

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, 17 November 2020

Concerning: Convening a 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 a general meeting of the shareholders of the Company, to be held on 30 November 2020 at 10 a.m. Luxembourg time (UCT +2) and 8 p.m. Sydney time (UCT+11), 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. Ratification and approval of the issue of Securities under Tranche 1 of Placement
2. Approval of the issue of Securities under Tranche 2 of Placement
3. Ratification of issue of securities to Cameron Parties
4. Ratification of issue of options to Evolution Equities
5. 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 17 November 2020.

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


Name: Andrew Bowyer

Title: CEO

For personal use only

SCHEDULE 1
NOTICE



(ARBN 625 668 733 / RCS B215591)

Notice of General Meeting

Notice is given that a 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 November 2020**

Time: **10 a.m. (CET) / 8 p.m. (AEDT)**

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

(the **Meeting**)

The Explanatory Notes to this notice provide additional information on the matters to be considered at the Meeting. The Explanatory Notes and the Proxy Form form part of this notice.

Business

A. Approval of Placement Securities

Resolution 1: Ratification and approval of the issue of Securities under Tranche 1 of Placement

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior allotment and issue of 10,585,878 fully paid ordinary CDIs in the Company on the terms and as outlined in the Explanatory Notes accompanying the Notice convening this Meeting.”

Note: A voting exclusion statement applies to this resolution.

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

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 any person who participated in the issue or any associate of theirs.

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 2: Approval of the issue of Securities under Tranche 2 of Placement

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of 15,803,011 fully paid ordinary CDIs in the Company on the terms and as outlined in the Explanatory Notes accompanying the Notice convening this Meeting.”

Note: A voting exclusion statement applies to this resolution.

RECOMMENDATION: The Board unanimously recommends that Shareholders vote in **FAVOUR** of Resolution 2. The Chairman intends to vote undirected proxies in favour of Resolution 2.

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 any person who is expected to participate in the issue or any associate of theirs.

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.

B. Approval of Cameron Placement Securities

Resolution 3 – Ratification of issue of securities to Cameron Parties

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,001 ordinary fully paid CDIs and 2,000,000 Options to Elsie Cameron Foundation Pty Limited ATF The Elsie Cameron Foundation and Bicheno Investments Pty Ltd ATF The Jan Cameron Trust (Cameron Parties) on the terms and conditions set out in the Explanatory Memorandum.”

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.

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 Elsie Cameron Foundation Pty Limited ATF The Elsie Cameron Foundation and Bicheno Investments Pty Ltd ATF The Jan Cameron Trust or any associate of theirs.

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 4 – Ratification of issue of options to Evolution Equities

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,000,000 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 4. The Chairman intends to vote undirected proxies in favour of Resolution 4.

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.

Other information

An Explanatory Memorandum accompanies and forms part of this notice of 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 8.00 p.m. (AEDT) on 28 November 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 CHES 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 10.00 a.m. (AEDT) on 27 November 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 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 **8.00 p.m. (AEST) / 10.00 a.m. (CEST)** on 16 November 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.

For and on behalf of the Board



Vanessa Chidrawi

Company Secretary and authorised signatory

18 November 2020

Kleos Space S.A
(ARBN 616 435 753)

Explanatory Memorandum

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 General Meeting of Shareholders (**Meeting**) to be held commencing at 10.00 a.m. (CET) / 8.00 p.m. (AEDT) on 30 November 2020 at 26 Rue des Gaulois, L-1618, Luxembourg.

The Directors recommend that Shareholders and CDI Holders read this Explanatory Memorandum before determining whether to support the resolutions.

A. Approval of Placement Securities

RESOLUTIONS 1 and 2 – APPROVAL AND RATIFICATION OF ISSUE OF PLACEMENT SECURITIES

General

On 10 November 2020, the Company announced that it had received commitments to raise \$19 million via a placement of 26,388,889 new placement Securities at an issue price of \$0.72 per CHES depositary interest (**CDI**) to professional and sophisticated investors or to other persons to whom disclosure is not required under Chapter 6D of the Corporations Act, subject in part to receipt of Shareholder approval (**Placement**). The Placement offer price represented a 16.3% discount to the last close at a 1.9% premium to the 15-day volume-weighted average price of securities traded on ASX leading up to 10 November 2020 (being the date on which the Placement price was agreed).

The Placement Securities were to be issued in two tranches as follows:

- (a) **Tranche 1** – Pursuant to ASX Listing Rule 7.1 and 7.1A, 10,585,878 fully paid ordinary CDIs were issued at \$0.72 per CDI on 17 November 2020 (**Tranche 1 Securities**); and
- (b) **Tranche 2** – Under ASX Listing Rule 7.1, approval is sought from the Meeting for the issue of 15,803,011 fully paid ordinary CDIs at \$0.72 per CDI (**Tranche 2 Securities**).

Resolutions 1 and 2 relate to the approval or ratification and approval of the issue of Securities pursuant to the Placement.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12-month period.

ASX Listing Rule 7.1A

At its Annual General Meeting held on 30 June 2020 (**AGM**), the Company obtained Shareholder approval under ASX Listing Rule 7.1A to have the additional capacity to issue Securities equivalent to 10% of the securities in the same class on issue at the commencement of the relevant 12-month period preceding any issue, for the period ending on the earliest of:

- a. the date that is 12 months after the date of the AGM;
- b. the time and date of the Company's next annual general meeting; or
- c. the time and date of the approval by Shareholders of a transaction under listing Rule 11.1.2 or 11.2.

ASX Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a Company in general meeting ratifies a previous issue of securities made pursuant to ASX 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 ASX Listing Rule 7.1.

Ratification by the Shareholders of the Company is now sought pursuant to ASX Listing Rule 7.4, for resolution 1 in order to reinstate the Company's capacity to issue up to 15% of its issued capital, and the additional capacity to issue up to 10% of its issued capital, if required, in the next 12 months without Shareholder approval.

If Resolution 1 is approved, the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A will be refreshed from the date of this Meeting. If Resolution 1 is not approved, the Company's placement capacity will not be refreshed, and any further issues of Securities in excess of the Company's remaining issuing capacity under Listing Rules 7.1 and 7.1A will require Shareholder approval.

Resolution 2 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of 15,803,011 CDIs at a price of \$0.72 per CDI, to fulfil the second tranche of the Placement. If Resolution 2 is approved, the Company will issue the Tranche 2 Securities shortly after the Meeting and in any event no later than three months after the Meeting, to professional and sophisticated investors or to other persons to whom disclosure is not required under Chapter 6D of the Corporations Act, who are clients of Bell Potter Securities and Evolution Equities.

None of these persons are related parties of the Company.

The Tranche 2 Securities will be fully paid CDIs over ordinary Shares issued on the same terms and conditions as the Company's existing CDIs. The funds raised by the issue of the Tranche 2 Securities will

be utilised for general corporate and working capital purposes, including capital expenditure required for the build and launch of the next satellite clusters.

If Resolution 2 is not passed, the directors may nevertheless proceed to issue a portion of the Tranche 2 Securities out of the available issuing capacity under listing Rules 7.1 and 7.1A. If the available capacity is insufficient to allow for the issue of the full number of Tranche 2 Securities, the issue will be scaled back according to the available capacity, with the result that the funds raised by the Company will be reduced, and further fundraising will need to be undertaken in due course to meet ongoing working capital requirements.

The effect of Shareholders approving Resolutions 1 and 2 is that the Company will have the flexibility to issue further equity securities up to the 15% and additional 10% capacity limits, without obtaining prior Shareholder approval.

The Company confirms that the issue of the Tranche 1 Securities did not breach Listing Rule 7.1.

Resolutions 1 and 2 are ordinary resolutions.

The Chairman intends to exercise all available proxies in favour of Resolutions 1 and 2.

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 Tranche 1 Securities issued under the Placement:

Persons to whom Tranche 1 Securities were issued	Professional and sophisticated investors or to other persons to whom disclosure is not required under Chapter 6D of the Corporations Act, who are clients of Bell Potter Securities and Evolution Equities
Number of securities issued	<ul style="list-style-type: none"> • 10,585,878 CDIs, of which <ul style="list-style-type: none"> • 9,873,129 were issued under Listing Rule 7.1; and • 712,749 were issued under Listing Rule 7.1A
Issue date	<ul style="list-style-type: none"> • 17 November 2020
Issue price or consideration	<ul style="list-style-type: none"> • \$0.72
Purpose of the issue	Funds raised from the Placement will be utilised for general corporate and working capital purposes, including capital expenditure required for the build and launch of the next satellite clusters.

Specific information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Securities issued under the Placement:

Persons to whom Tranche 2 Securities will be issued	<ul style="list-style-type: none"> Professional and sophisticated investors or to other persons to whom disclosure is not required under Chapter 6D of the Corporations Act, who are clients of Bell Potter Securities and Evolution Equities
Number of securities to be issued	<ul style="list-style-type: none"> 15,803,011 CDIs
Issue date	<ul style="list-style-type: none"> 7 December 2020 and in any event no later than three months after the Meeting
Issue price or consideration	<ul style="list-style-type: none"> \$0.72
Purpose of the issue	<ul style="list-style-type: none"> Funds raised from the Placement will be utilised for general corporate and working capital purposes, including capital expenditure required for the build and launch of the next satellite clusters.

B. Approval of Cameron Placement Securities

RESOLUTION 3 – APPROVAL AND RATIFICATION OF ISSUE OF CAMERON PLACEMENT SECURITIES

General

On 10 July 2020, the Company announced that it had conducted a placement of 10,000,001 new CDIs at an issue price of \$0.30 per CDI, coupled with 2,000,000 free associated Options (**Cameron Securities**), to raise \$3,000,000 from entities controlled by Janet Cameron (**Cameron Placement**). The CDIs were issued on 17 July 2020, under Listing Rule 7.1A.2. Their issue price represented a 1.7% premium to the

15-day volume-weighted average price of the Company's Securities traded on ASX leading up to 6 July 2020. The Options were issued on the same date, under Listing Rule 7.1, for nil cash consideration.

Resolution 3 relates to the ratification and approval of the issue of the Cameron Securities pursuant to the Cameron Placement.

ASX Listing Rule 7.1A

At the AGM, the Company obtained Shareholder approval under ASX Listing Rule 7.1A to have the additional capacity to issue Securities equivalent to 10% of the securities in the same class on issue at the commencement of the relevant 12-month period preceding any issue, for the period ending on the earliest of:

- a. the date that is 12 months after the date of the AGM;
- b. the time and date of the Company's next annual general meeting; or
- c. the time and date of the approval by Shareholders of a transaction under listing Rule 11.1.2 or 11.2.

The CDIs issued under the Cameron Placement were issued in accordance with this approval obtained under Listing rule 7.1A.

The Options issued under the Cameron Placement were issued in accordance with Listing Rule 7.1.

ASX Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a Company in general meeting ratifies a previous issue of securities made pursuant to ASX Listing Rule 7.1 (including

Listing Rule 7.1A 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 ASX Listing Rule 7.1.

Ratification by the Shareholders of the Company is now sought pursuant to ASX Listing Rule 7.4, for resolution 3 in order to reinstate the Company's capacity to issue up to 25% of its issued capital, if required, in the next 12 months without Shareholder approval.

The effect of Shareholders approving Resolution 3 is that the Company will have the flexibility to issue further equity securities up to the 15% plus 10% capacity limits.

The Company confirms that the issue of the Cameron Securities in the Cameron Placement did not breach Listing Rule 7.1.

The effect of passing Resolution 3 will be to allow the Company to issue securities in the future up to the 15% plus 10% annual placement capacity set out in Listing Rules 7.1 and 7.1A, without obtaining prior Shareholder approval.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

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 Securities issued under the Cameron Placement:

Persons to whom the Cameron Securities were issued	<ul style="list-style-type: none"> Elsie Cameron Foundation Pty Limited ATF The Elsie Cameron Foundation Bicheno Investments Pty Ltd ATF The Jan Cameron Trust
Summary of material terms of the Cameron Securities	See Annexure A for material terms of the Options, which have an exercise price of \$0.50 per CDI.
Number of Cameron Securities issued	<ul style="list-style-type: none"> 10,000,001 CDIs 2,000,000 Options
Issue date	<ul style="list-style-type: none"> 17 July 2020
Issue price or consideration	<ul style="list-style-type: none"> CDIs - \$0.30 Options – nil consideration
Purpose of the issue	<ul style="list-style-type: none"> Funds raised from the Cameron Placement were utilised for general corporate and working

	<p>capital purposes, including expenditure associated with preparing the Scouting Mission satellites for launch.</p> <ul style="list-style-type: none"> • Any funds raised on the exercise of the Options will be used for general working capital purposes.
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RESOLUTION 4 – RATIFICATION OF ISSUE OF OPTIONS TO EVOLUTION EQUITIES

General

On 17 July 2020, the Company granted Evolution Capital Advisors Pty Ltd (**Evolution Equities**), as lead manager for the Cameron Placement, 3,000,000 options over CDIs, with an exercise price of A\$0.50 per CDI and a three-year exercise period (**Evolution Options**), as part payment of fees in respect of the Cameron Placement (in addition to fees of \$180,000 plus GST 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 Options did not breach Listing Rule 7.1.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Evolution Options. If Resolution 4 is approved, the Company's placement capacity under ASX Listing Rule 7.1 will be refreshed from the date of this Meeting. If Resolution 4 is not approved, the Company's placement

capacity will not be refreshed, and any further issues of shares in excess of the Company's remaining issuing capacity under Listing Rules 7.1 and 7.1A will require Shareholder approval.

Resolution 4 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

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:

Person to whom the Options were issued	<ul style="list-style-type: none"> • Evolution Equities
Number of securities issued	<ul style="list-style-type: none"> • 3,000,000 Options
Summary of material terms of the securities	<ul style="list-style-type: none"> • See Annexure A • The Options have an exercise price of \$0.50 per CDI.
Issue date	<ul style="list-style-type: none"> • 17 July 2020
Issue price or consideration	<ul style="list-style-type: none"> • Part payment of lead manager fees for the Cameron Placement. The Options were issued for nil cash consideration.
Purpose of the issue	<ul style="list-style-type: none"> • Any funds raised on the exercise of the Options will be used for general working capital purposes.

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.

Cameron Placement means the placement of 10,000,001 CDIs to associates of Jan Cameron on 10 July 2020

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;

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.

Evolution Options means the Options issued to evolution Equities on 17 July 2020.

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

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

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.

Annexure A - Rights and Liabilities attaching to the Cameron Placement Options and Evolution Options

1) Exercise

- a) Each Option entitles the holder of the Option to acquire one CDO over a Share.
- b) 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

- a) The exercise price for each Option is AUD 0.50 per CDI (**Exercise Price**).

3) Allotment of Shares

On receipt by the Issuer of a valid Notice of Exercise and payment of the Exercise Price, the Issuer must, allot and issue to the Option Holder or its nominee the number of CDI set out in the Notice of Exercise and enter the Option Holder into the Issuer's register of security holders as the holder of such number of CDIs and despatch the relevant holding statement or other appropriate acknowledgment as soon as reasonably practicable thereafter.

4) 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 2A (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).

5) CDI rank equally, free of security interests etc.

- a) CDIs issued on the exercise of Options will:
 - i) rank equally in all respects with the other CDIs 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 CDIs already issued at the exercise date.

6) 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.

7) 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.

8) Option register

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

9) 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.

For personal use only

SCHEDULE 2
PROXY

LODGE YOUR VOTE

 **ONLINE**
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
Level 12, 680 George Street, Sydney NSW 2000

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



X99999999999

PROXY FORM

I/We being a member(s) of Kleos Space S.A. and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body 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) at the General Meeting of the Company to be held at **10 a.m. (CET) / 8 p.m. (AEDT) on Monday, 30 November 2020 at 26, rue des Gaulois, L - 1618 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.


VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*
1 Ratification and approval of the issue of Securities under Tranche 1 of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of the issue of Securities under Tranche 2 of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of issue of securities to Cameron Parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of issue of options to Evolution Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. 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 constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares 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 shareholder 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 shares 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 shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, 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.

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 share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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
- 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: where the holding is in more than one name, either shareholder may sign.

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

CORPORATE REPRESENTATIVES

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 share registry or online at www.linkmarketservices.com.au.

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 below by **8pm (AEDT) on Saturday, 28 November 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

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, shareholders will need their "Holder Identifier" - Security Holder Reference Number (SRN) or Holder Identification Number (HIN).



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

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

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