

## **Sky and Space Company Shareholder Update**

### **Dear Shareholders,**

As we begin the 2022 calendar year, we are grateful for your ongoing support of our mission and look forward to the exciting challenges that lie ahead.

As we have crossed the half-way mark in the 2022 Financial Year, we would like to provide you with an update on the activities and achievements of Sky and Space Company, as well as the key objectives for the rest of the 2022 calendar year.

### **Sky and Space Relunched**

There is no denying that the last 2 years have been extremely challenging for our shareholders and team.

SAS entered, and was led out of, Administration, and has been recapitalised with a new Board of Directors. Sky and Space has become a public unlisted company and closed a further placement for a total recapitalisation of \$20M that allows it to effectuate its plan to manufacture and launch its IoT communication nano-satellite constellation.

The recapitalisation has allowed us to welcome blue-chip industry and first-class financial investors as shareholders. Our sincere thanks go to Virgin Orbit, Thorney Group, Merchant Fund and CPS Capital amongst many others for your terrific support.

Leveraging the Company's past achievements and accomplishments such as space-proven technology, proprietary network management software and existing commercial agreements; the team has further accelerated its plans since relaunch. A brief summary of these activities and achievements and our expectations for the coming year are detailed below:

### **New Agreements, Grants, and Collaborations**

Through Boost!, the European Space Agency (**ESA**) supports the development and deployment of new commercial space transportation services in the European space sector. On 20 July 2021, the ESA signed an agreement with D-Orbit for its Responsive Microlauncher Service project (the 'Project'), focusing on the end-to-end delivery of payloads in orbit.

SAS has been contracted by D-Orbit in a professional services / advisory role as part of the Project to support the development of a standardised framework for launch logistics and specifications, and to assist in designing and evaluating payload handling requirements at the Cornwall-based Space hub Centre for Space Technologies ('Spaceport Cornwall').

This contract represents the first commercial revenues for the Company through a partnership with key industry members and emphasises SAS' position at the forefront of key developments in the satellite industry. SAS engineers will be providing consulting services as a reference satellite operator, payload customer, and as a service end-user as part of the project.

### **European Space Agency Agreement**

The Polish Ministry of Economic Development, Labour and Technology has authorised the release of EUR 300,000 from Poland's funding contribution to the European Space Agency (ESA) for a project to be conducted by SAS in collaboration with the Wrocław University of Science and Technology in Poland. This professional services engagement will focus on the development of an advanced satellite communication modem for the ESA and will form part of the ESA's Advanced Research in Telecommunications Systems program, known as ARTES 4.0.

### **Nano-Satellites Constellation Manufacturing Tender**

The Company has conducted a very detailed Tender process (including BAFO - Best And Final Offer stages) for the manufacture and delivery of our commercial satellites. The Tender included not only the satellites but also the advanced Multi-User communication payload, which will allow SAS to provide its services to significantly more customers compared to others in the market. As a result of the Tender and as part of our continued risk reduction strategy, we are continuing the Tender through to the Preliminary Design Review (PDR) stage. Upon completion of the PDR stage, the Company will be in a position to formally announce its selected manufacturing partner.

This strategy will ensure SAS has the system it needs with the highest possible performance and reliability, on schedule, and with significantly reduced process risks. Following the PDR, the program will continue with the production and launch of 16 commercial satellites. The goal is to launch the satellites by the end of calendar year 2022 / early 2023 and have commercial services fully operational, online, and generating revenue as early as the end of Q1 2023.

We will provide shareholders with continuous updates as the program progress through the design, testing, production and launch phases.

### **Ground Terminal Program**

To provide the advanced connectivity services to our customers, the Company has commenced the process for manufacturing the SAS ground terminal. The ground terminal is a multi-functional, cost-effective device, featuring plug and play features, and high reliability. Our goal is to have the ground terminals deployed "in the field" prior to the launch of the satellites, so that commercial services and revenues can begin without delay following launch.

### **Bespoke Communication Services**

Whilst SAS continues with its plan to deploy a global nanosatellite constellation for commercial connectivity services, the Company is also leveraging its assets and program to deliver Bespoke Satellite Communication Services. Teaming with government agencies and ministries, SAS has created a "full service" offering to government customers. The Bespoke Service will include a dedicated, tailor-made, space-based solution based on SAS' technology and complementing the Company's deployed commercial constellation.

### **Launch Services Agreements**

Running in parallel to the satellite and terminals program, SAS has commenced discussions with prospective launch services providers. Benefiting from the global decrease in launch costs and leveraging our existing contacts, the Company expects to have a cost-efficient launch agreement in place prior to delivery of the satellites. SAS is in discussion with key launch services providers and will provide updates when appropriate.

### **Mission on Track**

While it is important that we focus on specific milestones like the nanosatellite manufacturing, commercial agreements and launch plans, the Board of Directors would like to take this opportunity to thank SAS' team of engineers, space experts, programmers and product marketing specialists, whose accomplishments continue to position our world-class technology and commercial offering at the forefront of the global space industry.

The ongoing global COVID-19 pandemic presents additional challenges for all companies, including remote management, employment issues, supply chain schedules and technical monitoring of global development efforts. Your Board and Executive Team are working to continue to minimize any impact and mitigate risks, so that our commercial vision and objectives will be achieved on schedule whilst delivering the much-anticipated commercial outcome.

Thank you once again for your support and we look forward to providing further milestone updates as our mission continues.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Meir Moalem", is positioned above the printed name.

Meir Moalem

CEO

All company news and press releases are available at:

<https://skyandspace.co/index.php/news/>