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ASX Code: SAS

SAS '3 Diamonds' Nano-Satellites Generate First Revenues

The World's smallest communication satellites now fully operational and generating initial revenues

Highlights

- The '3 Diamonds' nano-satellites have commenced generating first revenues from existing customers, a major commercial milestone for the Company.
- First revenues follow months of successful performance optimisation and recent designation of the 3 Diamonds as "fully operational".
- Approximately A\$1million of annualised revenue is expected to be generated from only current contracted customers to use bandwidth generated by the 3 Diamonds.
- Binding contracts with customers to utilise the 3 Diamonds narrowband communication data capacity for internet of things (IOT), machine to machine (MTM) and asset tracking services, is expected to ramp up during H2 2018.
- The Company is now quickly progressing towards increasing capacity through launching the 200 Equatorial Constellation "Pearl" nano-satellites, which is due to commence deployment in Q1 2019, following which the revenue generation opportunity increases significantly.
- At 100 satellites, a circa A\$300 - \$500 million per annum revenue opportunity exists at SAS target pricing, which is significantly cheaper than current narrowband service market rates.
- At 200 satellites, a circa A\$600 million - \$1 billion per annum revenue opportunity exists under the same SAS target market pricing.

Sky and Space Global Ltd (ASX: **SAS**, "**Sky and Space Global**" or the "**Company**") is pleased to announce that the '3 Diamonds', the world's smallest communication satellites, are fully operational and have started to generate revenue from existing customers. Revenues are expected to ramp up to approximately A\$1m per year on an annualized basis from existing customers only, over the coming months. This achievement is a major commercial milestone for the Company.

The 3 Diamonds satellites are currently being deployed in field testing with new customers, and on conversion of any new customers to binding contracts, this initial revenue number is expected to grow during 2018.

The 3 Diamonds were recently designated "fully operational" are now evenly spaced in one singular orbit approximately 700km apart, having undergone months of proof of concept testing across a number of functionalities, including phone calls, IOT, MTM, Instant Messaging (IM), Push-To-Talk (PTT) services, and data store-and-forward between different locations on Earth.

The Company's focus is to close new material telecommunications and data management binding contracts for delivery of narrow band services from the Equatorial Constellation, by completing successful field tests with the 3 Diamonds during the rest of 2018.

SAS is on track to complete its first launch of the Equatorial Constellation "Pearl" nano-satellites during Q1 2019 and complete the deployment of the 200 Pearls for the full constellation by end of 2020. As stated in previous Company announcements and presentations, the Company expects to be generating significant gross revenues circa A\$300 - \$500 million per annum once approximately half of the Equatorial Constellation (100 nano satellites) are successfully launched, and up to A\$1b per annum once the whole 200 Pearls are operational.

Sky and Space Global's MD, Mr. Meir Moalem said:

"After all the hard work in the past six months, we are excited to see that the 3 Diamonds are performing better than expected and are already starting to generate revenues, even though they were only meant to be technology demonstrators. This proves not only that our technology works, but also that our business model is profitable and that there is a significant demand for the narrowband connectivity services that we are offering.

We are continuing to build partnerships that can generate further revenues for the business and look forward to launching the full constellation from Q1 2019 and completed the whole Equatorial Constellation before then end of 2020."

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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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