR** of Resolution 5. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 5.

7. Resolution 6 - Approval of Additional 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities of up to 10% of the total issued capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 over a 12 month period and on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: In accordance with article 13.4 (iv) of the articles of association of the Company, the Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an associate of that person (or those persons).

However, the Company need not disregard a vote if it is cast by:

- a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Note: In accordance with ASX Listing Rule 14.11.1, as at the date of this notice of Meeting it is not known who may participate in the 10% Placement Capacity (if any). On that basis, no Shareholders or CDI Holders are currently excluded from voting on this Resolution.

RECOMMENDATION: The Board recommends that Shareholders vote in **FAVOUR** of Resolution 6. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 6.

Other information

An Explanatory Memorandum accompanies and forms part of this notice of Annual and Extraordinary General Meeting.

All Shareholders and CDI Holders should read the Explanatory Memorandum carefully and in its entirety. Shareholders and CDI Holders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

Voting by proxy

Proxy voting by Shareholders

Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the proxy in the form provided by the Company.

Proxies must be:

- (a) lodged at the Company's share registry, Link Market Services Limited; or
- (b) posted, faxed or lodged online to the address specified below,

by no later than 6:00 pm (Sydney time) on 23 June 2019.

The proxy form has been enclosed. Please read all instructions carefully before completing the proxy form.

Proxy voting by CDI Holders

CDI Holders will be permitted to attend the Meeting but may only vote by directing CHESS Depository Nominees Pty Ltd (**CDN**) to cast proxy votes in the manner directed in the CDI Voting Instruction Form enclosed.

The CDI Voting Instruction Form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, should be sent according to the instructions on the form **by no later than 6:00 pm (Sydney time) on 22 June 2019** to allow sufficient time to lodge the combined proxies 48 hours before the time of the Meeting.

The CDI Voting Instruction Form has been enclosed. Please read all instructions carefully before completing the CDI Voting Instruction Form.

In the event a CDI Holder is willing to attend the Meeting in person, he/ she will only be admitted to the Meeting upon presentation of a valid document evidencing his/her identity. In the event the CDI Holder is a legal entity, the individual representing such entity must present authority of his/ her authority to attend the Meeting as well as a valid document evidencing his/her identity.

How to lodge your vote or submit your voting intentions:

Address (hand deliveries): Link Market Services Limited
 1A Homebush Bay Drive
 Rhodes NSW 2138
 or
 Level 12
 680 George Street
 Sydney NSW 2000

Address (postal deliveries): Kleos Space S.A.
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia

Fax for lodgement: +61 2 9287 0309

Online: please visit www.linkmarketservices.com.au to lodge your vote or submit your voting intentions.

Entitlement to vote

The directors of the Company have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Annual and Extraordinary General Meeting and CDI holding of CDI holders will be taken to be held by the persons who are registered as members and CDI holders at 6:00 pm (AEST) 10:00 am (CEST) on Tuesday 11 June 2019. Accordingly transfers registered after that time will be disregarded in determining members entitled to attend and vote at the meeting.

Voting Intentions

Subject to any voting restrictions and exclusions, the Chairman recommends that the Shareholders and holders of CDI vote in favour of all resolutions on the agenda.

In respect of all available undirected proxies of Shareholders or holders of CDIs, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all resolutions on the agenda.

Questions and Comments by Shareholders at the Meeting

A reasonable opportunity will be given to Shareholders and CDI Holders - as a whole - to ask questions or make comments on the management of the Company at the Meeting.

Similarly, a reasonable opportunity will be given to Shareholders - as a whole - to ask questions to the Company's auditor, Deloitte Audit S.A.R.L Luxembourg (**Deloitte**), relevant to:

- (a) the conduct of the audit;
- (b) the preparation and contents of the audit;
- (c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

Shareholders and CDI Holders may also submit a written question to Deloitte if the question is relevant to the content of Deloitte's audit report or the conduct of its audit of the Company's financial report for the year ended 31 December 2018.

Relevant written questions to Deloitte must be submitted no later than 6:00pm (Sydney time) on Tuesday 17 June 2019. A list of those questions will be made available to Shareholders and CDI Holders attending the meeting

Deloitte will either answer questions at the meeting or table written answers to them at the meeting. If written answers are tabled at the meeting, they will be made available to Shareholders and CDI Holders as soon as practicable after the meeting.

Please send written questions for Deloitte to:

By email – dosville@deloitte.lu

Post to – 560, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg

For and on behalf of the Board

Mark Licciardo

Company Secretary and authorised signatory

Kleos Space S.A

(ARBN 616 435 753)

Explanatory Memorandum

This Explanatory Memorandum sets out further information regarding the proposed resolutions to be considered by Shareholders and CDI Holders of Kleos Space S.A. (**KSS** or the **Company**) at the 2019 Annual and Extraordinary General Meeting to be held commencing at 10:00am (Luxembourg time) or 6:00pm (Sydney time) on Tuesday 25 June 2019 at 26 Rue des Gaulois, L-1618, Luxembourg.

The Directors recommend that Shareholders and CDI Holders read this Explanatory Memorandum before determining whether or not to support the resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

KSS is required to lay its Annual Financial Report, Directors' Report and Auditor's Report before its Shareholders at its Annual General Meeting. The Annual Financial Report is submitted for Shareholders' consideration and discussion at the Annual General Meeting as required. Meeting attendees are invited to direct questions to the Chairman and/or the Auditor in respect of any aspect of the report they wish to discuss.

Representatives of KSS's auditor, Deloitte, will be present for discussion purposes on matters of relevance to the audit.

Shareholders can access a copy of the annual report, the Directors' Report and Auditor's Report on the Company's website at <https://kleos.space/> and at the free disposal of the Shareholders at the registered office of the Company.

2. RESOLUTION 1 - APPROVAL OF FINANCIAL STATEMENTS

Board recommendation

The Board recommends that Shareholders vote in **FAVOUR** of Resolution 1. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 1.

Financial statements

In accordance with article 461-7 of the Luxembourg Commercial Law and article 19.2 of the Company's articles of association, the Shareholders are required to approve the financial statements of the Company for the financial year ended 31 December 2018.

3. RESOLUTION 2 - DISCHARGE TO THE DIRECTORS

Board recommendation

The Board recommends that Shareholders vote in **FAVOUR** of Resolution 2. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

Discharge

After the adoption of the financial statements, article 461-8 of the Luxembourg Commercial Law requires the Shareholders to vote specifically as to whether discharge is given to the Directors.

The discharge has the effect of releasing the Directors from their liability towards the Company with respect to the execution of their mandate for the financial year ended 31 December 2018.

By adopting the financial statements, the shareholders of a company indirectly approve the acts performed by the management during the corresponding financial year and it is therefore common in Luxembourg for the shareholders to grant such discharge.

In accordance with Luxembourg law, the discharge shall be valid only if the financial statements contain no omission or false information concealing the true situation of the Company and, with regard to any acts carried out which fall outside the scope of the articles of association of the Company, if they have been specifically indicated in the convening notice.

4. RESOLUTION 3 - RENEWAL OF THE APPOINTMENT OF THE EXTERNAL AUDITOR

Board recommendation

The Board recommends that Shareholders vote in **FAVOUR** of Resolution 3. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

Renewal of appointment

In accordance with the requirements of Luxembourg law, the sole Shareholder of the Company has appointed on 28 May 2018, Deloitte Audit, a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand-Duchy of Luxembourg, having its registered office at 560, rue de Neudorf, L - 220 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B67895, as the Company's external auditor (*réviseur d'entreprises agréé*). Such appointment has been made for a term ending at the annual general meeting of Shareholders approving the financial statements for the financial year ending on 31 December 2018 and therefore needs to be renewed by the Shareholders.

5. RESOLUTION 4 – AMENDMENT OF ARTICLE OF ASSOCIATION

Board recommendation

The Board recommends that Shareholders vote in **FAVOUR** of Resolution 4. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 4.

Amendment

The proposed amendment to article 6.2 of the Company's articles of association (**Articles**) is of a mechanical nature and is aimed to simplify the process of issuance of shares for nil consideration (**Bonus Shares**) by the Company.

The background is as follows:

- in accordance and within the limits of article 6.2 of the Company's Articles as well as of the long term incentive plan pertaining to the Company, the Board has the authority to allocate Bonus Shares to employees and/or members of the corporate bodies of the Company or the Company's group without any pre-approval being required from the Shareholders (subject to the requirements of the ASX Listing Rules);
- under Luxembourg law, the number of Shares in issue within a company shall be reflected in its Articles. Any decision to issue Shares (whether these are issued with or without consideration) therefore requires an amendment to the Articles in order to update the number of Shares in issue.

In this context, the proposed Resolution 4 will amend the Articles to permit the Board to record any issuance of Bonus Shares in the Company's Articles without having to hold a general meeting (which would trigger significant costs for the Company). It has to be noted that this mechanism already exists in case of issuance of shares under the Company's authorized share capital under the current version of the Articles (please refer to article 6.1 which reads as follows (extract): "*the Board is authorized [...] to record each share capital increase by way of a notarial deed [...]*") and is therefore intended to be duplicated for the issuance of Bonus Shares merely for mechanical and technical reasons and for legal certainty.

Resolution 4 is an Extraordinary Resolution. Accordingly, at least 2/3 of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed, provided that at least 50% of the share capital is present or represented.

6. RESOLUTIONS 5 – RE-ELECTION OF MR DAVID CHRISTIE AS A DIRECTOR

Board recommendation

The Board (other than Mr Christie, who abstained) recommends that Shareholders vote in **FAVOUR** of Resolution 5. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 5.

ASX Listing Rule 14.5

ASX Listing Rule 14.5 states that an entity which has directors must hold an election of directors at each general meeting. This rule applies even where no director is required to stand for re-election at an annual general meeting under rule 14.4. An entity must have at least one director stand for election or re-election at each annual general meeting. If it is not having a new director stand for election and no director is due to stand for re-election under rule 14.4, the entity must select at least one of its existing directors to stand for re-election.

David Christie GAICD, BA, LLB, LLM

Non-Executive Director, Only Australian Director; Chair Remuneration and Nominations Committees, Board advisor for ASX Governance, Regulatory and Compliance.

David is a corporate and commercial lawyer with over 20 years international experience in Australia, Europe, Russia and New York having consulted on a range of transactions to a variety of public and private entities.

Over the past 14 years David has served as a senior executive at a London bank and then in Australia at ASX listed iSelect where he held the roles of Chief Strategy Officer, General Counsel and Company Secretary with global responsibility over legal affairs, corporate compliance, governance, litigation and intellectual property matters.

David is the Co-Founder & Chief Operating Officer for Wilson AI, an Artificial Intelligence company based in Melbourne, Australia.

7. RESOLUTION 6 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

Board recommendation

The Board recommends that Shareholders vote in **FAVOUR** of Resolution 6. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 6.

ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that an eligible entity (as defined below) may seek security holder approval by special resolution at its Annual General Meeting to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue over a period of 12 months after the Annual General Meeting (**10% Placement Capacity**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

Resolution 6 is a Special Resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

If Resolution 6 is approved, the number of equity securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

An eligible entity is one that, as at the date of the relevant Annual General Meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$16,028,125 (based on the number of Shares and CDI's on issue which excludes restricted securities and the closing price of Shares and CDI's on the ASX on 24 May 2019).

Any equity securities issued must be in the same class as an existing class of quoted equity securities. The Company currently has one class of quoted equity securities on issue, being CDIs (ASX Code: KSS).

The number of equity securities that the Company may issue under the approval sought by Resolution 6 will be calculated in accordance with the following formula as set out in ASX Listing Rule 7.1A:

$$(A \times D) - E$$

Where:

A = the number of fully paid Shares on issue 12 months before the date of issue or agreement to issue:

- (i) plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid Shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid Shares issued in the 12 months under Listing Rules 7.1 and 7.4; and
- (iv) less the number of fully paid Shares cancelled in the 12 months.

D = 10%.

E = the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of the Shareholders under Listing Rule 7.1 or 7.4.

Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 6:

Minimum Price

Under the ASX Listing Rules, the minimum price at which the equity securities may be issued is 75% of the volume weighted average price of equity securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the equity securities are to be issued is agreed; or
- (b) if the equity securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

Risk of voting dilution

Shareholders and CDI Holders should be aware there is a risk of economic and voting dilution that may result from an issue of equity securities under the 10% Placement Capacity, including the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting where approval is being sought; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the date of issue.

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders and CDI Holders who do not receive any equity securities under the issue.

If Resolution 6 is approved and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares and CDIs would be as shown in the table below.

The table below shows the potential dilution of existing Shareholders and CDI Holders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of the CDI's and the current number of CDIs on issue as at the date of this Notice of Meeting. The table also assumes that no options on issue are exercised into Shares or CDIs before the date of issue of the equity securities.

The table also shows the voting dilution impact where the number of CDIs on issue (Variable "A" in the formula) changes and the economic dilution where there are changes in the issue price of CDIs issued under the 10% Placement Capacity. ¹

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$ 0.115 50% decrease in Issue Price	\$ 0.230 Issue Price	\$ 0.460 100% increase in Issue Price
Current Variable A 106,627,500	10% Voting dilution	10,662,750	10,662,750	10,662,750
	Funds raised	\$ 1,226,216	\$ 2,452,433	\$ 4,904,865
50% increase in current Variable A 159,941,250	10% Voting dilution	15,994,125	15,994,125	15,994,125
	Funds raised	\$ 1,839,324	\$ 3,678,649	\$ 7,357,298
100% increase in current Variable A 213,255,000	10% Voting dilution	21,325,500	21,325,500	21,325,500
	Funds raised	\$ 2,452,433	\$ 4,904,865	\$ 9,809,730

Notes:

¹ The table has been prepared on the following assumptions:

- (a) The Company issues the maximum number of shares available under ASX Listing Rule 7.1A;
- (b) The table shows only the effect of shares issues under ASX Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under ASX Listing Rule 7.1;
- (c) The current issue price is \$0.230, being the closing price of the CDI's on ASX on 24 May 2019.
- (d) The current number of shares on issue is the CDI's on issue as at 24 May 2019 being 106,627,500.

The table shows:

- two examples where Variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of CDIs the Company has on issue. The number of CDIs on issue may increase as a result of issues of CDIs that do not require approval (for example, a pro rata entitlements issue) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the current market price.

Date of Issue

If Shareholder approval is granted for Resolution 5, then that approval will expire on the earlier of:

- (a) 25 June 2020, being 12 months from the date of the Meeting; or
- (b) the date Shareholder approval is granted to a transaction under ASX Listing Rule 11.1.2 (proposed change to nature and scale of activities) or ASX Listing Rule 11.2 (change involving main undertaking).

The approval under ASX Listing Rule 7.1A will cease to be valid in the event that Shareholders and CDI Holders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

Purpose of Issue under 10% Placement Capacity

The Company may issue equity securities under the 10% Placement Capacity for various purposes including the following:

- (a) as cash consideration in which case the Company intends to use funds raised to intensify and aggressively pursue its stated intention to launch the Scouting Satellite system and develop the Company's product offering with additional satellites; or
- (b) as non-cash consideration for the acquisition of additional assets, as yet not identified, that are complimentary to the Company's existing business.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

Allocation under the 10% Placement Capacity

The allottees of the equity securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of equity securities could consist of current Shareholders and CDI Holders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (a) the purpose of the issue;
- (b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders and CDI Holders may participate;
- (c) the effect of the issue of the equity securities on the control of the Company;
- (d) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (e) prevailing market conditions; and
- (f) advice from corporate, financial and broking advisers (if applicable).

8. GLOSSARY

Unless otherwise defined to the contrary, in this Explanatory Memorandum and the Notice of Meeting:

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the Board of Directors of the Company.

CDI means CHESS Depositary Interest, being a unit of beneficial ownership of a Share legally held by CHESS.

CDI Holder means a holder of CDIs.

CHESS means CHESS Depositary Nominees Pty Ltd (ACN 071 346 506).

Chairman means the chairman of the Company from time to time, and as at the date of this Notice, being Air Commodore Peter Round.

Company or **KSS** means Kleos Space S.A., a public limited liability company (*société anonyme*), having its registered office at 26, rue des Gaulois, L - 1618 Luxembourg and registered with the Luxembourg Trade and Companies' Register under number B215591;

Constitution means the constitution of the Company.

Director means a Director of the Company.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Memorandum means this Explanatory Memorandum which forms part of the Notice of Meeting.

Extraordinary Resolution means a resolution that has been passed by at least 2/3 of the votes cast by Shareholders, provided that at least 1/2 of the share capital is present or represented.

ASX Listing Rules means the listing rules of the ASX Limited.

Luxembourg Commercial Law means the law of 10 August 1915 on commercial companies, as amended.

Meeting or **Annual General Meeting** means the annual general meeting of the Company the subject of the Notice of Meeting, which is scheduled to occur on Tuesday, 25 June 2019.

Notice of Meeting or **Notice** means the notice of meeting accompanied by this Explanatory Memorandum.

Options means an option to acquire CDIs in the Company.

Ordinary resolution means a resolution that has been passed by a simple majority of the votes cast by Shareholders, regardless of the proportion of the share capital present or represented.

Proxy Form means the proxy form accompanied by the Notice of Meeting and Explanatory Memorandum.

Resolution means a resolution set out in the Notice of Meeting.

Shareholder means a holder of a Share.

Share means a fully paid ordinary share in the capital of the Company.

Special resolution means a resolution that has been passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution.

SCHEDULE 2
PROXY



KLEOS

KLEOS SPACE SA

ARBN 625 668 733

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Kleos Space S.A.
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



X99999999999

PROXY FORM

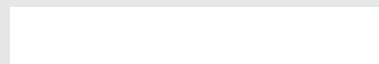
I/We CHESS Depository Nominees Pty Limited, a company incorporated under the laws of Australia, with registered address at /o Exchange Centre, 20 Bridge Street, Sydney NSW 2000, Australia, registered with the Australian Securities and Investments Commission under number ACN 071 346 506 being a shareholder(s) of Kleos Space S.A. and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit, with respect to xxxxx of shares of the Company) at the Annual and Extraordinary General Meeting of the Company to be held at **10:00am (Luxembourg time), 6:00pm (Sydney time) on Tuesday, 25 June 2019 at 26, rue des Gaulois, L - 1618 Luxembourg** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

1 Approval of the Annual Accounts

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

5 Re-election of Mr David Christie as a Director

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

2 Discharge to the Directors

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6 Approval of Additional 10% Placement Capacity

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3 Renewal of the appointment of Deloitte Audit as the Company's external auditor

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

4 Amendment to article 6.2 of the Articles of Association

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

(The text of the amendment is detailed in the Notice of the Meeting, which is attached to the Proxy form)



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. The Company recognises only one owner per share. In case a share is owned by several persons, they shall appoint a single representative who shall represent them in respect of the Company. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's Articles of Association.

KSS PRX1901A



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Luxembourg time), 6:00pm (Sydney time) on Sunday, 23 June 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Kleos Space S.A.
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL AND EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**



KLEOS

KLEOS SPACE SA

ARBN 625 668 733

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Kleos Space S.A.
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

CDI VOTING INSTRUCTION FORM

STEP 1

DIRECTION TO CHESS DEPOSITARY NOMINEES PTY LTD

I/We being a holder of CHESS Depositary Interests (CDIs) of Kleos Space S.A. (Company) hereby direct CHESS Depositary Nominees Pty Ltd (CDN) to vote the xxxx shares underlying my/our CDI holding at the Annual and Extraordinary General Meeting of stockholders of the Company at **10:00am (Luxembourg time), 6:00pm (Sydney time) on Tuesday, 25 June 2019 at 26, rue des Gaulois, L - 1618 Luxembourg**, and at any adjournment or postponement of that Meeting, in accordance with the following directions. By execution of this CDI Voting Instruction Form the undersigned hereby authorises CDN to appoint such proxies or their substitutes in their discretion to vote in accordance with the directions set out below.

STEP 2

PROXY APPOINTMENT– this only needs to be completed if you wish to attend the Meeting or appoint another person to attend the Meeting

If you wish to attend the Meeting in person or appoint another person or company other than CDN, who need not be a stockholder, to attend and act on your behalf at the Meeting or any adjournment or postponement thereof, please insert their name(s) in this box.

Link will then send you a legal form of proxy which will grant you or the person specified by you the right to attend and vote at the Meeting. Please remember that a legal proxy is subject to all terms and conditions that apply to proxies as outlined in the *Notice of Annual Meeting* including any cut off time for receipt of valid proxies.

STEP 3

VOTING INSTRUCTIONS

Voting instructions will only be valid and accepted by CDN if they are signed and received no later than **10:00am (Luxembourg time), 6:00pm (Sydney time) on Saturday, 22 June 2019**.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Approval of the Annual Accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Re-election of Mr David Christie as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Discharge to the Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Renewal of the appointment of Deloitte Audit as the Company's external auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Amendment to article 6.2 of the Articles of Association <small>(The text of the amendment is detailed in the Notice of the Meeting, which is attached to the Voting Instruction Form)</small>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you do not mark the "For", "Against" or "Abstain" box your vote will not be counted.

STEP 4

SIGNATURE OF CDI HOLDERS – THIS MUST BE COMPLETED

CDI Holder 1 (Individual)

Sole Director and Sole Company Secretary

Joint CDI Holder 2 (Individual)

Director/Company Secretary (Delete one)

Joint CDI Holder 3 (Individual)

Director

This form should be signed by the CDI Holder in accordance with the instructions overleaf.

KSS PRX19021



HOW TO COMPLETE THIS CDI VOTING INSTRUCTION FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's CDI register. If this information is incorrect, please make the correction on the form. CDI Holders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your CDIs using this form.**

DIRECTION TO CHESS DEPOSITARY NOMINEES PTY LTD

Each CHESS Depositary Interest (CDI) is evidence of an indirect ownership in the Company's shares of common stock (Shares). The underlying Shares are registered in the name of CHESS Depositary Nominees Pty Ltd (CDN). As holders of CDIs are not the legal owners of the Shares, CDN is entitled to vote at the Meetings of stockholders on the instruction of the registered holders of the CDIs.

APPOINTMENT OF A PROXY

If you wish to attend the Meeting in person or appoint some person or company other than CDN, who need not be a stockholder, to attend and act on your behalf at the Meeting or any adjournment or postponement thereof, please insert your name(s) or the name of your chosen appointee in the box in Step 2. Link will then send you a legal form of proxy which will grant you or the person specified by you the right to attend and vote at the Meeting. Please remember that a legal proxy is subject to all terms and conditions that apply to proxies as outlined in the *Notice of Annual Meeting* including any cut off time for receipt of valid proxies.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either holder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with Link. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: with respect to an Australian company, where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. With respect to a U.S. company or other entity, this form may be signed by one officer. Please give full name and title under the signature.

LODGEMENT OF A CDI VOTING INSTRUCTION FORM

This CDI Voting Instruction Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Luxembourg time), 6:00pm (Sydney time) on Saturday, 22 June 2019**, being not later than 72 hours before the commencement of the Meeting. Any CDI Voting Instruction Form received after that time will be invalid.

CDI Voting Instruction Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the CDI Voting Instruction Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, stockholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the CDI Voting Instruction Form).



BY MAIL

Kleos Space S.A.
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* in business hours (Monday to Friday, 9:00am–5:00pm)