

MARCH 2021 QUARTERLY REPORT

Highlights:

- Consolidation of shares and recapitalisation of the Company approved by Shareholders
- New directors and company secretary appointed
- Extension of delisting date granted by ASX

Sky and Space Company Ltd (**ASX: SAS, 'Sky and Space Company'** or the '**Company**'), an ASX-listed satellite company with communications, satellite, and software industry expertise, provides its Quarterly Activity Report and Appendix 4C for the period ending 31 March 2021 (Q3 FY21).

CONSOLIDATION OF SHARES AND RECAPITALISATION OF THE COMPANY

At the 2020 Annual General Meeting held on 27 January 2021, shareholders approved the consolidation of capital and other particulars of the proposal to effectuate the DOCA and recapitalise the Company.

The Deed of Company Arrangement (DOCA) was formally effectuated on 28 January 2021, releasing \$4.85 million (net of costs) to be used in satisfying the conditions of the DOCA as well as working capital to deliver the Company's renewed business objectives.

In addition, shareholders approved the issue of securities to related and non-related parties including Virgin Orbit Group who become a significant shareholder, a change of name to Sky and Space Company Limited and the adoption of a new constitution.

APPOINTMENT OF DIRECTORS AND COMPANY SECRETARY

During the quarter, Mr Leon Kempler AM and Mr Richard C. Davis were appointed as non-executive directors. Mr Andrew Metcalfe was appointed as company secretary replacing Mr Ian Pamensky.

FINANCIALS

Cash available as at 31 March 2021 was \$2,947,000 following a \$7.5m capital raising approved by shareholders.

Borrowings of \$1.2m were repaid from capital raised to reduce debt and interest costs and \$255,000 in transaction costs were paid for the issue of equity securities and convertible debt securities.

Other notable operating cash flow items included: \$138,000 of operating costs, \$238,000 on staff costs and government grants received of \$44,000.

Administration and corporate costs of \$2.95m included \$0.42m to former employees as per DOCA settlement agreements, \$0.28m to pre-existing creditors, \$1.085m to the Administrator and associated costs, \$0.34m in advisor costs associated with facilitating the DOCA process and applying to re-list on the ASX and the balance of costs in relation to the company restructuring its operations to deliver on its business plan.

Payments to related parties over the current quarter were \$265,000. These payments represent Director fees, Director consulting fees and re-imbursements of expenses. All transactions involving Directors and associates were on normal commercial terms.

Further details on the financial position of the Company are outlined in the Appendix 4C attached.

The Company remained in voluntary suspension during the quarter.

SUBSEQUENT EVENTS

On 8 April 2021, the Company announced that ASX granted the Company an extension of the deadline for automatic removal of the Company from the Official List from 8 April 2021 to 8 July 2021. The Company is currently working with ASX towards the reinstatement of its ordinary shares to quotation and will update the market once ASX has advised the Company of any conditions to reinstatement.

Authorised for release by the SAS Board.

ABOUT SKY AND SPACE COMPANY LIMITED



Sky and Space Company Limited is an ASX listed (SAS) satellite company regulated by the UK Space Agency with communications, satellite, and software industry expertise.

The Company's core business is to provide communications infrastructure and services based on nanosatellite technology and deploy highly sophisticated software systems that launch, maintain orbit, control, and manage global communication networks in space.

The Company was the first to build and operate a nanosatellite based commercial telecom network. It currently benefits from over 50 agreements with future customers, award winning technology and many nanosatellite world firsts including propulsionless formation flying and inter satellite communications.

FOR MORE INFORMATION, PLEASE CONTACT:

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