

## ASX RELEASE

12 September 2019

### CLEANSING NOTICE UNDER SECTION 708A(12C)(e) OF THE CORPORATIONS ACT 2001 (CTH)

#### 1. PURPOSE OF THIS CLEANSING NOTICE

1.1 KLEOS SPACE S.A. (ASX: KSS, Frankfurt: KS1), (**Company**), a space-powered Radio Frequency Reconnaissance data-as-a-service (**DaaS**) Company gives this cleansing notice (**Cleansing Notice**) under section 708A(12C) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as amended by *ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82* (**ASIC Instrument 2016/82**).

1.2 The Company entered into a convertible note deed poll (**Convertible Note Deed Poll**) under which it issued secured convertible notes (**Convertible Notes**) to the following unrelated third party investors on 12/09/19:

- (a) Jamber Investments Pty Ltd as trustee;
- (b) Sharelly Holdings Pty Ltd as trustee;
- (c) Farinway Pty Ltd as trustee;
- (d) Chifley Investor Group Pty Ltd; and
- (e) Albion Hawthorn Pty Ltd as trustee,

(collectively the **Investors**).

1.3 The Company issued convertible notes with an aggregate face value of A\$2,200,000 (**Convertible Notes**) to the Investors. The Investors may elect to subscribe for additional convertible notes with an aggregate face value of A\$1,100,000, which will otherwise be issued on the same terms as the Convertible Notes (**Second Tranche Convertible Notes**).

1.4 The Convertible Notes have been issued to the Investors as professional investors or sophisticated investors (as applicable) without disclosure under Part 6D.2 of the Corporations Act. The issue of this Cleansing Notice enables the ordinary shares in the Company (**Shares**) (and consequently the CDIs) to be issued by the Company on conversion of the Convertible Notes to be on-sold to retail investors without further disclosure.

1.5 The Company gives notice that:

- (a) the Convertible Notes were issued without disclosure to the Investors under Part 6D.2 of the Corporations Act; and
- (b) this Cleansing Notice has been given in accordance with section 708A(12C)(e) of the Corporations Act (as modified by ASIC Instrument 2016/82).

1.6 Neither ASIC nor ASX take responsibility for the contents of this Cleansing Notice.

1.7 The terms of the Convertible Notes are summarised in paragraph 4.

## **2. CONTENTS OF THIS CLEANSING NOTICE**

2.1 This Cleansing Notice sets out the following:

- (a) in relation to the Convertible Notes and CDIs that may be issued on conversion of the Convertible Notes:
  - (i) the effect of the issue on the Company;
  - (ii) a summary of the rights and liabilities attaching to the Convertible Notes; and
  - (iii) a summary of the rights and liabilities attaching to the CDIs that will be issued on the conversion of the Convertible Notes; and
- (b) any information that:
  - (i) has been excluded from continuous disclosure in accordance with the ASX Listing Rules; and
  - (ii) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
    - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
    - (B) the rights and liabilities attaching to the CDIs and the Convertible Notes,to the extent which it would be reasonable for investors and their professional advisers to expect to find in this Cleansing Notice; and
- (c) certain information relating to the Company's status as a disclosing entity.

## **3. THE EFFECT OF THE ISSUE ON THE COMPANY**

3.1 The principal effect of the issue of the Convertible Notes on the Company will be to:

- (a) increase the cash reserves of the Company by approximately A\$2,000,000 before any expenses associated with the issue of Convertible Notes;
- (b) if the Investors elect to subscribe for the Second Tranche Convertible Notes, increase the cash reserves of the Company by up to a further A\$1,000,000, before any expenses associated with the issue of Convertible Notes;
- (c) increase the indebtedness of the Company by the aggregate face value of the Convertible Notes, being A\$2,200,000;
- (d) if the Investors elect to subscribe for the Second Tranche Convertible Notes, increase the indebtedness of the Company by up to a further A\$1,100,000;

- (e) increase the number of CDIs on issue:
- (i) at the time (if any) that the Convertible Notes convert to Shares (and consequently CDIs); and
  - (ii) at the time (if any) that the Investors elect to exercise any or all of their Options,

in accordance with the terms of the Convertible Note Deed Poll, as further described at paragraph 3.2 and in paragraph 4.

3.2 A table setting out the effect of the Company's entry into the Convertible Note Deed Poll on the capital structure of the Company is set out below.

	Number on issue immediately prior to issue of the Convertible Notes	Number on issue on the date of this Cleansing Notice <sup>1,2</sup>	Number on issue assuming full conversion of the Convertible Notes and exercise of the Options (on a fully diluted basis) <sup>2,3</sup>	Number on issue assuming issue and full conversion of the Second Tranche Convertible Notes and exercise of the Second Tranche Options (on a fully diluted basis) <sup>2,4</sup>
<b>CDIs</b>	106,627,500	106,627,500	112,467,500	115,387,500
<b>Options</b>	Nil	2,900,000	1,900,000 <sup>5</sup>	2,850,000 <sup>6</sup>
<b>Performance Share Rights</b>	29,500,000	29,500,000	29,500,000	29,500,000
<b>Convertible Notes</b>	Nil	2,000,000	Nil	Nil

<sup>1</sup> After issue of the Convertible Notes and Options.

<sup>2</sup> Does not include the proposed issues of CDIs as set out in paragraphs 7.1 and 7.2 of this Cleansing Notice.

<sup>3</sup> Based on the maximum number of CDIs on conversion of the Convertible Notes (including face value and assuming all interest payments are capitalised into CDIs over Shares), being 4,840,000 CDIs and the exercise of all 1,000,000 Options.

<sup>4</sup> Based on the maximum available CDIs on conversion of the Second Tranche Convertible Notes (including face value and assuming all interest payments are capitalised into CDIs over Shares), being 2,420,000 CDIs and the exercise of all 500,000 Second Tranche Options. Assumes that Second Tranche Convertible Notes and Options are issued after conversion of Convertible Notes.

<sup>5</sup> As announced on 22 August 2019, the Company has granted 1,900,000 options to the Lead Manager to the Convertible Notes placement with an exercise price of \$0.40 and a 3 year term.

<sup>6</sup> As announced on 22 August 2019, if the Second Tranche Convertible Notes are issued, the Company will grant 950,000 options to the Lead Manager to the Convertible Notes placement with an exercise price of \$0.40 and a 3 year term.

3.3 The consolidated pro-forma financial position of the Company and its subsidiaries, Kleos Space (Asia Pacific) Pty Ltd and Kleos Space Ltd, set out below has been prepared on the following basis:

- (a) the reviewed 30 June 2019 consolidated statement of financial position has been used as a base to illustrate the impact of the issue of the Convertible Notes (pro forma adjustment I), and the potential impact of the Second Tranche Notes (pro forma adjustment II) if they are issued;
- (b) the pro-forma financial information is presented in an abbreviated form in so far as it does not include all of the disclosure required by Australian accounting standards or by the International Accounting Standards Board (IASB) as adopted by the European Union. It has been prepared in accordance with the Company's normal accounting policies. The pro-forma financial information is not audited. The classification of the Convertible Notes liability may change in the future; and
- (c) the financial information is presented in Euro, and an exchange rate of 1.6173 EUR per AUD was used to convert the pro-forma adjustments from Australian dollars to Euro.

	Kleos period ended 30 June 2019 (Review)	Pro forma adjustment		Kleos at 30 June 2019 (pro forma)
		I	II	
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,731,617	1,236,629	618,314	3,586,560
Accrued income from government grants	0			0
Other current assets	1,110,981			1,110,981
Total current assets	2,842,598	1,236,629	618,314	4,697,541
<b>Non-current assets</b>				
Property, plant and equipment	2,213,776			2,213,776
Right-of-use assets	61,675			61,675
Total non-current assets	2,275,451	0	0	2,275,451
<b>Total assets</b>	<b>5,118,049</b>	<b>1,236,629</b>	<b>618,314</b>	<b>6,972,992</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade payables	691,836			691,836
Accrued expenses	7,431			7,431
Lease liabilities - right-of-use assets	51,437	1,360,292	680,146	2,091,875
Other current liabilities	16,400			16,400
Total current liabilities	767,104	1,360,292	680,146	2,807,542
<b>Non-current liabilities</b>				
Lease liabilities - right-of-use assets	9,609			9,609
Total non-current liabilities	9,609	0	0	9,609
<b>Total liabilities</b>	<b>776,713</b>	<b>1,360,292</b>	<b>680,146</b>	<b>2,817,151</b>
<b>Net assets / liabilities</b>	<b>4,341,336</b>	<b>-123,663</b>	<b>-61,831</b>	<b>4,155,842</b>

#### 4. RIGHTS AND LIABILITIES ATTACHING TO THE CONVERTIBLE NOTES

- 4.1 The following is a broad summary of the rights and liabilities attaching to the Convertible Notes. The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Noteholders.

<b>Principal amount</b>	A\$2,000,000
<b>Issue Date</b>	12 September 2019
<b>Term and maturity</b>	<p>The maturity date is the earlier of:</p> <ul style="list-style-type: none"> <li>• 28 February 2020;</li> <li>• the date on which an Exit Event occurs</li> </ul> <p><b>(Maturity Date).</b></p> <p>An Exit Event means the occurrence of any of the following events:</p> <ul style="list-style-type: none"> <li>• an agreement for the sale of 50.1% of the issued capital of the Company is completed; or</li> <li>• following entering into an agreement for the sale of at least 50% in aggregate of all of the issued shares of the Company or assets of the Company, and following the passing of a resolution of the Company's CDI holders to approve the distribution and payment to CDI holders of the proceeds of sale that are available for distribution or payment to CDI holders, whether in a winding up, by return of capital, share buy-back or otherwise - a final determination is made of the amount that will be paid to CDI holders.</li> </ul>
<b>Face value of Convertible Notes</b>	A\$1.10 per Convertible Note
<b>Aggregate face value of Convertible Notes</b>	A\$2,200,000
<b>Interest</b>	<p>The Convertible Notes bear interest of 20% per annum, payable on the date of conversion or maturity, whichever is earlier, to be adjusted pro-rata if the Convertible Notes are converted prior to completion of a 6 month period.</p> <p>Interest accrues monthly in arrears, from and including the issue date and up to and including the date of conversion or maturity.</p> <p>Interest will be payable in cash unless the Noteholder provides to the Company written notice that it elects to convert accrued interest into CDIs over Shares such conversion will be on the same terms and conditions as the principal amount of the Convertible Notes.</p>

<b>Security</b>	<p>The Company will provide the following security and undertaking only:</p> <ul style="list-style-type: none"> <li>• pledge over the Company's bank account;</li> <li>• pledge over (future) receivables</li> <li>• an escrow agreement pursuant to which copies of documents relating to the Kleos Scouting Mission and the Geolocation development (i.e. (1) reports on design, analysis and test and (2) specification sheets) will be kept by an escrow agent and released only upon the occurrence of an Event of Default; and</li> <li>• Australian law general security deed over after-acquired property of the Company located in Australia.</li> </ul> <p>The Company agrees to provide the above security no later than 8 October 2019, or such later time approved by a Majority Noteholder Approval. Failure to provide the security by 8 October 2019 will be an event of default.</p>
<b>Conversion terms</b>	<p>A Noteholder may elect to convert all or part of the Convertible Notes and any interest accrued into newly issued CDIs over Shares at any time after issuance until the Maturity Date by issuing a conversion notice to the Company (<b>Conversion Notice</b>) in minimum tranches of 25,000 Convertible Notes.</p> <p>The conversion price is A\$0.50 per CDI. This price shall be fully adjusted for any pro rata bonus issue of CDIs (not including an issue for cash or other consideration), subdivision or consolidation of CDIs or any other reorganisation of share capital of the Company. Any adjustment must comply with the Listing Rules.</p>
<b>Maximum number of CDIs on conversion</b>	<p>The maximum number of CDIs that may be issued in respect of the Convertible Notes is 7,260,000, comprising:</p> <ul style="list-style-type: none"> <li>• 4,840,000 on conversion of the Convertible Notes; and</li> <li>• 2,420,000 on conversion of the Second Tranche Convertible Notes,</li> </ul> <p>(<b>Share Cap</b>).</p>
<b>Events of default</b>	<p>The Convertible Note Deed Poll sets out a number of events that are each deemed to be an <b>Event of Default</b>. These events include, but are not limited to circumstances where:</p> <ul style="list-style-type: none"> <li>• the Company does not pay any money that becomes payable by the Company under the Convertible Note Deed Poll on its due date for payment;</li> <li>• insolvency occurs in relation to the Company;</li> </ul>

	<ul style="list-style-type: none"> <li>the Company is in breach of any obligation, covenant or undertaking contained in the Convertible Note Deed Poll (except those referred to in the immediately preceding two dot points) or the conditions of issue which is prejudicial to the interests of Noteholders and the breach is not rectified within 10 business days after the Noteholder gives notice requesting the Company to do so;</li> <li>the Company is suspended from quotation on the ASX for more than 10 business days;</li> <li>the Company is in breach of any material obligation, covenant or undertaking to the Noteholders and the breach is not rectified within 10 business days;</li> <li>a material provision of the Convertible Note Deed Poll does not have legal effect or is illegal, void, voidable or unenforceable or the Company purports to terminate the Convertible Note Deed Poll;</li> <li>any financial indebtedness of the Company becomes due prior to its stated maturity, or is not paid when due or within an applicable grace period;</li> <li>the Company ceases to carry on, or suspends operation of, its business;</li> <li>a material licence, permit or authorisation that is required in order for the Company to conduct its business operations expires and is not renewed, is terminated or is varied in a materially adverse way; or</li> <li>the Company fails to provide all of the security no later than 8 October 2019 (or such later time approved by a Majority Noteholder Approval) to the satisfaction of the Noteholders (acting reasonably)</li> </ul> <p>The Convertible Notes held by a Noteholder are redeemable, at the election of that Noteholder, on the occurrence of an Event of Default, by the Noteholder giving to the Company, within 40 business days after the Event of Default first occurring, a redemption notice requiring the Company to redeem all of the Convertible Notes the subject of the redemption notice for an amount equal to the principal amount (which includes any capitalised interest) of the Convertible Notes the subject of the redemption notice calculated as at the redemption date.</p>
<b>Covenants</b>	<p>For so long as Convertible Notes with an aggregate face value of \$100,000 remain outstanding, the Company must comply with the following covenants:</p>

	<ul style="list-style-type: none"> <li>• maintain its status as a company limited by shares incorporated in Luxembourg;</li> <li>• keep its assets and undertaking insured in adequate amounts, against such risks as would prudently be insured against by a prudent Company carrying on a similar business;</li> <li>• comply with all applicable laws relevant to the business of the Company;</li> <li>• not reduce or attempt to reduce its capital, return capital to shareholders, buyback any Shares, CDIs or conduct any reorganisation of its capital structure;</li> <li>• pay, make or declare any dividend or other distribution;</li> <li>• not issue further debt securities or incur any other financial indebtedness that ranks equally with, or in priority to, the Notes without first obtaining the written approval of Noteholders holding at least 50.1% of the Convertible Notes and if this approval is obtained, provide Noteholders with the right of first refusal to participate in such offer;</li> <li>• notify the Noteholders as soon as the Company becomes aware of any litigation, arbitration, administration or other proceeding in respect of the Company or any of its assets being commenced or threatened;</li> <li>• not: <ul style="list-style-type: none"> <li>– create, allow to exist or agree to any encumbrance over any of its assets or its shares;</li> <li>– sell, assign, transfer or otherwise dispose of any of its material assets;</li> </ul> </li> <li>• continue to carry on and conduct its business in the ordinary course of business and will not substantially change the general nature or scope of its business;</li> <li>• not make a loan to a third party, except in ordinary course of business and on arm's length terms;</li> <li>• not undertake any transaction which is not on arm's length terms;</li> <li>• ensure that all material authorisations required for the conduct and operation of the Company's business are maintained and that any breach is promptly rectified;</li> <li>• comply with all applicable laws binding on the Company;</li> <li>• not amend its constitution or other constituent documents with the effect of the change being to detrimentally affect the rights of Noteholders;</li> <li>• continue to own or licence or otherwise have the right to</li> </ul>
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	<p>use all material licenses, patents, trademarks, copyright and other material intellectual property rights necessary for the conduct and operation of the Company's business, without any known conflict with or infringement of, the rights of others;</p> <ul style="list-style-type: none"> <li>• reduce or attempt to reduce its capital, buyback any Shares, CDIs or conduct a reorganisation of its capital structure, pay dividends or return capital to its shareholders.</li> </ul>
<b>Assignment and transferability</b>	<p>Convertible Notes may only be transferred:</p> <ul style="list-style-type: none"> <li>• by written transfer instrument in any usual or common form or in any other form approved by the directors of the Company; and</li> <li>• to a person or entity that has executed and delivered to the Company an undertaking to observe, perform and be bound by the terms of the Convertible Note Deed Poll and who is a professional investor (under section 708(11) of the Corporations Act) or a sophisticated investor (under section 708(8) of the Corporations Act).</li> </ul>
<b>Redemption</b>	<p>Any Convertible Notes which have not been converted by the Maturity Date will be automatically redeemed by the Company on the Maturity Date, for the redemption amount equivalent to the face value of those outstanding Convertible Notes.</p>
<b>Voting</b>	<p>The Noteholders shall not be entitled to any voting rights as shareholders in respect of the Company by reason of their mere ownership of the Convertible Notes until the conversion has taken place.</p>
<b>No quotation</b>	<p>The Convertible Notes will not be quoted on the ASX or any other public exchange.</p>
<b>Options</b>	<p>In accordance with the terms of the Convertible Note Deed Poll, 1,000,000 free attaching options to acquire 1 CDI have been granted to the Investors in their respective proportions (<b>Options</b>).</p> <p>In the event that the Investors determine, each at their sole discretion, to subscribe in their respective proportions for the Second Tranche Convertible Notes, then the Investors will be granted up to 500,000 Options in their respective proportions (<b>Second Tranche Options</b>).</p> <p>The Options have an exercise price of A\$0.40 each and expire three years after their date of issue.</p>
<b>Governing law</b>	<p>The Convertible Note Deed Poll is governed by the laws of the state of Victoria, Australia.</p>

## 5. RIGHTS AND LIABILITIES ATTACHING TO CDIS ISSUED UNDER THE CONVERTIBLE NOTES

- 5.1 The CDIs to be issued to the Noteholders on the conversion of the Convertible Notes will rank equally in all respects with all of the Company's existing CDIs.
- 5.2 The rights attaching to CDIs, including new CDIs to be issued to the Noteholders on the conversion of the Convertible Notes, are regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law.
- 5.3 As the Company is incorporated under the laws of Luxembourg, the rights attaching to the Shares are governed by Luxembourg law and the Company's Articles of Association.
- 5.4 A broad summary of the rights and liabilities attaching to CDIs as at the date of this Cleansing Notice are set out below.

<p><b>Voting rights</b></p>	<p>If holders of CDIs wish to attend and vote at the Company's general meeting, they will be able to do so. Under the ASX Listing Rules and the ASX Settlement Operating Rules, the Company as an issuer of CDIs must allow CDI holders to attend any meeting of the holders of Shares.</p> <p>In order to vote at such meetings, CDI holders have the following options:</p> <ul style="list-style-type: none"> <li>• instructing Chess Depositary Nominees Pty Ltd ACN 071 346 506 (<b>CDN</b>), as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Company's Share Registry prior to the meeting;</li> <li>• informing the Company that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or</li> <li>• converting their CDIs into a holding of Shares and voting these at the meeting (however, if thereafter the former CDI holder wishes to sell their investment on ASX it would be necessary to convert the Shares back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting.</li> </ul> <p>As holders of CDIs will not appear on the Company's share register as the legal holders of the Shares, they will not be entitled to vote at Shareholder meetings unless one of the above steps is undertaken.</p>
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	<p>As each CDI represents one Share, a CDI holder will be entitled to one vote for every one CDI they hold.</p> <p>Proxy forms, CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI holders by the Company.</p> <p>These voting rights exist only under the ASX Settlement Operating Rules, rather than the Luxembourg law of 10 August 1915 on commercial companies (<b>1915 Law</b>). Since CDN is the legal holder of applicable shares, the holders of CDIs do not have any directly enforceable rights under the Company's Articles of Association.</p>
<b>Dividends</b>	<p>The CDIs allotted on conversion of the Convertible Notes participate in full for all dividends after the date of conversion only.</p> <p>Despite legal title to the Shares being vested in CDN, the ASX Settlement Operating Rules provide that CDI holders are to receive all economic benefits and other entitlements in relation to the underlying Shares, these include dividends and other entitlements which attach to the underlying Shares. These rights exist only under the ASX Settlement Operating Rules (which have the force of law by virtue of the Corporations Act), rather than under the 1915 Law.</p> <p>Whilst the Company does not anticipate declaring any dividends in the foreseeable future, should it do so in the longer term, the Company will declare any dividends in Euro as that is its main functional currency. In that event, the Company will pay any dividend in Euro or A\$ depending on the country of residence of the CDI holder. If the CDI holder in Australia wishes to receive dividends in Euro they must complete an appropriate form and return it to the Company's Share Registry, no later than the close of business on the dividend record date.</p>
<b>Rights on winding up</b>	<p>In the event of the Company's liquidation, dissolution or winding up, a CDI holder will be entitled to the same economic benefit on their CDIs as holders of Shares. These rights exist only under the ASX Settlement Operating Rules, rather than the 1915 Law.</p>
<b>Transfer of CDIs</b>	<p>CDI holders who wish to trade their CDIs will be transferring the beneficial interest in the Shares rather than the legal title. The transfer will be settled electronically by delivery of the relevant CDI holdings</p>

	through CHESS. In other respects, trading in CDIs is essentially the same as trading in other CHESS approved securities, such as shares in an Australian Company.
<b>Corporate Action Entitlements</b>	<p>CDI holders receive all direct economic and other entitlements in relation to the underlying Shares. These include entitlements to participate in rights issues, bonus issues and capital reductions. These rights exist only under the ASX Settlement Operating Rules, rather than under the 1915 Law.</p> <p>It is possible that marginal differences may exist between the resulting entitlement of a CDI holder and the entitlements that would have accrued if a CDI holder held their holding directly as Shares. As the ratio of CDIs to Shares is not one-to-one and any entitlements will be determined on the basis of Shares rather than CDIs, a CDI holder may not always benefit to the same extent, for example, from the rounding up of fractional entitlements. The Company is required by the ASX Settlement Operating Rules to minimise such differences where legally permissible.</p>
<b>Takeover Rights</b>	If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the holder of legal title, under the ASX Settlement Operating Rules, CDN must not accept the offer made under the takeover bid unless acceptance of the relevant offer is authorised by the relevant CDI holder. If the CDI holder instructs CDN to accept the takeover bid or similar transaction, then CDN must ensure that the offeror processes the takeover acceptance. These rights exist only under the ASX Settlement Operating Rules, rather than the 1915 Law.
<b>Notices and Announcements</b>	CDI holders are entitled to receive all notices and company announcements (such as annual reports) that shareholders are entitled to receive from the Company. This entitlement exists in the ASX Settlement Operating Rules, rather than the 1915 Law.

## 6. REPORTING AND DISCLOSURE OBLIGATIONS

- 6.1 The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require ASX to be notified periodically and on a continuous basis of information about specific events and matters as they arise for the purpose of ASX making the information available to the financial market operated by it. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning the Company, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

- 6.2 The Company is also required to prepare and lodge with yearly and half-yearly financial statements, accompanied by a director's statement and report, and an audit report or review. The Company is also required to prepare and lodge a quarterly report.
- 6.3 ASX maintains records of company announcements for all companies listed on ASX. The Company's announcements may be viewed on ASX website ([www.asx.com.au](http://www.asx.com.au)). ASIC also maintains records in respect of documents lodged with it by the Company, and these may be obtained from or inspected at any office of ASIC. The Company will provide a copy of each of the following documents, free of charge, to any person on request:
- (a) the annual financial report most recently lodged by the Company with ASIC, being the financial report of the Company for the year ended 31 December 2018 which was lodged with ASX on 1 March 2019;
  - (b) the half-year financial report most recently lodged by the Company with ASIC, being the half-year report of the Company for the half-year to 30 June 2019 which was lodged with ASX on 30 August 2019; and
  - (c) any continuous disclosure documents given by the Company to ASX after the lodgement of the annual financial report referred to in paragraph 6.3(a) and before the lodgement of this Cleansing Notice with ASX, details of which are as follows:

<b>Date</b>	<b>Title of announcement</b>
04/03/2019	Change in substantial holding
11/03/2019	Kleos Space signs US Channel Partner Engagement
12/03/2019	Kleos Space Engages Frankfurt Advisors and Researchers
28/03/2019	Kleos signs MoU with ImageSat International
05/04/2019	Kleos' Scouting Mission satellites pass milestone
16/04/2019	Kleos announces initial product range and opens pre-ordering
30/04/2019	Kleos Space Annual Report 2018
30/04/2019	Appendix 4G
30/04/2019	Kleos Space Q1 2019 Activities Update and Appendix 4C
07/05/2019	MMR Corporate appointed as investor relationship advisor
09/05/2019	International Chief Financial Officer Appointed
13/05/2019	Roadmap to Revenue
15/05/2019	Ground Station Service Provider Appointed

Date	Title of announcement
27/05/2019	Kleos Satellites Launch Window Confirmed - August Lift-Off
29/05/2019	Operational Milestone - Government Concession Granted
31/05/2019	Kleos to Showcase at International GEOINT 2019 Symposium
05/06/2019	Change in substantial holding
06/05/2019	A\$3 Million Early Adopter Pre-Orders Signed
12/06/2019	Notice of Annual and Extraordinary General Meeting
14/06/2019	Euro 1M Further Luxembourg Space Agency Support Approved
25/06/2019	Kleos AGM Presentation
25/06/2019	Kleos Space Chair's AGM Address
25/05/2019	Results of AGM
26/06/2019	Kleos AGM Investor Briefing
28/06/2019	Kleos Investor Briefing 2019 AGM Video
01/07/2019	Kleos Investor Briefing 2019 AGM Video
10/07/2019	Kleos Space appoints Sales Expert for South American market
11/07/2019	Kleos Space Enters Sales Channel Agreement with L3Harris
16/07/2019	Satellites packed - ready for launch
19/07/2019	Trading Halt
22/07/2019	Kleos Scouting Mission Launch Update
23/07/2019	Notice of Second Extraordinary General Meeting
30/07/2019	Kleos Space Q2 2019 Activities Report and Appendix 4C
05/08/2019	Commercial Applications Development with EarthLab-MOU Signed
06/08/2019	Kleos and Spire Join Forces on Safety at Sea Collaboration
12/08/2019	Kleos Orbit Change to Meet Market Demand
13/08/2019	Results of 2019 Second Extraordinary General Meeting

<b>Date</b>	<b>Title of announcement</b>
14/08/2019	Amended Articles of Association Approved at EGM
15/08/2019	Kleos Market Update
15/08/2019	Kleos Investor Presentation August 2019
20/08/2019	Pause in Trading
20/08/2019	Trading Halt
22/08/2019	Funding to start procurement of 2nd cluster of satellites
30/08/2019	Half Yearly Report and Accounts
30/08/2019	Kleos Technology Passes First US Air Force Hurdle
03/09/2019	Funding Update
05/09/2019	Funding Update
06/09/2019	USAF Accelerator Program Accepts Kleos Participation
09/09/2019	Funding Update

6.4 All requests for copies of the above documents should be addressed to:

The Company Secretary  
Kleos Space SA  
Level 7  
330 Collins Street  
Melbourne Victoria 3000

Certain documents are also available on the Company's website, [www.kleos.space.com](http://www.kleos.space.com)

## **7. EXCLUDED INFORMATION**

7.1 The Company is considering an issue of CDIs to its investor relations adviser, MMR Corporate Services Pty Ltd (**MMR**), as payment for services rendered. If the issue proceeds it is expected that 200,000 CDIs would be issued to MMR at a nominal issue price of Euro 0.001 per CDI. The Company does not intend to seek approval for the issue of CDIs to MMR for the purposes of Listing Rule 7.1.

7.2 It is expected that, at the next meeting of the Board, the Board will determine that the vesting conditions for the following performance rights have been satisfied:

- (a) 4,250,000 performance rights held by Miles Ashcroft;
- (b) 4,250,000 performance rights held by Andy Bowyer; and

(c) 500,000 performance rights held by David Christie).

When the determination has been made, the Company will issue 9,000,000 CDIs which will be subject to an ASX escrow until 23 August 2020 (the 24 month anniversary of the date of commencement of official quotation). As the performance rights were issued prior to the Company's listing on the ASX, and the Company does not intend to seek approval for the issue of CDIs for the purposes of Listing Rule 7.1 or 10.11.

7.3 Other than as set out above in paragraph 7.1 and 7.2, as at the date of this Cleansing Notice, the Company advises that there is no information which the Company has excluded from any of its continuous disclosure notices given in accordance with the ASX Listing Rules which would be reasonable for investors and their professional advisors to require for the purpose of making an informed assessment of:

(a) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and

(b) the rights and liabilities attaching to the Convertible Notes and CDIs,

and which it would be reasonable for investors and their professional advisers to expect to find in this Cleansing Notice.

**For further information, please contact:**

**Europe**



**Kleos Space S.A.**

26, rue des Gaulois - L-1618  
Luxembourg

**P:** +352 2088 2290

**E:** Andy.bowyer@kleosglobal.com

**Australia**



**MMR Corporate Services Pty Ltd**

Level 2, 131 Macquarie Street  
Sydney, NSW 2000 Australia

**P:** +61 2 9251 7177

**E:** Kleos@mmrcorporate.com

**About Kleos Space S.A. (ASX: KSS, Frankfurt: KS1) (ARBN 625 668 733 / RCS B215591)**

Kleos Space S.A. 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 targeted 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 – [www.kleos.space](http://www.kleos.space).