

ASX RELEASE

02 March 2023

Financial Update - €900k of Revenues Recognised

Kleos Space S.A. (ASX: KSS, Frankfurt: KS1) (Kleos or Company), a space-powered defence & intelligence technology company, is pleased to confirm that following the Vigilance Mission (KSF1) successfully entering operational phase and reliably delivering data (ASX Ann: 17 February 2023), Kleos has recognised €900,000.00 of previously deferred revenue, in February.

The Company lodged its annual financial report for FY22 with ASX on 27 February 2023. The financial statements included in the report recognised contract liabilities in respect of amounts received in advance of data delivery by the Company. Kleos is pleased to announce that these contracts have now been fulfilled, allowing for the recognition of the relevant revenue.

Commenting on this milestone, Alan Khalili, CEO, said:

“We are pleased to see our first major revenue event, with many more to come as we see the Vigilance Mission now in operational phase and we look toward to further steps of growth when we bring our Patrol Mission (KSF2) satellites into operational phase in the coming months.

With our data collection, signal processing platform and intelligence delivery validated through these initial months, we expect to see an increase in contracts, cash receipts and revenues into future periods.”¹

- ENDS -

This announcement has been authorised by Executive Director, Andrew Bowyer.



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About Kleos Space S.A.

Kleos is a Space-powered defence & intelligence technology Company with operations in Luxembourg, the U.S. and U.K. Kleos uses RF sensors in Space to collect radio transmissions (RF Data) in key areas of interest around the globe. Collected data is processed through Kleos' proprietary processing platform delivering an intelligence output, in order to efficiently uncover and expose activity on land and sea. Intelligence product customers, including analytics and intelligence entities, license data on a subscription basis (Data-as-a-Service aka DaaS), for government and commercial use cases – aiding better and faster decision making. Kleos' first satellite cluster, the Scouting Mission (KSM), successfully launched in November 2020 and performed as a test and technology demonstration whilst collecting data. The Company's second satellite cluster, the Vigilance Mission, successfully launched in June 2021 and its Patrol Mission launched in April 2022. Kleos' fourth cluster, the Observer Mission, was launched in January 2023. For more information visit: www.kleos.space

¹The statements relating to the constellation status and revenue timings involve known and unknown risks, uncertainties and other factors that may cause the Company's actual performance, and achievements to differ materially from any performance or achievements, expressed or implied by these statements including the ability of any individual satellite to generate useful collected data. Relevant factors may include, but are not limited to, technological resourcing, technical and launch delays, satellite health status, the ability for the satellite manufacturer to resolve any known or unknown issues in a timely manner, accounting treatment of assets to comply with IFRS rules, foreign exchange fluctuations and general economic conditions, increased costs, the risk and uncertainties associated with space technology, Geopolitical and social risks, supplier delivery issues, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues, covid 19 or other pandemic impacts, and litigation. The Company monitors these factors in order to make periodic assessments, which could result in the impairment of the intellectual property and satellite assets which are not able to contribute to free cash flow as intended. There is a risk that the long-term revenues associated with the cluster may be negatively impacted and/or that short-term revenues may be delayed until the next cluster becomes commercially operational. For further information as to the risks which may impact the Company's results and performance, please see the risk factors included in the Prospectus lodged with ASX in August 2018.