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ASX Code: SAS

New 6U Agreement signed with GomSpace

Highlights

- Agreement signed with GomSpace to deliver newly designed 6U nanosatellites ("6U Agreement") – supporting Sky and Space to add a Global Coverage constellation to address the growing demand for IoT and M2M services, increase its potential customer base and enhance its revenue opportunities
- Agreement also contemplates the execution of a new definitive Pearls Agreement that, once signed, will replace the existing Pearls Agreement entered into in 2017 (as amended)

Sky and Space Global Limited (ASX: SAS) is pleased to announce that it has signed a definitive agreement with GomSpace for the provision and manufacturing by Gomspace of an additional fleet of nanosatellites ("6U Agreement") to support a Global Coverage constellation.

The new nanosatellites will be launched into Global Coverage high inclination orbits, allowing full global coverage and underpinning SAS' ability to:

- Enter new markets (including Australia, Russia, China, South Africa, Argentina, Canada)
- Generate higher revenues with the added coverage capability
- Reduce risk by using space proven hardware and technology.

In addition, SAS and GomSpace have agreed to finalise their negotiations regarding changes to the existing Pearls nanosatellites manufacturing agreement ("Pearls Agreement") within 30 days.

This follows the signing of a Heads of Agreement between SAS and GomSpace regarding the 6U Agreement and changes to the Pearls Agreement as announced on 9 April 2019.

SAS plans to use assets already developed under its Pearls Agreement for its Equatorial constellation (including proprietary software, concept of operations and network infrastructure) as part of the new 6U Agreement's Global Coverage. In addition, subsequent launches are intended to remain as planned under the current Pearls Agreement.

Key terms of the 6U Agreement signed with GomSpace include:

- Provision and manufacturing by GomSpace of a new fleet of nanosatellites
- Delivery in two batches, with the first batch of 8 nanosatellites anticipated to be delivered by Q1 2020, with the second batch of 8 nanosatellites to be delivered in H1 2020 optional for SAS

- The order value of the first batch of 8 nanosatellites is EUR 5.2 million, and the order value of the optional batch of additional 8 nanosatellites is up to EUR 3.8 million
- Conditional upon secured financing by SAS, and SAS and GomSpace reaching an agreement on changes to the existing Pearls Agreement entered into in 2017 (as amended) within 30 days.

Should changes to the existing Pearls Agreement entered into in 2017 (as amended) not be finalised with GomSpace within 30 days (or such longer period as the parties may agree), it is likely that SAS will not be able to execute its operating strategy within the timeframe as currently planned unless a suitable alternate satellite manufacturer is engaged.

Commenting on the new 6U Agreement, Sky and Space Global's Managing Director & CEO Meir Moalem said:

"The signing of this new agreement with GomSpace is a key step towards the launch of our new Global Coverage satellites and first revenues. The new 6U Agreement will allow Sky and Space to deliver a global coverage nanosatellite fleet servicing the IoT and M2M sectors, with strong potential demand for these services already evident."

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About Sky and Space Global Ltd

Sky and Space Global Ltd is an ASX listed (SAS) satellite company with European and Israeli centres of Aerospace, Satellite and Software Industry Experts.

The Company's core business is to operate a communications infrastructure based on nanosatellite technology and develop highly sophisticated software systems that will deploy, maintain orbit control and handle the communication network in space to provide a global coverage. The Company successfully launched its first three nanosatellites, the '3 Diamonds', into space in June 2017 and is preparing for the launch of a constellation of 200 more nanosatellites by 2020.

The Company's vision is to provide affordable communication coverage and services to anyone, anywhere, anytime with relatively low maintenance costs. This will enable Sky and Space Global to deliver cost-effective communications infrastructure and services to those who need it most and to disrupt the telecommunications and international transport industries. Sky and Space Global Ltd owns 100% of Sky and Space Global (UK) Limited.

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