

Kleos Space S.A.  
Société anonyme  
Registered office: 26, rue des Gaulois, L-1618 Luxembourg, Grand Duchy of Luxembourg  
R.C.S. Luxembourg: B 215591  
(the "Company")

CHESS Depository Nominees Pty Limited  
Exchange Centre, 20 Bridge Street  
Sydney NSW 2000  
Australia

Luxembourg, 15 June 2020

Concerning: Convening the annual general meeting of the Company

Dear shareholder

In accordance with articles 450-1 and 450-8 of the Luxembourg law dated 10 August 1915 on commercial companies as well as article 13 of the Company's articles of association, the shareholders must be convened in writing to any general meeting of the Company's shareholders at least eight (8) days prior to the date of such meeting.

In this context, we are pleased to confirm that you are invited to the annual general meeting of the shareholders of the Company, to be held on 30 June 2020 at 10.00 a.m. Luxembourg time (UCT+2) and 6.00 p.m. Sydney time (UTC+10), at the registered office of the Company (i.e. 26, rue des Gaulois, L-1618 Luxembourg, Grand Duchy of Luxembourg) (the "Meeting"), with the following agenda:

AGENDA

1. Approval of the standalone and consolidated financial statements;
2. Discharge to the directors;
3. Appointment of Ernst & Young S.A. as the Company's external auditor;
4. Re-election of Mr. Miles Ashcroft as a director;
5. Ratification of issue of convertible notes and options;
6. Ratification of issue of options to Evolution Capital Advisors Pty Ltd;
7. Ratification of grant of warrants to Winance;
8. Grant of additional warrants to Winance;
9. Approval of Additional 10% Placement Capacity;
10. Grant of performance rights to Mr. Peter Round;
11. Grant of performance rights to Mr. Andrew Bowyer;
12. Grant of performance rights to Mr. Miles Ashcroft;
13. Grant of share awards to Mr. David Christie;
14. Miscellaneous.

The text of the resolutions which are proposed to be adopted at the Meeting as well as the necessary information in connection with the conduct and voting rights at such Meeting are further detailed in the notice attached hereto as Schedule 1.

Shareholders who are unable to attend the Meeting are requested to complete, sign and return the proxy in the form provided by the Company and attached hereto as Schedule 2.

Signed in Luxembourg, on 15 June 2020.

For and on behalf of the board of directors of the Company



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Name: A Bowyer  
Title: CEO

(ARBN 625 668 733 / RCS B215591)

## **Notice of Annual General Meeting**

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Notice is given that the Annual General Meeting of Shareholders of Kleos Space S.A., a public limited liability company (*société anonyme*), having its registered office at 26, rue des Gaulois, L - 1618 Luxembourg and registered with the Luxembourg Trade and Companies' Register under number B215591 (**KSS** or the **Company**) will be held as follows:

Date: **30 June 2020**

Time: **10.00 a.m. (Luxembourg time) / 6.00 p.m. (Sydney time)]**

Venue: **26 Rue des Gaulois, L-1618, Luxembourg**

### **Business**

#### **Financial Statements and Reports**

To receive and consider the Company's Annual Financial Report, including the Directors' Report and the Auditor's Report for the financial year ended 31 December 2019.

#### **Resolution 1 - Approval of the Standalone and Consolidated Financial Statements**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purpose of articles 17 and 19 of the Company's articles of association, article 461-7 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, and for all other purposes, the Shareholders (i) approve and adopt the standalone financial statements of the Company for the financial year ended 31 December 2019, (ii) approve and adopt the consolidated financial statements of the Company and its subsidiary for the financial year ended 31 December 2019, (iii) acknowledge that the Company made a loss in the amount of EUR 2,849,376.25 for the financial year ended 31 December 2019 and (iv) resolve to carry forward this loss to the next financial year, resulting in an aggregate loss brought forward of EUR 4,653,219.43".*

**RECOMMENDATION:** The Board unanimously recommends that Shareholders vote in **FAVOUR** of Resolution 1. The Chairman of the meeting (**Chairman**) intends to vote undirected proxies in favour of Resolution 1.

### **Resolution 2 – Discharge to the Directors**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purpose of article 461-7 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, and for all other purposes, the Shareholders resolve to grant full discharge (quitus) to the following directors of the Company for the exercise of their mandates for and in connection with the financial year ended 31 December 2019:*

- *Mr. Miles Ashcroft, executive director;*
- *Mr. Andrew Bowyer, executive director; - Mr. David Christie;*
- non-executive director; and - Mr. Peter Round; executive director.*

**RECOMMENDATION:** Given the nature and subject matter of the resolution, which affects all directors, the Board considers it appropriate to refrain from making a recommendation in relation to Resolution 2. The Chairman intends to vote undirected proxies in favour of Resolution 2.

### **Resolution 3 – Appointment of new Auditor**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That for the purpose of article 18 of the Company's articles of association, article 443-1 of the law of 10 August 1915 on commercial companies, as amended, and article 69 of the law on the register of commerce and companies and the accounting and annual accounts of undertakings, the Shareholders approve the appointment of Ernst & Young S.A., a public limited company (société anonyme) incorporated and existing under the laws of the Grand-Duchy of Luxembourg, having its registered office at 35E avenue John F. Kennedy, Luxembourg, L-1855 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B47771, having consented to act as the Company's external auditor (réviseur d'entreprises agréé) for a period of one year, expiring at the annual general meeting of the Shareholders of the Company to be held in 2021 to resolve on the annual accounts for the financial year 2020 replacing Deloitte Audit, whose mandate terminates effective as of the date of the Meeting".*

**RECOMMENDATION:** The Board unanimously recommends that Shareholders vote in **FAVOUR** of Resolution 3. The Chairman intends to vote undirected proxies in favour of Resolution 3.

### **Resolution 4 - Re-election of Mr Miles Ashcroft as a Director**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 14.5, Mr Miles Ashcroft, a Director, retire by rotation, and being eligible, be re-elected as a Director for a term ending on 30 June 2023.”*

**RECOMMENDATION:** The Board (other than Mr Miles Ashcroft, who abstained) recommends that Shareholders vote in **FAVOUR** of Resolution 4. The Chairman intends to vote undirected proxies in favour of Resolution 4.

#### **Resolution 5 – Ratification of issue of convertible notes and options**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,500,000 convertible notes and 1,250,000 options to the Investors on the terms and conditions set out in the Explanatory Memorandum.”*

**RECOMMENDATION:** The Board unanimously recommends that Shareholders vote in **FAVOUR** of Resolution 5. The Chairman intends to vote undirected proxies in favour of Resolution 5.

**Voting Exclusion Statement:** In accordance with ASX Listing Rule 7.5 and article 13.4 (iv) of the articles of association of the Company, the Company will disregard any votes cast in favour of the Resolution by or on behalf of Jamber Investments Pty Ltd as trustee, Sharelly Holdings Pty Ltd as trustee, Farinway Pty Ltd as trustee, Chifley Investor Group Pty Ltd and Albion Hawthron Pty Ltd as trustee or an associate of any of them. However, the Company need not disregard a vote if it is cast by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Resolution 6 – Ratification of issue of options to Evolution Equities**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,375,000 options to Evolution Equities on the terms and conditions set out in the Explanatory Memorandum.”*

**RECOMMENDATION:** The Board unanimously recommends that Shareholders vote in **FAVOUR** of Resolution 6. The Chairman intends to vote undirected proxies in favour of Resolution 6.

**Voting Exclusion Statement:** In accordance with ASX Listing Rule 7.5 and article 13.4 (iv) of the articles of association of the Company, the Company will disregard any votes cast in favour of the Resolution by or on behalf of Evolution Equities or an associate of Evolution Equities. However, the Company need not disregard a vote if it is cast by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Resolution 7 – Ratification of grant of warrants to Winance**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,319,125 warrants to Winance on the terms and conditions set out in the Explanatory Memorandum.”*

**RECOMMENDATION:** The Board unanimously recommends that Shareholders vote in **FAVOUR** of Resolution 7. The Chairman intends to vote undirected proxies in favour of Resolution 7.

**Voting Exclusion Statement:** In accordance with Listing Rule 7.5 and article 13.4 (iv) of the articles of association of the Company, the Company will disregard any votes cast in favour of the Resolution by or on behalf of Winance or an associate of Winance.

However, the Company need not disregard a vote if it is cast by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 8 – Grant of additional warrants to Winance**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 2,285,381 warrants to Winance on the terms and conditions set out in the Explanatory Memorandum.”*

**RECOMMENDATION:** The Board unanimously recommends that Shareholders vote in **FAVOUR** of Resolution 8. The Chairman intends to vote undirected proxies in favour of Resolution 8.

**Voting Exclusion Statement:** In accordance with ASX Listing Rule 7.3 and article 13.4 (iv) of the articles of association of the Company, the Company will disregard any votes cast in favour of the Resolution by or on behalf of Winance or an associate of Winance or a person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person.

However, the Company need not disregard a vote if it is cast by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 9 - Approval of Additional 10% Placement Capacity**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities of up to 10% of the total issued capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 over a 12 month period and on the terms and conditions set out in the Explanatory Memorandum.”*

**RECOMMENDATION:** The Board unanimously recommends that Shareholders vote in **FAVOUR** of Resolution 9. The Chairman intends to vote undirected proxies in favour of Resolution 9.

**Voting Exclusion Statement:** In accordance with Listing Rule 7.3A and article 13.4 (iv) of the articles of association of the Company, the Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an associate of that person (or those persons).

However, the Company need not disregard a vote if it is cast by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Note:** *In accordance with ASX Listing Rule 14.11.1, as at the date of this Notice of Meeting it is not known who may participate in the 10% Placement Capacity (if any). On that basis, no Shareholders or CDI Holders are currently excluded from voting on this Resolution.*

#### **Resolution 10: Grant of Performance Rights to Peter Round**

To consider and, if thought fit, pass the following as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant and issue of 1,000,000 Performance Rights to Mr Peter Round (and the subsequent issue or transfer of Shares on the vesting of such Performance Rights) under the Plan as further detailed in the Explanatory Notes to this Notice of Meeting.”*

**RECOMMENDATION:** Given the nature and subject matter of the resolution, in which directors may be viewed to have a “common interest”, the Board considers it appropriate to refrain from making a recommendation in relation to Resolution 10. The Chairman intends to vote undirected proxies in favour of Resolution 10.

**Voting Exclusion Statement:** In accordance with Listing Rule 10.15 and article 13.4 (iv) of the articles of association of the Company, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in rule 10.14.1, 10.14.2 Or 10.14.3 who is eligible to participate in the Plan.

However, the Company need not disregard a vote if it is cast by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Resolution 11: Grant of Performance Rights to Andrew Bowyer**

To consider and, if thought fit, pass the following as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant and issue of 5,000,000 Performance Rights to Mr Andrew Bowyer (and the subsequent issue or transfer of Shares on the vesting of such Performance Rights) under the Plan as further detailed in the Explanatory Notes to this Notice of Meeting.”*

**RECOMMENDATION:** Given the nature and subject matter of the resolution, in which directors may be viewed to have a “common interest”, the Board considers it appropriate to refrain from making a recommendation in relation to Resolution 11. The Chairman intends to vote undirected proxies in favour of Resolution 11.

**Voting Exclusion Statement:** In accordance with Listing Rule 10.15 and article 13.4 (iv) of the articles of association of the Company, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in rule 10.14.1, 10.14.2 Or 10.14.3 who is eligible to participate in the Plan.

However, the Company need not disregard a vote if it is cast by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 12: Grant of Performance Rights to Miles Ashcroft**

To consider and, if thought fit, pass the following as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant and issue of 5,000,000 Performance Rights to Mr Miles Ashcroft (and the subsequent issue or transfer of Shares on the vesting of such Performance Rights) under the Plan as further detailed in the Explanatory Notes to this Notice of Meeting.”*

**RECOMMENDATION:** Given the nature and subject matter of the resolution, in which directors may be viewed to have a “common interest”, the Board considers it appropriate to refrain from making a recommendation in relation to Resolution 12. The Chairman intends to vote undirected proxies in favour of Resolution 12.

**Voting Exclusion Statement:** In accordance with Listing Rule 10.15 and article 13.4 (iv) of the articles of association of the Company, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in rule 10.14.1, 10.14.2 Or 10.14.3 who is eligible to participate in the Plan. However, the Company need not disregard a vote if it is cast by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on

the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 13: Grant of Share Awards to David Christie**

To consider and, if thought fit, pass the following as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant and issue of 500,000 Share Awards to Mr David Christie under the Plan as further detailed in the Explanatory Notes to this Notice of Meeting.”*

**RECOMMENDATION:** Given the nature and subject matter of the resolution, in which directors may be viewed to have a “common interest”, the Board considers it appropriate to refrain from making a recommendation in relation to Resolution 13. The Chairman intends to vote undirected proxies in favour of Resolution 13.

**Voting Exclusion Statement:** In accordance with listing Rule 10.15 and article 13.4 (iv) of the articles of association of the Company, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan. However, the Company need not disregard a vote if it is cast by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Other information**

An Explanatory Memorandum accompanies and forms part of this notice of Annual General Meeting.

All Shareholders and CDI Holders should read the Explanatory Memorandum carefully and in its entirety. Shareholders and CDI Holders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

### **Voting by proxy**

#### *Proxy voting by Shareholders*

Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the proxy in the form provided by the Company.

Proxies must be:

- (a) lodged at the Company's share registry, Link Market Services Limited; or
- (b) posted, faxed or lodged online to the address specified below,

**by no later than 6.00 p.m. (Sydney time) on 28 June 2020.**

The proxy form has been enclosed. Please read all instructions carefully before completing the proxy form.

#### *Proxy voting by CDI Holders*

CDI Holders will be permitted to attend the Meeting but may only vote by directing CHESSE Depository Nominees Pty Ltd (**CDN**) to cast proxy votes in the manner directed in the CDI Voting Instruction Form enclosed.

The CDI Voting Instruction Form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, should be sent according to the instructions on the form **by no later than 6.00 p.m. (Sydney time) on 27 June 2020** to allow sufficient time to lodge the combined proxies 48 hours before the time of the Meeting.

The CDI Voting Instruction Form has been enclosed. Please read all instructions carefully before completing the CDI Voting Instruction Form.

In the event a CDI Holder is willing to attend the Meeting in person, he/ she will only be admitted to the Meeting upon presentation of a valid document evidencing his/her identity. In the event the CDI Holder is a legal entity, the individual representing such entity must present authority of his/ her authority to attend the Meeting as well as a valid document evidencing his/her identity.

*How to lodge your vote or submit your voting intentions:*

Address (hand deliveries): Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or Level  
12  
680 George Street  
Sydney NSW 2000

Address (postal deliveries): Kleos Space S.A.  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

Fax for lodgement: +61 2 9287 0309

Online:

please visit [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) to lodge your vote or submit your voting intentions.

#### **Entitlement to vote**

The directors of the Company have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Annual General Meeting and CDI holding of CDI holders will be taken to be held by the persons who are registered as members and CDI holders at 6.:00 p.m. (AEST) 10.00 a.m. (CEST) on 16 June 2020. Accordingly transfers registered after that time will be disregarded in determining members entitled to attend and vote at the meeting.

#### **Voting Intentions**

Subject to any voting restrictions and exclusions, the Chairman recommends that the Shareholders and holders of CDI vote in favour of all resolutions on the agenda.

In respect of all available undirected proxies of Shareholders or holders of CDIs, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all resolutions on the agenda.

#### **Questions and Comments by Shareholders at the Meeting**

A reasonable opportunity will be given to Shareholders and CDI Holders - as a whole - to ask questions or make comments on the management of the Company at the Meeting.

Similarly, a reasonable opportunity will be given to Shareholders - as a whole - to ask questions to the Company's auditor, Deloitte Audit S.A.R.L Luxembourg (**Deloitte**), relevant to:

- (a) the conduct of the audit;
- (b) the preparation and contents of the audit;
- (c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

Shareholders and CDI Holders may also submit a written question to Deloitte if the question is relevant to the content of Deloitte's audit report or the conduct of its audit of the Company's financial report for the year ended 31 December 2019.

Relevant written questions to Deloitte must be submitted no later than 6.00 p.m. (Sydney time) on 23 June 2020. A list of those questions will be made available to Shareholders and CDI Holders attending the meeting

Deloitte will either answer questions at the meeting or table written answers to them at the meeting. If written answers are tabled at the meeting, they will be made available to Shareholders and CDI Holders as soon as practicable after the meeting.

**Please send written questions for Deloitte to:**

By email – [dosville@deloitte.lu](mailto:dosville@deloitte.lu)

Post to – 20, Boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg

For and on behalf of the Board



**Vanessa Chidrawi Company Secretary and authorised signatory**

## **Kleos Space S.A (ARBN 616 435 753)**

### **Explanatory Memorandum**

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This Explanatory Memorandum sets out further information regarding the proposed resolutions to be considered by Shareholders and CDI Holders of Kleos Space S.A. (**KSS** or the **Company**) at the 2020 Annual General Meeting to be held commencing at 10.00 a.m. (Luxembourg time) or 6.00 p.m. (Sydney time) on 30 June 2020 at 26 Rue des Gaulois, L-1618, Luxembourg.

The Directors recommend that Shareholders and CDI Holders read this Explanatory Memorandum before determining whether or not to support the resolutions.

### **FINANCIAL STATEMENTS AND REPORTS**

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KSS is required to lay its Annual Financial Report, Directors' Report and Auditor's Report before its Shareholders at its Annual General Meeting. The Annual Financial Report is submitted for Shareholders' consideration and discussion at the Annual General Meeting as required. Meeting attendees are invited to direct questions to the Chairman and/or the Auditor in respect of any aspect of the report they wish to discuss.

Representatives of KSS's auditor, Deloitte, will be present for discussion purposes on matters of relevance to the audit.

Shareholders can access a copy of the annual report, the Directors' Report and Auditor's Report on the Company's website at <https://kleos.space/> and at the free disposal of the Shareholders at the registered office of the Company.

### **RESOLUTION 1 - APPROVAL OF FINANCIAL STATEMENTS**

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#### **Board recommendation**

The Board recommends that Shareholders vote in **FAVOUR** of Resolution 1. The Chairman intends to vote undirected proxies in favour of Resolution 1.

#### **Financial statements**

In accordance with article 461-7 of the Luxembourg Commercial Law and article 19.2 of the Company's articles of association, the Shareholders are required to approve the financial statements of the Company for the financial year ended 31 December 2019.

## **RESOLUTION 2 - DISCHARGE TO THE DIRECTORS**

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### **Board recommendation**

Given the nature and subject matter of the resolution, which affects all directors, the Board considers it appropriate to refrain from making a recommendation in relation to Resolution 2. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

### **Discharge**

After the adoption of the financial statements, article 461-8 of the Luxembourg Commercial Law requires the Shareholders to vote specifically as to whether discharge is given to the Directors.

The discharge has the effect of releasing the Directors from their liability towards the Company with respect to the execution of their mandate for the financial year ended 31 December 2019.

By adopting the financial statements, the shareholders of a company indirectly approve the acts performed by the management during the corresponding financial year and it is therefore common in Luxembourg for the shareholders to grant such discharge.

In accordance with Luxembourg law, the discharge shall be valid only if the financial statements contain no omission or false information concealing the true situation of the Company and, with regard to any acts carried out which fall outside the scope of the articles of association of the Company, if they have been specifically indicated in the convening notice.

## **RESOLUTION 3- APPOINTMENT OF NEW EXTERNAL AUDITOR**

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### **Board recommendation**

The Board recommends that Shareholders vote in **FAVOUR** of Resolution 3. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

### **Renewal of appointment**

In accordance with the requirements of Luxembourg law, the sole Shareholder of the Company has appointed on 25 June 2019, Deloitte Audit, a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand-Duchy of Luxembourg, having its registered office at 20, Boulevard de Kockelscheuer, L - 1821 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B67895, as the Company's external auditor (*réviseur d'entreprises agréé*). Such appointment has been made for a term ending at the annual general meeting of Shareholders approving the financial statements for the financial year ending on 31 December 2019 and therefore, the Shareholders need to either renew such appointment or appoint a new external auditor (*réviseur d'entreprises agréé*) of the Company. In this context, it is now proposed that *Ernst & Young S.A.*, a public limited company (*société anonyme*) incorporated and existing under the laws of the Grand-Duchy of Luxembourg, having its registered office at 35E avenue John F. Kennedy, Luxembourg, L-1855 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B47771, having consented to act as the Company's external auditor (*réviseur d'entreprises agréé*) for a period of one year, expiring at the annual general meeting of the Shareholders of the Company to be held in 2021 to resolve on the annual accounts for the financial year 2020, be appointed as the Company's external auditor (*réviseur d'entreprises agréé*) for a term ending at the annual general meeting of Shareholders approving the financial statements for the financial year ending on 31 December 2020.

#### **RESOLUTION 4 – RE-ELECTION OF MR MILES ASHCROFT AS A DIRECTOR**

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##### **Board recommendation**

The Board (other than Mr Miles Ashcroft who abstained) recommends that Shareholders vote in **FAVOUR** of Resolution 4. The Chairman intends to vote undirected proxies in favour of Resolution 4.

##### **ASX Listing Rule 14.5**

ASX Listing Rule 14.5 states that an entity which has directors must hold an election of directors at each general meeting. This rule applies even where no director is required to stand for re-election at an annual general meeting under rule 14.4. An entity must have at least one director stand for election or re-election at each annual general meeting. If it is not having a new director stand for election and no director is due to stand for re-election under rule 14.4, the entity must select at least one of its existing directors to stand for re-election.

##### **Mr Miles Ashcroft, Chief Technical Officer and Executive Director**

Miles Ashcroft has been a director at Kleos since its inception on 6 June 2017. Miles co-founded Space engineering company Magna Parva in 2005, and co-founded Kleos Space as a spin-out from Magna Parva in 2017, Miles leads Kleos' technology strategy.

Miles has responsibility for ensuring quality of technical output and for creation, implementation and management of the company quality system. This includes training members of staff, customers and suppliers, where necessary, on the system and promoting continual improvement through ownership and understanding of the methodology employed.

Miles has more than 25 years' experience in engineering with over 15 years of that delivering high value and technically complex space projects which were delivered whilst a director of Magna Parva. Prior to founding Magna Parva, Miles held management and technical leadership positions at R&D start-up companies and automotive, motorsport (F1), aerospace and space companies.

Miles is qualified with a Bachelor of Aeronautical Engineering (Honours) from Salford University and is a CEng (Chartered Engineer), MRAeS (Member of the Royal Aeronautical Society), FRAS (Fellow of the Royal Astronomical Society) and is an inventor or co-inventor on eight granted patents.

#### **RESOLUTION 5 – RATIFICATION OF ISSUE OF CONVERTIBLE NOTES AND OPTIONS General**

On 12 September 2019, the Company announced that it had issued:

- (a) 2,000,000 secured convertible notes to certain professional and sophisticated investors with a face value of A\$1.10 per note (an aggregate face value of A\$2,200,000), at a discounted aggregate issue price of A\$2,000,000 (**First Tranche Notes**); and
- (b) 1,000,000 free attaching options over CDIs to the investors who subscribed for the First Tranche Notes, with an exercise price of A\$0.40 and expiry date three years after the date of issue (**First Tranche Options**) (together, **First Tranche Placement**).

On 19 December 2019, the Company issued a further

- (a) 500,000 convertible notes to a sophisticated investor, with a face value of A\$1.10 per note, and an aggregate face value of A\$550,000 (**Second Tranche Notes**); and
- (b) 250,000 free attaching options over CDIs to the investor who subscribed for the Second Tranche Notes, with an exercise price of A\$0.40 and an expiry date three years after the date of issue (**Second Tranche Options**) (together, **Second Tranche Placement**).

The First Tranche Notes and the Second Tranche Notes were redeemed by the Company in February 2020 and will not convert into Shares.

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1. The Company confirms that the issue of convertible notes and options in connection with the First Tranche Placement and Second Tranche Placement did not breach Listing Rule 7.1.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of convertible notes and options in connection with the First Tranche Placement and Second Tranche Placement.

The effect of passing Resolution 5 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 5 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 5.

#### Specific information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the First Tranche Placement and the Second Tranche Placement:

<b>Persons to whom the First Tranche Notes and First Tranche Options were issued</b>	<ul style="list-style-type: none"> <li>• Jamber Investments Pty Ltd as trustee (<b>Jamber</b>);</li> <li>• Sharelly Holdings Pty Ltd as trustee;</li> <li>• Farinway Pty Ltd as trustee;</li> <li>• Chifley Investor Group Pty Ltd; and</li> <li>• Albion Hawthorn Pty Ltd as trustee</li> </ul> <p style="text-align: right;"><b>(Investors)</b></p>
<b>Person to whom the Second Tranche Notes and Second Tranche Options were issued</b>	Jamber
<b>Number of securities issued</b>	<ul style="list-style-type: none"> <li>• First Tranche Notes – 2,000,000 (convertible into a maximum of 4,840,000 ordinary shares)</li> <li>• First Tranche Options – 1,900,000</li> <li>• Second Tranche Notes – 500,000 (convertible into a maximum of 1,210,000 ordinary shares)</li> <li>• Second Tranche Options – 250,000</li> </ul>
<b>Summary of material terms of the securities</b>	<ul style="list-style-type: none"> <li>• First Tranche Notes and Second Tranche Notes – see Annexure A</li> <li>• First Tranche Options and Second Tranche Options – See Annexure B</li> </ul>

<b>Issue date</b>	<ul style="list-style-type: none"> <li>• First Tranche Notes and First Tranche Options – 12 September 2019</li> <li>• Second Tranche Notes and Second Tranche Options – 19 December 2019</li> </ul>
<b>Issue price or consideration</b>	<ul style="list-style-type: none"> <li>• First Tranche Notes and Second Tranche Notes - A\$1.10 per note</li> <li>• First Tranche Options and Second Tranche Options – issued to investors in connection with the issue of the First Tranche Notes and Second Tranche Notes for nil consideration.</li> </ul>
<b>Purpose of the issue</b>	<p>Funds raised from the First Tranche Notes and the Second Tranche Notes - for general corporate and working capital purposes, including:</p> <ul style="list-style-type: none"> <li>• to procure the second cluster of satellites for 2020 launch;</li> <li>• for recruitment of additional product development engineers;</li> <li>• to strengthen the management team to assist with the delivery of the Company's data products; and</li> <li>• to recruit sales support professionals to help respond to sale enquiries and manage key accounts, increasing orders and contracts.</li> </ul> <p>Any funds raised on the exercise of the First Tranche Options or Second Tranche Options will be used for general working capital purposes.</p>

## RESOLUTION 6 – RATIFICATION OF ISSUE OF OPTIONS TO EVOLUTION EQUITIES General

On 12 September 2019, the Company granted to Evolution Capital Advisors Pty Ltd (**Evolution Equities**), as lead manager for the First Tranche Placement, 1,900,000 options over CDIs, with an exercise price of A\$0.40 per CDI and a three-year exercise period (**Evolution Tranche 1**), as part payment in respect of the First Tranche Placement (together with \$100,000 in fees payable in cash).

On 19 December 2019, the Company further granted to Evolution Equities, as lead manager for the second Tranche Placement, 475,000 options over CDIs, with an exercise price of A\$0.40 per CDI and a three-year exercise period (**Evolution Tranche 2**), as part payment in respect of the Second Tranche Placement (together with \$25,000 in fees payable in cash).

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1)

those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1. The Company confirms that the issue of the evolution Tranche 1 and Evolution Tranche 2 options did not breach Listing Rule 7.1.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the evolution Tranche 1 and Evolution Tranche 2 options.

The effect of passing Resolution 6 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 6 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 6.

### Specific information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of options to Evolution Equities:

<b>Person to whom the Options were issued</b>	Evolution Equities
<b>Number of securities issued</b>	<ul style="list-style-type: none"> <li>• Evolution Tranche 1 – 1,900,000</li> <li>• Evolution Tranche 2 – 475,000</li> </ul>
<b>Summary of material terms of the securities</b>	See Annexure B The options have an exercise price of \$0.40 per share.
<b>Issue date</b>	<ul style="list-style-type: none"> <li>• Evolution Tranche 1 – 12 September 2019</li> <li>• Evolution Tranche 2 – 19 December 2019</li> </ul>
<b>Issue price or consideration</b>	<ul style="list-style-type: none"> <li>• Part payment of the lead manager of the issue of the First Tranche Notes and Second Tranche Notes. The options were issued for nil cash consideration.</li> </ul>
<b>Purpose of the issue</b>	Any funds raised on the exercise of the options will be used for general working capital purposes.

### RESOLUTION 7 – RATIFICATION OF GRANT OF WARRANTS TO WINANCE

#### General

On 18 February 2020, the Company announced that it had entered into a A\$5.5 million Loan Agreement with Dubai-based family office, Winance, a company limited by shares incorporated under the laws of Cayman Islands and registered with the registrar of Companies of the Cayman Islands under number 335445 (**Winance**). One of the conditions of drawdown on the Loan Agreement was that the Company and Winance enter into a warrant deed under which the Company agreed to issue to Winance warrants over CDIs (**Warrants**).

On 19 February 2020, the Company issued 6,319,125 Warrants to Winance (**First Tranche Warrants**) with an exercise price of A\$0.38 and a 3-year term.

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1. The Company confirms that the issue of the First Tranche Warrants did not breach Listing Rule 7.1.

The effect of passing Resolution 7 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Warrants.

#### **Specific information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the First Tranche Warrants:

<b>Person to whom the First Tranche Warrants were issued</b>	Winance
<b>Number of securities issued</b>	6,319,125 Warrants
<b>Summary of material terms of the securities</b>	See Annexure C
<b>Issue date</b>	19 February 2020
<b>Issue price or consideration</b>	Issued to Winance in connection with the Loan Agreement, for zero cash consideration.
<b>Purpose of the issue</b>	The First Tranche Warrants were issued as a condition to a Loan Agreement entered into with Winance, pursuant to which Winance agreed to loan A\$5.5 million to the Company. A summary of the material terms of the Loan Agreement is set out in Annexure D.  Any funds raised on the exercise of the First Tranche Warrants will be used for general working capital purposes.

## RESOLUTION 8 – GRANT OF ADDITIONAL WARRANTS TO WINANCE

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### General

Further to Resolution 7: on 20 February 2020, the Company announced that, subject to obtaining shareholder approval, it had agreed to issue to Winance a further 2,285,381 Warrants with an exercise price of A\$0.38 and a 3-year term (**Second Tranche Warrants**).

In accordance with ASX Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

The effect of Resolution 8 will be to allow the Company to issue the Second Tranche Warrants during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

<b>Person to whom the Second Tranche Warrants will be issued</b>	Winance
<b>Number of securities to be issued</b>	2,285,381 Warrants
<b>Summary of material terms of the securities</b>	See Annexure C The Warrants have an exercise price of \$0.38 per share.
<b>Issue date</b>	Within 5 business days of the Company obtaining approval pursuant to this Resolution 7
<b>Issue price or consideration</b>	Issued to Winance in connection with the Loan Agreement, for nil cash consideration.
<b>Purpose of the issue</b>	The Company agreed to issue the Second Tranche Warrants in connection with the Loan Agreement entered into with Winance, pursuant to which Winance agreed to loan A\$5.5 million to the Company. A summary of the material terms of the Loan Agreement is set out in Annexure D.  Any funds raised on the exercise of the Second Tranche Warrants will be used for general working capital purposes.

If Shareholder approval of the issue of the Second Tranche Warrants is not obtained, the Company will be required to pay to Winance the amount equal to the difference between the market price of CDIs on the trading day prior to the First Tranche Warrant Exercise date (19 February 2023) and A\$0.38, multiplied by the number of Second Tranche Warrants – e.g. . If the CDI price were \$0.50 then the difference would be \$0.12 x 2,285,381 (number of Second Tranche Warrants) and \$274,245.72 would need to be paid.

## RESOLUTION 9 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

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## Board recommendation

The Board unanimously recommends that Shareholders vote in **FAVOUR** of Resolution 9. The Chairman intends to vote undirected proxies in favour of Resolution 9.

## ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that an eligible entity (as defined below) may seek security holder approval by special resolution at its Annual General Meeting to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue over a period of 12 months after the Annual General Meeting (**10% Placement Capacity**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

Resolution 9 is a Special Resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 8 for it to be passed.

If Resolution 9 is approved, the number of equity securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

An eligible entity is one that, as at the date of the relevant Annual General Meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$28.26 million (based on the number of Shares and CDI's on issue which excludes restricted securities and the closing price of Shares and CDI's on ASX on 11 June 2020).

Any equity securities issued must be in the same class as an existing class of quoted equity securities. The Company currently has one class of quoted equity securities on issue, being CDIs (ASX Code: KSS).

The number of equity securities that the Company may issue under the approval sought by Resolution 9 will be calculated in accordance with the following formula as set out in ASX Listing Rule 7.1A:

$$(A \times D) - E$$

Where:

**A** = the number of fully paid Shares on issue 12 months before the date of issue or agreement to issue:

- (i) plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid Shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid Shares issued in the 12 months under Listing Rules 7.1 and 7.4; and
- (iv) less the number of fully paid Shares cancelled in the 12 months.

**D** = 10%.

**E** = the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of the Shareholders under Listing Rule 7.4.

### **Specific information required by Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 9:

#### **Minimum price**

Under the ASX Listing Rules, the securities may only be issued for cash consideration per security which is not less than 75% of the volume weighted average price of securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the equity securities are to be issued is agreed; by the Company and the recipient of the securities or
- (b) if the securities are not issued within 10 ASX trading days of the date in paragraph (i) above, the date on which the securities are issued.

#### **Risk of voting dilution**

Shareholders and CDI Holders should be aware there is a risk of economic and voting dilution that may result from an issue of equity securities under the 10% Placement Capacity, including the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting where approval is being sought; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the date of issue.

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders and CDI Holders who do not receive any equity securities under the issue.

If Resolution 9 is approved and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares and CDIs would be as shown in the table below.

The table below shows the potential dilution of existing Shareholders and CDI Holders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of the CDI's and the current number of CDIs on issue as at the date of this Notice of Meeting. The table also assumes that no options on issue are exercised into Shares or CDIs before the date of issue of the equity securities.

The table also shows the voting dilution impact where the number of CDIs on issue (Variable "A" in the formula) changes and the economic dilution where there are changes in the issue price of CDIs issued under the 10% Placement Capacity. <sup>1</sup>

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$ 0.085 50% decrease in Issue Price	\$ 0.17 Issue Price	\$ 0.34 100% increase in Issue Price
Current Variable A 106,627,500	10% Voting dilution	10,662,750	10,662,750	10,662,750
	Funds Raised	\$906,333.75	\$1,812,667.50	\$3,625,335
50% increase in current Variable A 159,941,250	10% Voting dilution	15,994,125	15,994,125	15,994,125
	Funds Raised	\$1,359,500.63	\$2,719,001.25	\$5,438,002.50
100% increase in current Variable A 213,255,000	10% Voting dilution	21,325,500	21,325,500	21,325,500
	Funds Raised	\$1,812,667.50	\$3,625,335	\$7,250,670

**Notes:**

<sup>1</sup> The table has been prepared on the following assumptions:

- (a) The Company issues the maximum number of shares available under ASX Listing Rule 7.1A;
- (b) The table shows only the effect of shares issued under ASX Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under ASX Listing Rule 7.1;
- (c) The current issue price is \$0.17, being the closing price of the CDI's on ASX on 8 May 2020.
- (d) The current number of securities on issue is the CDI's on issue as at 8 May 2020, being 106,627,500.

The table shows:

- two examples where Variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of CDIs the Company has on issue. The number of CDIs on issue may increase as a result of issues of CDIs that do not require approval (for example, a pro rata entitlements issue) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the current market price.

#### **Period for which the approval will be valid**

If Shareholder approval is granted for Resolution 9, then that approval will expire on the earlier of:

- (a) 30 June 2021, being 12 months from the date of the Meeting;
- (b) the time and date of the Company’s next Annual General Meeting; or
- (c) the date Shareholder approval is granted to a transaction under ASX Listing Rule 11.1.2 (proposed change to nature and scale of activities) or ASX Listing Rule 11.2 (change involving main undertaking).

The approval under ASX Listing Rule 7.1A will cease to be valid in the event that Shareholders and CDI Holders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

#### **Purpose of Issue under 10% Placement Capacity**

The Company may issue equity securities under the 10% Placement Capacity for various purposes including general working capital purposes and to raise funds to further develop the Company’s product offering.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

#### **Allocation under the 10% Placement Capacity**

The allottees of the equity securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of equity securities could consist of current Shareholders and CDI Holders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (a) the purpose of the issue;
- (b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders and CDI Holders may participate;
- (c) the effect of the issue of the equity securities on the control of the Company;
- (d) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (e) prevailing market conditions; and
- (f) advice from corporate, financial and broking advisers (if applicable).

## **RESOLUTIONS 10 – 13 – GRANT OF PERFORMANCE RIGHTS AND SHARE AWARDS TO DIRECTORS**

### **ASX Listing Rule 10.14**

ASX Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- a director of the entity;
- an associate of a director of the entity;
- a person whose relationship with the entity or a person referred to above is such that, in ASX's opinion, the acquisition should be approved by security holders.

Accordingly, Resolutions 10 – 13 seek the approval of Shareholders pursuant to ASX Listing Rule 10.14 to grant Performance Rights (**Rights**) and Share Awards (**Awards**) to Directors of the Company, in accordance with the terms of the KLEOS Space Long Term Incentive Plan Rules (**Plan**), and to the issue or transfer of Shares on the vesting of the Rights, as outlined below.

As the Rights and Awards are to be issued under the Plan, the rules of the Plan govern the Rights and Awards to be issued to the Directors. A full copy of the Plan rules is available on the Company's website and was lodged on the ASX announcements portal on 23 August 2018. A summary of the material terms of the Plan is attached as Annexure E.

The Plan is designed to remunerate and motivate Directors, founders, senior management and other employees. Rights are to vest conditional upon the achievement of milestones which enhance Shareholder value. The Awards are to be granted as part of the non-executive director's remuneration and are not subject to vesting conditions.

### Details of Rights Grant to Directors

It is proposed that the Directors be issued the following Rights and Awards:

Director	Position	Number of Rights or Awards	Percentage of CDIs that could be issued to director if Rights vest (assuming no other Rights held by other parties vested)*
Peter Round	Chairman	1,000,000 Rights	0.93%
Andrew Bowyer	Director and Chief Executive Officer	5,000,000 Rights	4.48%
Miles Ashcroft	Executive Director	5,000,000 Rights	4.48%
David Christie	Non-Executive Director	500,000 Awards	0.47%
<b>TOTAL</b>		<b>11,500,000</b>	<b>9.73%/</b>

\* based on 106,627,500 CDIs on issue on 27 May 2020 (undiluted)

In determining the number of new Rights and Awards to be issued to Directors the Board considered the:

- (i) Company's remuneration strategy;
- (ii) Company's current situation;
- (iii) role and contribution of each Director to the achievement of the Company's objectives; and
- (iv) current market practice for remuneration of directors in positions of similar responsibility and within peer groups.

The Rights will vest upon the achievement of milestones as detailed below and expire on the dates provided below, and will not be quoted. The terms of the Rights are summarised in Annexure F.

Director	Expiry Date	Vesting Conditions	Value of number of CDIs into which vested Rights may be converted*
<b>Mr Round</b>	31 December 2020	Revenue in excess of €2 million being achieved between the date of the Meeting and the expiry date. Revenue is the gross inflow of economic benefits during the period arising from the course of the ordinary activities of the Company, including income from sales, research and development grants, rebates and refunds and asset sales,	\$220,000

		and is audited in the course of the annual audit of the Company's financial statements.	
<b>Mr Bowyer</b>	30 September 2020	Successful launch of Scouting Satellites	\$1,100,000
<b>Mr Ashcroft</b>	30 September 2020	Successful launch of Scouting Satellites	\$1,100,000

\* based on the Company's securities price as traded on ASX at the close of business on 27 May 2020, being \$0.22

The vesting conditions for Rights to be issued to Messrs Bowyer and Ashcroft are the same as those attached to performance rights which lapsed in February 2020. This is due to the fact that the milestone was not achieved as a result of delays occasioned by third party default and the inability to launch the satellites in India. The Company announced that the satellites had been made ready for launch in July 2019 and thereafter announced the subsequent delays in launch due to postponements by launch providers, in a series of announcements to ASX between 22 July 2019 and 20 April 2020. Accordingly, the remaining directors consider it appropriate and fair to reward the relevant executives for ensuring that the satellites were launch-ready in July 2019 and to incentivise them to achieve the milestone within an extended timeframe, given that it is integral to the growth of the Company.

The launch schedule cannot be fully detailed at this stage, as it is contingent upon the Indian government's regulation of restrictions relating to the COVID-19 pandemic and the capacity of launch providers. As detailed in the Company's End of Year review lodged with ASX on 30 December 2019, launch volatility remains a challenge in the space industry. Messrs Bowyer and Ashcroft had previously directed and overseen the development and building of the satellites to ensure they were launch-ready in July 2019 and they remain responsible for the technical oversight of the satellites and maintaining launch readiness. The satellites are in place at the launch site where, within a few days before launch, they will be fuelled, armed for flight, inserted into their dispensers and finally integrated onto the PSLV launch vehicle. Messrs Bowyer and Ashcroft will be responsible for preparation for and oversight of this activity and ensuring that it is conducted in a timely and cost-effective manner. The launch date is reliant on external factors outside of the control of the Company, being the readiness of the launch provider and relevant government approvals to facilitate launch, but the Company is working towards launching before 30 September 2020.

The Rights related to this vesting condition, will lapse within four months of the Meeting if the milestone is not met.

Upon vesting of the relevant Rights, the equivalent number of CDIs will automatically be issued to the Directors, subject to the Plan Rules.

Each Right is granted for nil consideration and no amount is payable on vesting.

The Awards are not subject to vesting conditions and will be issued to Mr Christie on 30 September 2020, should he remain as a Director of the Company. Each Award entitles Mr Christie to have one CDI issued to him, at no cost. The Board is of the view that providing Mr Christie with a significant portion of his remuneration in the form of securities, allows the Company to manage its cash resources and strongly aligns Mr Christie's interests with those of the Company's security holders, whilst remunerating him at a level appropriate to his position within, and contribution to, the Company.

### **Specific information required by Listing Rule 10.15**

Pursuant to and in accordance with ASX Listing Rule 10.15, the information below is provided in relation to Resolutions 10 – 13:

#### **Total Remuneration**

Mr Bowyer has entered into an employment agreement with the Company and Messrs Round and Ashcroft have each entered into employment agreements with Kleos Space Limited (a wholly-owned subsidiary of the Company, incorporated in the UK), outlining their respective remuneration.

Mr Round, as Chairman and Executive Director receives €216,900 per annum for a minimum 150 day per year commitment. and is eligible to participate in the Company's long-term incentive (**LTI**) plan. He currently holds 1,000,000 performance rights which have vested and will receive the Rights outlined above if approved by Shareholders.

Mr Bowyer, as Managing Director and Chief Executive Officer, receives fixed remuneration of €98,748 per annum and, while he is resident in Luxembourg, the Company will pay €46,200 for housing rental; €15,040 as a cost of living allowance and English-language school fees. He is eligible to participate in the Company's LTI plan. He currently holds 4,250,000 performance rights which have vested and will receive the Rights outlined above if approved by Shareholders.

Mr Ashcroft, as Executive Director and Chief Technology Officer, receives fixed remuneration of €153,850 per annum for a minimum commitment of 180 days per year. He is eligible to participate in the Company's LTI plan. He currently holds 4,250,000 performance rights which have vested and will receive the Rights outlined above if approved by Shareholders.

Non-Executive Director, Mr Christie, receives €38,400 per annum plus an additional A\$7,000 per annum as Chair of the Remuneration and Nomination Committee, and he is eligible to participate in the Company's LTI plan. He currently holds 500,000 performance rights which have vested. In addition to his cash fees, he will receive the Awards outlined above, if approved by Shareholders, as part of his remuneration which does not impact on the Company's cash flow, and falls within the maximum approved remuneration for non-executive directors. The Awards are valued at \$100,000.00 as at the date of their issue.





Miles Ashcroft	<p>4,250,000</p> <p>5,000,000</p> <p>4,250,000</p>	<p>Vested upon signing of first commercial contract for DaaS and could be converted into 4,250,000 ordinary CDIs (which were trading at \$0.10 at the time of vesting and the rights could therefore have been converted into CDIs valued at \$425,000 on their vesting)</p> <p>Lapsed due to third party delay of launch preventing achievement of milestone required for vesting</p> <p>Current - vest upon revenue in excess of €4 million being achieved prior to expiry (24 August 2020). May be converted into 4,250,000 ordinary CDIs upon vesting (based on a trading price of \$.025 as at the open of trade on 12 June 2020, 4,250,000 CDIs would be valued at \$1,062,500).</p>
David Christie	500,000	<p>Vested on 26 March 2019 as Mr Christie remained a director. Could be converted into 500,000 ordinary CDIs (which were trading at \$0.25 at the time of vesting and the rights could therefore have been converted into CDIs valued at \$125,000 on their vesting)</p>

### Number and price of securities

The maximum number of Rights (being the number of Rights that will be granted upon shareholder approval being obtained) that may be acquired by each Director is as follows:

Director	Maximum Number of Rights
Mr Peter Round	1,000,000
Mr Andrew Bowyer	5,000,000
Mr Miles Ashcroft	5,000,000

Mr Christie will receive Awards to the value of \$100,000.00, which will be calculated by reference to the 20-day volume-weighted average price of the Company's securities traded on ASX in the 20 trading days leading up to the date of their issue.

No consideration is payable by the Directors at the time of the grant of the Rights and Awards or upon the issue of CDIs to which they may become entitled on the vesting of some or all the Rights.

Each Right may be converted into one CDI in the Company, and the price of the Company's CDIs is determined by the market. Each Award is equivalent to one CDI in the Company.

### Terms of any related loan

There is no loan provided in relation to the acquisition of Rights and Awards by any of the Directors.

### Issue date of Rights

The Rights will be granted to the Directors promptly following the Meeting and, in any event, no later than 3 years after the date of the Meeting, on the conditions described in this Explanatory Note. The Awards will be granted to Mr Christie on or about 30 September 2020.

Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolutions are approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.

### Shareholder approval

Listing Rule 10.11 provides a general restriction against issuing equity securities to a related party of a listed entity without Shareholder approval, unless an exception applies. Exception 4 of Listing Rule 10.12 permits the issue of securities to a related party of a listed entity under an employee incentive scheme if the issue has been approved by shareholders pursuant to the requirements of Listing Rule 10.14. Under Resolutions 10 – 13 the Company seeks approval from Shareholders for the issue of Rights and Awards to Messrs Round, Bowyer, Ashcroft and Christie, being Directors who are related parties of the Company.

Approval is sought in relation to the grant of the Rights and Awards to these Directors under the Plan in respect of the period commencing on and from the date of this Meeting, with the Rights and Awards to be issued no later than 3 years after the date of this Meeting.

Resolutions 10 – 13 are ordinary resolutions.

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## GLOSSARY

Unless otherwise defined to the contrary, in this Explanatory Memorandum and the Notice of Meeting:

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX Limited.

**Board** means the Board of Directors of the Company.

**CDI** means CHESS Depository Interest, being a unit of beneficial ownership of a Share legally held by CHESS.

**CDI Holder** means a holder of CDIs.

**CDI Voting Instruction Form** means the CDI voting instruction form accompanied by the Notice of Meeting and Explanatory Memorandum.

**CHESS** means CHESS Depository Nominees Pty Ltd (ACN 071 346 506).

**Chairman** means the chairman of the Company from time to time, and as at the date of this Notice, being Air Commodore Peter Round.

**Company** or **KSS** means Kleos Space S.A., a public limited liability company (*société anonyme*), having its registered office at 26, rue des Gaulois, L - 1618 Luxembourg and registered with the Luxembourg Trade and Companies' Register under number B215591; **Constitution** means the constitution of the Company.

**Director** means a Director of the Company.

**Equity Securities** has the meaning given in the Listing Rules.

**Evolution Equities** means Evolution Capital Advisors Pty Ltd.

**Explanatory Memorandum** means this Explanatory Memorandum which forms part of the Notice of Meeting.

**Investors** means Jamber Investments Pty Ltd as trustee, Sharelly Holdings Pty Ltd as trustee, Farinway Pty Ltd as trustee, Chifley Investor Group Pty Ltd and Albion Hawthorn Pty Ltd as trustee.

**Luxembourg Commercial Law** means the law of 10 August 1915 on commercial companies, as amended.

**Meeting** or **Annual General Meeting** means the annual general meeting of the Company the subject of the Notice of Meeting, which is scheduled to occur on 30 June 2020.

**Notice of Meeting** or **Notice** means the notice of meeting accompanied by this Explanatory Memorandum.

**Options** means an option to acquire CDIs in the Company.

**Ordinary resolution** means a resolution that has been passed by a simple majority of the votes cast by Shareholders, regardless of the proportion of the share capital present or represented.

**Performance Rights** means the performance rights granted to Directors of the Company under the Plan.

**Plan** means the KLEOS Space Long Term Incentive Plan Rules lodged on the ASX announcements portal on 23 August 2018 and a summary of which is attached as Annexure E.

**Proxy Form** means the proxy form accompanied by the Notice of Meeting and Explanatory Memorandum.

**Resolution** means a resolution set out in the Notice of Meeting.

**Shareholder** means a holder of a Share.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Award** means a CDI issued in accordance with the Plan.

**Special resolution** means a resolution that has been passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution.

**Winance** means Winance, a company limited by shares incorporated under the laws of Cayman Islands and registered with the registrar of Companies of the Cayman Islands under number 335445.

## Annexure A – Rights and Liabilities attaching to the First Tranche Notes and Second Tranche Notes

<b>Term and maturity</b>	<p>The maturity date of the First Tranche Notes is the earlier of:</p> <ul style="list-style-type: none"> <li>• 28 February 2020; and</li> <li>• the date on which an Exit Event occurs.</li> </ul> <p>The maturity date of the Second Tranche Notes is the earlier of:</p> <ul style="list-style-type: none"> <li>• 13 May 2020; and</li> <li>• the date on which an Exit Event occurs.</li> </ul> <p>An Exit Event means the occurrence of any of the following events:</p> <ul style="list-style-type: none"> <li>• an agreement for the sale of 50.1% of the issued capital of the Company is completed; or</li> <li>• following entering into an agreement for the sale of at least 50% in aggregate of all of the issued shares of the Company or assets of the Company, and following the passing of a resolution of the Company's CDI holders to approve the distribution and payment to CDI holders of the proceeds of sale that are available for distribution or payment to CDI holders, whether in a winding up, by return of capital, share buy-back or otherwise - a final determination is made of the amount that will be paid to CDI holders.</li> </ul>
<b>Face value of Convertible Notes</b>	A\$1.10 per Convertible Note
<b>Interest</b>	<p>The Convertible Notes bear interest of 20% per annum, payable on the date of conversion or maturity, whichever is earlier, to be adjusted prorata if the Convertible Notes are converted prior to completion of a 6 month period.</p> <p>Interest accrues monthly in arrears, from and including the issue date and up to and including the date of conversion or maturity.</p> <p>Interest will be payable in cash unless the Noteholder provides to the Company written notice that it elects to convert accrued interest into CDIs over Shares such conversion will be on the same terms and conditions as the principal amount of the Convertible Notes.</p>
<b>Security</b>	<ul style="list-style-type: none"> <li>• Pledge over the Company's bank account;</li> <li>• Pledge over (future) receivables;</li> <li>• An escrow agreement pursuant to which copies of documents relating to the Kleos Scouting Mission and the Geolocation development (i.e. (1) reports on design, analysis and test and (2) specification sheets) will be kept by an escrow agent and released only upon the occurrence of an Event of Default; and</li> <li>• Australian law general security deed over after-acquired property of the Company located in Australia.</li> </ul>

<p><b>Conversion terms</b></p>	<p>A Noteholder may elect to convert all or part of the Convertible Notes and any interest accrued into newly issued CDIs over Shares at any time after issuance until the Maturity Date by issuing a conversion notice to the Company (<b>Conversion Notice</b>) in minimum tranches of 25,000 Convertible Notes.</p> <p>The conversion price is A\$0.50 per CDI. This price shall be fully adjusted for any pro rata bonus issue of CDIs (not including an issue for cash or other consideration), subdivision or consolidation of CDIs or any other reorganisation of share capital of the Company. Any adjustment must comply with the Listing Rules.</p>
<p><b>Events of default</b></p>	<p>The Convertible Note Deed Poll sets out a number of events that are each deemed to be an <b>Event of Default</b>. These events include, but are not limited to circumstances where:</p> <ul style="list-style-type: none"> <li>• the Company does not pay any money that becomes payable by the Company under the Convertible Note Deed Poll on its due date for payment;</li> <li>• insolvency occurs in relation to the company;</li> <li>• the Company is in breach of any obligation, covenant or undertaking contained in the Convertible Note Deed Poll (except those referred to in the immediately preceding two dot points) or the conditions of issue which is prejudicial to the interests of Noteholders and the breach is not rectified within 10 business days after the Noteholder gives notice requesting the Company to do so;</li> <li>• the Company is suspended from quotation on the ASX for more than 10 business days;</li> <li>• the Company is in breach of any material obligation, covenant or undertaking to the Noteholders and the breach is not rectified within 10 business days;</li> <li>• a material provision of the Convertible Note Deed Poll does not have legal effect or is illegal, void, voidable or unenforceable or the Company purports to terminate the Convertible Note Deed Poll;</li> <li>• any financial indebtedness of the Company becomes due prior to its stated maturity, or is not paid when due or within an applicable grace period;</li> <li>• the Company ceases to carry on, or suspends operation of, its business;</li> <li>• a material licence, permit or authorisation that is required in order for the Company to conduct its business operations expires and is not renewed, is terminated or is varied in a materially adverse way; or</li> <li>• the Company fails to provide all of the security no later than 8 October 2019 (or such later time approved by a Majority Noteholder Approval) to the satisfaction of the Noteholders (acting reasonably).</li> </ul> <p>The Convertible Notes held by a Noteholder are redeemable, at the election of that Noteholder, on the occurrence of an Event of Default, by the Noteholder giving to the Company,</p>

	<p>within 40 business days after the Event of Default first occurring, a redemption notice requiring the Company to redeem all of the Convertible Notes the subject of the redemption notice for an amount equal to the principal amount (which includes any capitalised interest) of the Convertible Notes the subject of the redemption notice calculated as at the redemption date.</p>
<p><b>Covenants</b></p>	<p>For so long as Convertible Notes with an aggregate face value of \$100,000 remain outstanding, the Company must comply with the following covenants:</p> <ul style="list-style-type: none"> <li>• maintain its status as a company limited by shares incorporated in Luxembourg;</li> <li>• keep its assets and undertaking insured in adequate amounts, against such risks as would prudently be insured against by a prudent Company carrying on a similar business;</li> <li>• comply with all applicable laws relevant to the business of the Company;</li> <li>• not reduce or attempt to reduce its capital, return capital to shareholders, buyback any Shares, CDIs or conduct any reorganisation of its capital structure;</li> <li>• pay, make or declare any dividend or other distribution;</li> <li>• not issue further debt securities or incur any other financial indebtedness that ranks equally with, or in priority to, the Notes without first obtaining the written approval of Noteholders holding at least 50.1% of the Convertible Notes and if this approval is obtained, provide Noteholders with the right of first refusal to participate in such offer;</li> <li>• notify the Noteholders as soon as the Company becomes aware of any litigation, arbitration, administration or other proceeding in respect of the Company or any of its assets being commenced or threatened;</li> <li>• not: <ul style="list-style-type: none"> <li>- create, allow to exist or agree to any encumbrance over any of its assets or its shares;</li> <li>- sell, assign, transfer or otherwise dispose of any of its material assets;</li> </ul> </li> <li>• continue to carry on and conduct its business in the ordinary course of business and will not substantially change the general nature or scope of its business;</li> <li>• not make a loan to a third party, except in ordinary course of business and on arm's length terms;</li> <li>• not undertake any transaction which is not on arm's length terms;</li> <li>• ensure that all material authorisations required for the conduct and operation of the Company's business are maintained and that any breach is promptly rectified;</li> <li>• comply with all applicable laws binding on the Company;</li> </ul>

	<ul style="list-style-type: none"> <li>not amend its constitution or other constituent documents with the effect of the change being to detrimentally affect the rights of Noteholders;</li> <li>continue to own or licence or otherwise have the right to use all material licenses, patents, trademarks, copyright and other material intellectual property rights necessary for the conduct and operation of the Company's business, without any known conflict with or infringement of, the rights of others; and</li> <li>reduce or attempt to reduce its capital, buyback any Shares, CDIs or conduct a reorganisation of its capital structure, pay dividends or return capital to its shareholders.</li> </ul>
<b>Assignment and transferability</b>	<p>Convertible Notes may only be transferred:</p> <ul style="list-style-type: none"> <li>by written transfer instrument in any usual or common form or in any other form approved by the directors of the Company; and</li> <li>to a person or entity that has executed and delivered to the Company an undertaking to observe, perform and be bound by the terms of the Convertible Note Deed Poll and who is a professional investor (under section 708(11) of the Corporations Act) or a sophisticated investor (under section 708(8) of the Corporations Act).</li> </ul>
<b>Redemption</b>	Any Convertible Notes which have not been converted by the Maturity Date will be automatically redeemed by the Company on the Maturity Date, for the redemption amount equivalent to the face value of those outstanding Convertible Notes.
<b>Voting</b>	The Noteholders shall not be entitled to any voting rights as shareholders in respect of the Company by reason of their mere ownership of the Convertible Notes until the conversion has taken place.
<b>No Quotation</b>	The Convertible Notes will not be quoted on the ASX or any other public exchange.

## Annexure B – Rights and Liabilities attaching to the First Tranche Options, Second Tranche Options and Evolution Tranche 1 and 2

### 1) Exercise

- Each Option entitles the holder of the Option to acquire one Share.
- Each Option is exercisable at any time in the period commencing on the date of grant of the Option until the third anniversary of the date of grant (**Option Period**). If an Option is not exercised on or prior to the expiry of the Option Period, the Option will automatically lapse.

### 2) Exercise Price

- The exercise price for each Option is AUD 0.40 per Share (**Exercise Price**).

### 3) Allotment of Shares

- On receipt by the Issuer of a valid Notice of Exercise in the form set out in Schedule 1 and payment of the Exercise Price, the Issuer must, within five Business Days, allot and issue to the Option Holder or its nominee the number of Shares set out in the Notice of Exercise and enter the Option Holder into the

Issuer's register of members as the holder of such number of Shares and despatch the relevant holding statement or other appropriate acknowledgment as soon as reasonably practicable thereafter.

#### 4) Share capital increase

- a) The amount of the share capital increase resulting from the issuance of the Shares in accordance with these terms of Options shall be calculated in Euro on the basis of the EUR/AUD exchange rate shown on the website of the European Central Bank at the earliest one Business Day prior to the date of issuance of the Shares.

#### 5) Quotation of Options and Shares

- a) The Options will not be listed for quotation on ASX or any other exchange.
- b) As soon as reasonably practicable following the exercise of an Option but in any event no later than 5 Business Days following the exercise of that Option, the Issuer must apply for the CDIs issued on transmutation of the Shares to be admitted for quotation on the official list of ASX by filing a compliant Appendix 3B (so long as the CDIs are quoted on the official list of the ASX at that time) and use its best endeavours to obtain official quotation of the relevant number of CDIs by ASX (without restriction) as soon as practicable on such terms and conditions as are usual for quotation of securities on ASX (including complying with any reasonable condition required by ASX as a condition of it granting quotation).

#### 6) Shares rank equally, free of security interests etc

- a) Shares issued on the exercise of Options will:
  - i) rank equally in all respects with the other Shares on issue at the date of issue;
  - ii) be fully paid and free from all encumbrances, pre-emptive rights, taxes, liens and charges; and
  - iii) be entitled to all of the rights and entitlements applicable to the Shares already issued at the exercise date.

#### 7) No participation in new issues

- a) An Option does not confer a right to participate in new issues of securities of the Issuer, unless the Option Holder has first exercised the Option and such exercise took place on or before the record date for determining entitlements to the issue.
- b) Subject to Applicable Laws, the Issuer must give each Option Holder 5 Business Days' prior notice of the record date (as defined in the ASX Listing Rules) for a new issue of Securities or entitlements made available to the holders of Securities generally to enable the Option Holder to exercise its Options and participate in the new issue, except where such new issue is made under the authorized share capital of the Issuer.

#### 8) Adjustment to Exercise Price Pro Rata Issue

- a) If the Issuer makes a Pro Rata Issue of Securities to existing Security holders (except a Bonus Issue), the Exercise Price of an Option will be reduced according to the following formula:

$$O - \frac{E[P - (S + D)]}{N + 1}$$

New exercise price =

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = Volume Weighted Average Price per CDI for the 5 trading days ending on the day before the ex rights date or the ex entitlements date.

S = the subscription price of a Security under the Pro Rata Issue.

D = the dividend due but not yet paid on the existing underlying Security (except those to be issued under the Pro Rata Issue).

N = the number of Securities with rights or entitlements that must be held to receive a right to one new share.

### **Bonus Issues**

b) If the Issuer makes a Bonus Issue of Securities or Equity Securities to existing Security holders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

- i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Securities which the Option Holder would have received if the Option Holder had exercised the Option before the record date for the Bonus Issue; and
- ii) no change will be made to the Exercise Price.

### **Reorganisation**

c) If there is any reorganisation of the issued share capital of the Issuer, the rights of the Option Holders will be varied to the extent necessary to comply with the ASX Listing Rules which apply to the reorganisation at the time of the reorganisation.

### **9) Transfer of Options**

- a) The Options may only be transferred to a person who is a sophisticated or professional investor under section 708(8) or 708(11) of the Corporations Act.
- b) To effect a transfer of an Option, a Transfer Instrument duly executed by the transferor and the transferee must be delivered to the Issuer detailing:
  - i) the Issue Date of the Option the subject of the transfer; ii) the name and address of the transferor and the transferee;
  - iii) the effective date of the transfer,
- c) For the purposes of paragraph 9)b), a Transfer Instrument may be delivered to the Issuer in the form of an attached PDF to an email and such email will be deemed to have been duly delivered on return of a receipt produced by the system to which the email was sent or, where no receipt is produced or the sender has not otherwise received notification that the email was unable to be delivered, by the end of the day the email was sent if a Business Day and otherwise the next Business Day.
- d) Transfers will be registered without charge to the transferor or transferee.
- e) A person becoming entitled to an Option as a consequence of the death or bankruptcy of an Option Holder or of a vesting order or a person administering the estate of an Option Holder may, upon producing such evidence as to that entitlement or status as the Issuer considers sufficient, transfer the Option or, if so entitled, become registered as the holder of the Option.
- f) The Issuer is not responsible for any stamp duty or other Taxes payable in any jurisdiction in connection with any transfer, assignment or any other dealing with the Options.
- g) A transfer of Option(s) shall only be binding on the Issuer or third parties following notification to, or acceptance by, the Issuer in accordance with article 1690 of the Luxembourg Civil Code.

**10) Registration of Transfer**

- a) A transferor of an Option remains the owner of the Option transferred until the transfer is registered and the name of the transferee entered in the Register in respect of the Option transferred.

**11) General Meeting**

- a) Option Holders may not attend general meetings of the Issuer and the Options do not carry a right to vote at a general meeting of the Issuer, unless provided for by law.

**12) Option register**

- a) The Issuer's share registry will maintain a register of the Options.

**13) Consent requirement**

- a) Where upon the exercise of the Option the proportion of voting rights directly or indirectly linked to the Shares (which will be issued in the form of CDIs and result from the exercise of the Option) would meet or exceed a threshold ("**Threshold**") of:

- i) twenty percent (20%) of the voting rights of the Issuer; ii) thirty three percent (33%) of the voting rights of the Issuer;
- iii) fifty percent (50%) of the voting rights of the Issuer; iv) any other threshold applicable by law,

the Option Holder must:

- i) inform the board of directors of the Issuer of such proposed exercise of the Option; and
- ii) obtain the prior consent of the Government of the Grand Duchy of Luxembourg or any other government or semi-governmental authority which issues or grants any licence, concession or other regulatory approval necessary for the lawful operation or exploitation of a Luxembourgish satellite system, the use of satellite frequencies or radio channels or the use of electronic communications networks ("**Luxembourg Licensing Authority**") , now or in future. For the avoidance of doubt, the board of directors of the Issuer must make such notification to the Luxembourg Licensing Authority that may approve or oppose the proposed exercise of the Option within three (3) months of the date of receipt of such notification by the board of directors of the Issuer.

**Annexure C – Material Terms of the First Tranche Warrants and the Second Tranche Warrants**

- (a) Each warrant entitles the holder to subscribe for one CDI.
- (b) The exercise price for each warrant is AUD 0.38 per Share.
- (c) Each Warrant is exercisable at any time during the period commencing on the date of issue of the Warrant until (and including) the third anniversary of the date of issue (**Exercise Period**). If a Warrant is not exercised on or prior to the expiry of the Exercise Period, the Warrant will automatically lapse
- (d) A warrant holder may exercise all or some of its warrants (but if in part only in multiples of 100,000 warrants or integral multiples thereof).
- (e) Where upon the exercise of the warrants the proportion of voting rights directly or indirectly linked to the CDIs would meet or exceed a "threshold" (as defined in the Company's Articles); i) the Company must, promptly upon receipt of a warrant exercise notice, notify the warrant holder that the threshold will be meet or exceeded; and ii) the warrant holder must: a) in accordance with Article 20.5 of the Company's articles of association,

inform the Board of such proposed exercise of the Warrants; and b) in accordance with Article 20.6 of the Company's articles of association, obtain the prior consent of the Luxembourg Licensing Authority.

- (f) If the warrant holder is required to obtain the prior consent of the Luxembourg Licensing Authority in accordance with the above paragraph, the warrant holder may elect at any time to exercise the warrants by redeeming them for a cash payment, by giving a notice to the Company (Cash Redemption Notice). The Company must, by no later than three business days after the relevant Cash redemption notice is given in accordance with this paragraph, pay to the warrant holder a cash payment determined in accordance with the following formula:  $CRA = N \times (SP - MP)$  where: CRA = Cash Redemption Amount, N = number of warrants proposed to be exercised, MP = the market price of the CDIs of the Company as at the close of trading on the trading day immediately before the date of the Cash Redemption Notice and EP = Exercise Price.
- (g) Prior to its exercise, a warrant does not confer a right on the warrant holder to participate in i) a new issue of securities by the Company; or ii) any dividend declared or paid by the Company.
- (h) If, prior to the exercise of warrants, any offer or invitation is made by the Company to some or all of its shareholders to subscribe for shares, options or other securities of the Company on a pro rata basis, the exercise price shall be reduced as specified in Listing Rule 6.22 in relation to pro rata issues (except bonus issues).
- (i) If, prior to the exercise of warrants, the Company issues shares to some or all of its shareholders by way of capitalisation of profits or out of its reserves for no consideration (a bonus issue), then on exercise of the warrants, the number of CDIs over which the warrants are exercisable shall be increased by the number of CDIs which the warrant holder would have received if the warrants had been exercised before the date on which entitlements to the bonus issue were calculated.
- (j) In the event of a consolidation, subdivision or other reorganisation of the issued capital of the Company, the warrant terms will be amended as are necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reconstruction.
- (k) The warrants may be transferred to a person who is a sophisticated or professional investor under section 708(8) or 708(11) of the Corporations Act without the consent of the Company.

#### **Annexure D – Material Terms of the Loan Agreement**

- (a) Principal - Euro 3.41 million (A\$5.5 million).
- (b) Term – 12 months, or such later date agreed by Kleos and Winance. Kleos may:
  - (i) repay the outstanding amount in cash; or
  - (ii) elect to issue convertible notes to Winance, subject to Kleos having obtained any necessary authorisations for the issuance of the convertible notes (including shareholder approval), and Winance accepting Kleos' election to issue the convertible notes. The convertible notes will a) be interest free; b) be convertible at the election of the Company or the holder of the Convertible Note; c) have a 6 month term; and d) will be convertible at the higher of i) the price which is an 8% discount to the lowest daily VWAP (rounded down to two decimal places) of the CDIs during the 10 trading days preceding the date of conversion and ending on the trading day preceding the date of conversion; and ii) the floor price (being the lower of a) the price which is 75% of the daily VWAP (rounded down to two decimal places) of the CDIs during the 10 trading days preceding the date of the convertible note deed poll and ending on the date of the convertible note deed poll, and b) the price which is the lowest daily VWAP (rounded down to two decimal places) of the CDIs during the 6 months preceding the date of the convertible note deed poll and ending on the date of the note deed poll).
- (c) Interest rate – 1.5% per month if paid in cash. Alternatively, 2.0% per month if Kleos elects to pay the interest by the issue of CDIs. Any issue of CDIs is subject to Kleos having obtained any necessary authorisations for the issuance of the CDIs, and Winance accepting Kleos' election to issue the CDIs. Any

CDIs will be issued at the average VWAP of CDIs over the 3 trading days (inclusive) on which trades are recorded prior to the issue date. Interest is payable monthly.

- (d) Security – the Loan will be secured by:
- (i) a pledge over Kleos' bank accounts and receivables;
  - (ii) an Australian law general security deed over Kleos' present and after-acquired property;
  - (iii) an escrow agreement pursuant to which copies of documents relating to the Kleos Scouting Mission and the Geolocation development (ie (1) reports on design, analysis and test and (2) specification sheets) will be kept by an escrow agent and released only upon the occurrence of an event of default.
- (e) Upfront fee – an establishment fee of Euro 310,000 and an upfront fee of 3% of the principal is payable by Kleos to Winance.
- (f) Condition precedent – Drawdown of the loan is conditional upon Kleos and Winance entering into a warrant deed under which Kleos will issue Winance warrants over CDIs. Each warrant may be exercised into one CDI. The exercise price of the warrants will be 120% of the lowest daily VWAP (such average being rounded to the nearest cent) of the CDIs during the period beginning 10 trading days prior to the date of execution of the warrant deed, and ending on (and including) the date of execution of the warrant deed, unless otherwise agreed (Exercise Price). The number of warrants to be granted will be equal to €1,705,000 / Exercise Price. In the event that the number of warrants exceeds 6,319,125, Kleos will issue 6,319,125 warrants and seek shareholder approval to grant the balance.
- (g) Condition subsequent – Kleos is required to enter into a convertible note deed poll no later than 40 days following the first utilisation of the loan. The deed poll is the framework under which Kleos may, if it elects, issue convertible notes to Winance to repay the loan (as described above). If the convertible note deed poll is not entered into by the due date, Kleos will be in default of the Loan Agreement.
- (h) The Loan Agreement includes warranties, indemnities, representations and warranties, undertakings and events of default and default fees which Kleos considers usual for a transaction of this size.

## Annexure E – Summary of KLEOS Space Long Term Incentive Plan Rules

The Company has adopted an employee incentive plan known as the Kleos Long Term Incentive Plan (**LTI Plan**), to assist in the reward, retention and motivation of the Company's Directors, senior management, and other employees. The LTI Plan is intended to assist with aligning the interests of participants with shareholders by providing an opportunity for Eligible Participants to earn equity interests in the Company.

Under the rules of the LTI Plan, the Board has discretion to offer:

- a full-time or part-time employee of any Group Company or a Director (**Eligible Employee**) options to acquire Shares, Performance Rights to acquire Shares, and/or Shares, including Shares to be acquired under a limited recourse loan funded arrangement; and
- any other natural person providing services to the Group (**Eligible Person**) options to acquire Shares, Performance Rights to acquire Shares, and/or Shares, (collectively, the **Awards**).

In each case the Awards can be made subject to vesting conditions and/or performance hurdles as determined by the Board.

The terms and conditions of the LTI Plan are set out in comprehensive rules. A summary of the rules of the LTI Plan is set out below:

- The LTI Plan is open to Eligible Employees and Eligible Persons (together **Eligible Participants**) and other persons providing services to the Company or its related bodies corporate, as determined by the Board. Participation is voluntary.

- The Board may determine the type and number of Awards to be issued under the LTI Plan to each participant and other terms of issue of the Awards, including but not limited to:
- what conditions and/or performance hurdles must be met by a participant in order for an Award to vest (if any);
- the amount payable to be paid by a participant on the grant of Awards (if any);
- the exercise price of any option granted to a participant;
- the period during which a vested option can be exercised; and
- any forfeiture conditions or disposal restrictions applying to the Awards and any Shares that a participant receives upon exercise of their options or vesting of Performance Rights.
- The Board may, in its discretion, also determine that the Company will issue limited recourse loans to participants to use for the purchase of Shares as part of a Share Award (as defined in the LTI Plan) under the LTI Plan.
- When any conditions and/or performance hurdles have been satisfied, participants will receive fully vested Shares, or their options/Performance Rights will become vested and will be exercisable into Shares (as applicable).
- Each vested Option and Performance Right enables the participant to be issued or to be transferred one Share upon exercise or vesting (as applicable), subject to the rules governing the LTI Plan and the terms of any particular offer.
- Participants holding Options or Performance Rights are not permitted to participate in new issues of Securities by the Company but adjustments may be made to the number of Shares over which the options or Performance Rights are granted and/or the exercise price (if any) to take into account changes in the capital structure of the Company that occur by way of pro rata and bonus issues in accordance with the rules of the LTI Plan and the ASX Listing Rules.
- If a “change of control event” occurs to the Company, and unless the Board determines otherwise:
- Awards granted will vest where the Board determines that the vesting conditions and performance hurdles applicable to those Awards have been satisfied, with vesting to occur on a pro rata basis having regard to the vesting period and actual performance;
- any options and Performance Rights which the Board determines will not vest under the above subparagraph will automatically lapse; and
- any Share Awards and loan funded Shares which the Board determines will not vest under the above subparagraph will be bought-back by the Company from the participant for nominal consideration.

A “change of control” event will occur when a person or entity becomes a legal or beneficial owner of 50% or more of the issued capital of the Company; a person or entity becomes entitled to, acquires, holds or has an equitable interest in more than 50% of the issued share capital of the Company; or the Board determines that there are circumstances that have occurred or are likely to occur which will result in significant changes to the structure or control of the Company which may adversely affect the value of the Awards.

- If a participant becomes a “bad leaver”, unless the Board determines otherwise:
- any and all vested options held by the participant which have not been exercised will continue in force and remain exercisable until the expiry date;
- the participant will be entitled to continue to hold all vested Share Awards and loan funded Shares;

- all unvested options and/or Performance Rights held by the Participant will automatically lapse; and
- all unvested Share Awards and/or loan funded Shares held by the Participant will be bought-back by the Company from the Participant for nominal consideration.

A participant will be a “bad leaver” if the participant resigns, is terminated for performance or is terminated or dismissed for misconduct.

- If a participant is a “good leaver”:
- unless the Board determines otherwise any and all vested options held by the participant which have not been exercised will continue in force and remain exercisable until the Expiry Date;
- the Participant will be entitled to continue to hold all vested Share Awards and loan funded Shares; and
- the Board may determine the manner in which any unvested Awards held by the participant will be dealt with.

A participant is a “good leaver” if they are not a “bad leaver”.

- The LTI Plan limits the number of Awards that the Company may grant without Shareholder approval, such that the sum of all Awards on issue (assuming all options and Performance Rights were exercised) do not at any time exceed in aggregate 10% of the fully diluted share capital of the Company as at the date of any proposed new Awards.
- The Board may delegate management and administration of the LTI Plan, together with any of their powers or discretions under the LTI Plan, to a committee of the Board or to any one or more persons selected by them.
- Subject to the ASX Listing Rules and the Constitution, the Board may at any time amend the LTI Plan or the terms and conditions upon which Awards have been issued under the LTI Plan provided, generally, that the amendment does not materially reduce the rights of any Participant in respect of Awards granted to them.
- The Board may elect to use an employee share trust or other mechanism for the purposes of holding Awards and/or Shares for Participants under the Plan, and delivering Plan Shares on behalf of Participants upon exercise of Options and/or Performance Rights (as the case may be).

Awards may be granted to Eligible Participants (as defined in the LTI Plan) residing in Luxembourg and the United Kingdom, or other jurisdictions, as approved by the Board from to time, under the LTI Plan subject to any local law and local tax requirements.

**Annexure F – Terms of the Performance Rights**

- (i) Each Right entitles the holder to receive one CDI upon vesting of the Right.
- (ii) Each Right is granted for nil consideration and no amount is payable on vesting in order to allow for the issue of CDIs.
- (iii) Each Right may be converted into a CDI after vesting. If a Right does not vest on or prior to its expiry date, the Right will automatically lapse.
- (iv) The Rights are subject to the Plan rules, which are summarised at Annexure E.
- (j) Rights vest and are convertible into CDIs once the applicable vesting conditions have been met.
- (k) Rights may not be transferred, assigned, encumbered or otherwise disposed of by the holder unless prior consent of the Company's Board is obtained, or such assignment or transfer occurs by force of law.
- (l) Prior to its conversion to a CDI, a Right does not confer a right on the holder to participate in i) a new issue of securities by the Company; or ii) any dividend declared or paid by the Company, or to vote at or attend a meeting of Shareholders.



**KLEOS SPACE SA**

ARBN 625 668 733

Schedule 2

## LODGE YOUR VOTE

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

 **BY MAIL**  
Kleos Space S.A.  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: 1300 554 474 Overseas: +61 1300 554 474

## LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10.00 a.m. Luxembourg time (UCT+2) and 6.00 p.m. Sydney time (UTC+10) on Sunday, 28 June 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting. Proxy Forms may be lodged using the reply paid envelope or:

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, security holders will need their "Holder Identifier" - Security holder Reference Number (SRN) or Holder Identification Number (HIN).

## HOW TO COMPLETE THIS SECURITY HOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's Security register. If this information is incorrect, please make the correction on the form. Security holders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your Securities using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a security holder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your Securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of Securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business,

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of Securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** The Company recognises only one owner per share. In case a share is owned by several persons, they shall appoint a single representative who shall represent them in respect of the Company. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's Articles of Association.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with

your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

**APPOINTMENT OF A SECOND PROXY**

You are entitled to appoint up to two persons as proxies to attend the Meeting and

vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's Security registry or you may copy **CORPORATE REPRESENTATIVES** this form and return them both together. If a representative of the corporation is to attend the Meeting the appropriate

"Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's Security registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**



NAME SURNAME  
ADDRESS LINE 1  
ADDRESS LINE 2  
ADDRESS LINE 3  
ADDRESS LINE 4  
ADDRESS LINE 5  
ADDRESS LINE 6

**\*X999999999999999\***

**X999999999999**

**PROXY FORM**

I/We CHESS Depository Nominees Pty Limited, a company incorporated under the laws of Australia, with registered address at /o Exchange Centre, 20 Bridge Street, Sydney NSW 2000, Australia, registered with the Australian Securities and Investments Commission under number ACN 071 346 506 being a shareholder(s) of Kleos Space S.A. and entitled to attend and vote hereby appoint:

**\*KSSPRX2001B\***

STEP

**APPOINT A PROXY**OR if you are **NOT** appointing the Chairman

of the Meeting as your proxy, please write the name of the person or body   
**the Chairman of the OR** corporate you are appointing as your proxy as

your proxy, please write the name of the person or body if you are **NOT** appointing the Chairman of the Meeting

**Meeting (mark box)** corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit, with respect to <No of Shares> of shares of the Company) at the Annual General Meeting of the Company to be held on **Friday, 30 June 2020 at 10.00 a.m. Luxembourg time (UCT+2) and 6.00 p.m. Sydney time (UTC+10), at the registered office of the Company (i.e. 26, rue des Gaulois, L-1618 Luxembourg, Grand Duchy of Luxembourg)** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP

**VOTING DIRECTIONS**

For by the Company

For Against Abstain\*

Please read the voting instructions

boxes with an Resolutions

Against Abstain\*

1 Approval of the Standalone and Consolidated Financial Statements

2 Discharge to the Directors

3 Appointment of Ernst &amp; Young S.A. as a new Auditor

4 Re-election of Mr Miles Ashcroft as a Director

5 Ratification of issue of convertible notes and options

6 Ratification of issue of options to Evolution Equity

7 Ratification of grant of warrants to Winance

8 Grant of additional warrants to Winance

9 Approval of Additional 10% Placement Capacity

10 Grant of Performance Rights to Peter Round

11 Grant of Performance Rights to Andrew Bowyer

12 Grant of Performance Rights to Miles Ashcroft

13 Grant of Share Awards to David Christie



\* votes will not be counted in computing your proxy not to vote on your behalf on a poll and your

ecting your proxy not to vote on your behalf on a poll and your

**SIGNATURE OF SECURITY HOLDERS – THIS MUST BE COMPLETED**

Security holder 1 (Individual)

Joint Security holder 2 (Individual)

Joint Security holder 3 (Individual)

STEP

Sole Director and Sole Company Secretary/Director/Company Secretary (Delete one)/Director

This form should be signed by the shareholder. The Company recognises only one owner per share. In case a share is owned by several persons, they shall appoint a single representative who shall represent them in respect of the Company. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's Articles of Association.

**KSS PRX2001B**