

27 May 2021

ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS

Kleos Space S.A. (ASX: **KSS**, Frankfurt: **KS1**) (**Company**) is pleased to provide the address to be presented by the Chairman at its 2021 Annual General Meeting (**AGM**) to be held on 27 May 2021.

This announcement has been authorised for release by the Company’s Board of Directors.

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About Kleos Space S.A.

Kleos Space S.A. (ASX: KSS) 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 global activity-based intelligence and 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.

Kleos Space S.A. 2021 – AGM CHAIRMAN’S STATEMENT

Welcome

This has been a pivotal year for Kleos – one where we commenced the transition from our research and development beginnings into a commercial provider of much needed global radio frequency geolocation data.

COVID-19 presented some formidable challenges, but notwithstanding these challenges we successfully launched our first satellite cluster from India in November 2020. Launched into a 37-degree orbit, our Scouting Mission satellites provide us with optimized revisit rates over crucial shipping regions, including the Strait of Hormuz, South China Sea and African coasts.

The Kleos clusters are a first in the commercial world utilizing a combination of four satellites flying in formation with positioning designed to create the highest value to our customers. The cluster enables up to six antenna pairs to be used with proprietary multilateration algorithms developed by our team – aiding data accuracy.

The Scouting Mission satellites allow us to continually test and improve payload performance, operations and algorithms such that improvements can be easily and quickly rolled out to the rest of the fleet/constellation (our next cluster is launching mid-2021) with no/low risk to their operations while maximising their data collection.

Soon the Scouting Mission satellites will be complemented by the Sun Synchronous orbits of our next two satellite clusters. The second cluster, called Polar Vigilance, will launch with SpaceX very soon and the third towards the end of 2021. We are proud to be the first company in the world to utilise clusters of four satellites to observe the earth and that, after downlinking and processing the collected data, we can provide valuable insights to governments, agencies and commercial entities thereby enhancing and improving the accuracy of their analysis.

We currently have more than than 160 global opportunities already on the books, each of which we are targeting with our initial product offering. As we launch more satellites, targeting a constellation of up to 20 clusters, customers will have access to higher-value licensing options to suit their needs.

The need for our global intelligence, surveillance, and reconnaissance (ISR) data is universal. Real-world challenges such as illegal fishing, drug and people smuggling, piracy and border security issues are increasing the need for governments and commercial entities to improve their ISR capabilities, often in circumstances where the areas to be covered are vast.

To service this growing customer database, we have continued to build our global salesforce. In 2020 this has led to new reseller and integrator agreements in the UK, Australia and New Zealand, Chile, Colombia, Panama, Peru and Ecuador. Like Software-as-a-Service, the real benefit of our Data-as-a-Service business model is its scalability. With the right foundations in place, we can scale to service a large customer base without requiring any significant increase in base operating costs.

We are also preparing for future technology development, with a Colorado engineering office and a presence on the US East Coast. The United States is a key focus for us - both as a user of our geolocation intelligence data as well as in terms of the collaborative technology partnerships the region provides.

Key to our technical and commercial progress over 2020/21 has been our ability to access capital. During the year we successfully raised around A\$25 million, which has enabled us to progress our second and third satellite clusters and prepare the business for commercialisation. The confidence of our security holders is encouraging, and I am delighted to welcome James A. Quella, a veteran business leader and a Senior Advisor to Blackstone, as a Kleos investor and member of our Advisory Board. You can read all about him in our recent press release.

On behalf of the Board, I would like to thank the global Kleos team for their hard work and immense contribution during an extremely challenging period.

I would also like to take this opportunity to thank our loyal security holders for their support over the past year. We are now well on our way to commercialisation and have an exciting year ahead with two satellite launches scheduled by the end of 2021, data being delivered to customers from our Scouting Mission satellites, and importantly we are due to generate first and ongoing revenues.

Air Commodore Peter Round
Kleos Space S.A. Chairman