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ASX Code: SAS

SAS Signs Distribution Agreement with GlobalSat Group

Highlights

- In a major milestone, SAS has signed a strategic distribution agreement with Globalsat Group LLC, for the provision of its connectivity services including machine to machine (M2M) and internet of things (IoT) to Latin America from the Pearl Constellation of nano-satellites
- The first batch of Pearls is scheduled to be launched mid-2019, and this contract will commence following operational designation of the first batch of Pearls
- 64 million people in Latin America are currently without reliable and affordable mobile connectivity, accounting for 10% of the total population and representing strong commercial growth opportunities
- Revenue from this contract to commence immediately upon successful completion of in orbit testing and operational optimisation of the first batch of Pearls, expected to be completed within 10 weeks from successful launch
- Conservative estimate of US\$5 million for the first 2 years, with significant potential to expand the service offering to GlobalSat from the SAS network on further deployment of the full constellation during 2019/20
- Agreement represents solid validation of SAS' technology and growth potential in the satellite market, supporting its strategy of becoming a world leader in nano-satellite technology

Sky and Space Global Ltd (**ASX: SAS, "Sky and Space Global" or "the Company"**) is pleased to announce it has reached a landmark and signed a distribution agreement with Globlsat Group LLC (GlobalSat) for the provision of narrow-band telecommunications services via nano-satellites.

Under the terms of the agreement, SAS and GlobalSat have established non-exclusive commercial terms for GlobalSat to distribute, sell, market and promote SAS' ground-breaking narrow-band connectivity solutions and respective products to its customers, affiliates, resellers, subscribers and end users within Latin America.



The Latin American market consists of 64 million people with limited or no access to mobile connectivity services, representing 10% of the Latin American population and symbolising strong growth potential for SAS in this region.

Once the constellation deployment has begun and as a result of this agreement, SAS expects to generate revenues of US\$5 million within the first 2 years based on the conservative GlobalSat Group estimate, with a significant growth potential, thanks to the extensive amount of current and upcoming GlobalSat clients across the energy, government, defence, mining and agriculture sectors.

Sales will commence immediately following the launch of the first batch of Pearls and the successful completion of in-orbit testing and designation as fully operational.

The signing of this agreement follows completion of commercial testing with GlobalSat Group and confirms the commercial potential of SAS' proprietary nano-satellite technology and the business model.

Additional material terms of the agreement are set out below:

1. The agreement has an initial two-year term from the date the SAS network is operational (with a possible option to extend).
2. Notwithstanding the fact that the agreement is binding, the parties have agreed to negotiate and execute a more definitive agreement within 60 days, on terms consistent with the agreement signed.
3. Pricing for M2M and IoT services has been agreed.
4. The agreement may be terminated based on standard termination events (insolvency, breach etc.) or the SAS network does not achieve KPIs (to be agreed).

Sky and Space Global's Managing Director and CEO, Mr. Meir Moalem said:

"We are pleased to have finally secured a definitive supply agreement with GlobalSat. This marks a huge milestone achieved for us on the pathway to commercialising our technology. We have been working very closely with GlobalSat for a while now and look forward to seeing how this agreement unfolds."

Managing Director of GlobalSat Group, Mr. Alberto Palacios, said:

"We are excited to be moving forward with Sky and Space Global and believe that we have the opportunity to significantly improve our service offering with SAS' nano-satellite technology on board."

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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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About GlobalSat Group LLC

Founded in 1999, GlobalSat Group is the first Pan-American Mobile Satellite Service (MSS) consortium and a leading provider of voice, data, M2M/IoT, software, and hardware development through the western hemisphere.

The group has offices in the continental United States, Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Mexico, Peru and Puerto Rico as well as distributors in the most important cities in the region.

Continuously and efficiently, GlobalSat land, maritime and aero solutions provide mission-critical communications to thousands of clients across sectors which include energy, government, defence, media, mining, banking agriculture, NGOs and tourism.

Recently, GlobalSat Group was honoured with the "Top Land Mobility Satcom Innovation Award" by the Mobile Satellite User Association. GlobalSat was also named "Latin America Satellite Communications Company of the Year" two consecutive years (2016, 2017) by the highly recognised international consulting firm Frost & Sullivan. For more information about the consortium, please visit: <http://www.GlobalSat.com/>.