



Taking IoT Further

# Annual REPORT



2021

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## ABOUT ASTROCAST

**"Astrocast delivers the most advanced Satellite IoT connectivity for customers looking to track, monitor, manage, and communicate with assets in remote regions of the world."**

Astrocast SA operates the most advanced global nanosatellite IoT network, offering services in industries such as Agriculture & Livestock, Maritime, and Environment & Utilities, to name a few.

The Astrocast network enables companies to monitor, track, and communicate with assets anywhere. It relies on a superior L-band spectrum through a strategic alliance with Thuraya. In partnership with Airbus, CEA/LETI and ESA Astrocast developed the Astronode S, an ultra-low power and miniaturized modem compatible with inexpensive L-band patch antennas.

Founded in 2014 by a renowned team of experts, Astrocast develops and tests all its products in-house, from the satellites to the communication modules.

## 2021 Events and Highlights

Launch of 10 commercial satellites



10 Major updates on the Astrocast portal  
[Read more on page 23](#)

Mass production preparation of our Astronode S



[Read more on page 17 and 19](#)

Founding Astrocast GmbH in Austria in June 2021

[Read more on note 1.3 of the Consolidated Financial Statements](#)



Employees growth

32% 

Increase compare to prior year 2020

[Read in which teams on page 8](#)

Launch of DevKit 1.0



[Learn more on page 17](#)

Cash and Equivalent

CHF 7.2 mio

position at the end of December 2021



Investments

CHF 10.4 mio

total during the year 2021



Financial round

\$40m 

Listing on Euronext Growth Oslo on 25<sup>th</sup> August 2021

[Read more on page 9](#)

Joined the Board of Directors



**Jan Evin Wang** and **Jon Cholak** join the BoD

[Meet them on page 11](#)

## Message from our CEO

The past year was very productive for Astrocast. We launched the first 10 satellites of our global IoT infrastructure with the support of our partners SpaceFlight and SpaceX. We took control and stabilized these satellites on their respective orbits and progressively brought them into operations. We validated and optimized our commercial IoT service that was then successfully activated in early 2022, embedding bidirectional communications and encrypted data transmission, two essential features to be successful in our industry. We finalized the industrialization process of our core product - the Astronode S - and prepared it for mass production with the assistance of our partners FLEX and CEA. The year 2021 was also marked by our successful listing on Euronext Growth Oslo on August 25<sup>th</sup>. These significant achievements allowed us to keep expanding our commercial traction with key customers.

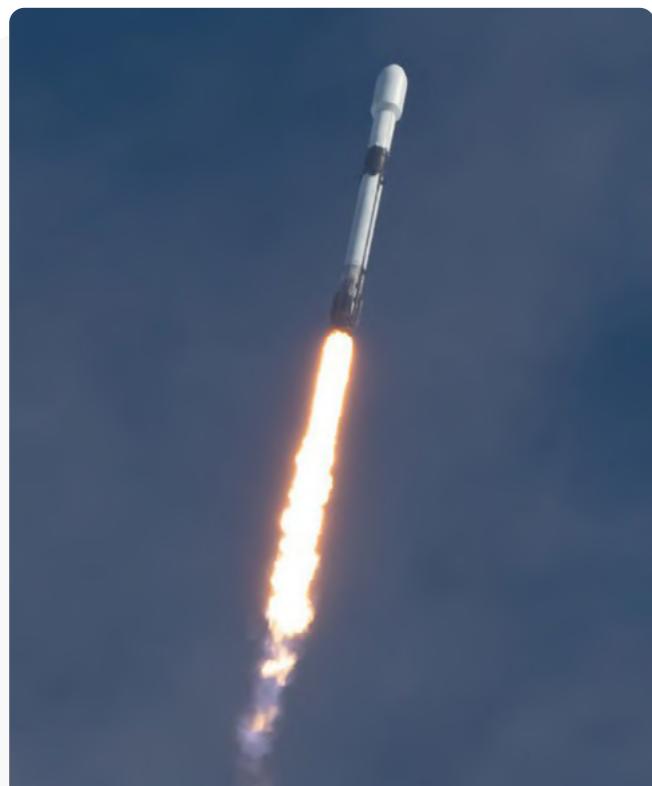


### Our vision

We believe in a connected world where IoT is global and benefits all. In 2021, we have demonstrated that this vision is technically achievable. We are now going to demonstrate that the business model supporting this vision is sound and represents a formidable opportunity.

The Astrocast network, which is an absolute game-changer in the world of "direct-to-satellite" IoT solutions, will allow us to capture significant value in a booming IoT industry.

It took more than five years of ground-breaking developments, and four flawless rocket launches to successfully deploy the existing network. We are now accelerating our deployment. Astrocast has the ambitions and the means to become a dominant player in the global satellite IoT market in the coming years.



### Why Astrocast?

About 85% of our planet's surface consists of remote areas where no terrestrial telecommunications networks are available. This reality is not likely to change with the emergence of 5G or even 6G networks. Rather, the actual coverage of cellular networks might stagnate or even decrease in some regions with the phase out of 2G and 3G networks. In all the vast unconnected regions of our planet, satellite telecommunications remain the only available option for connectivity. But isn't SpaceX (they own Starlink) solving this problem with their Starlink constellation? Can Astrocast really compete with the new mega-constellations? These questions were asked to me so many times last year that I decided to address them in my message for this 2021 Annual Report. Answering them will help better understand Astrocast's positioning and will also highlight the considerable opportunity that can be unlocked through our unique approach.

Starlink from SpaceX or Kuiper from Amazon are two of several massive satellite networks focused on the problem of global and affordable broadband connectivity. In short, a system like Starlink allows you

to browse the web on your computer from anywhere in the world using one of the most advanced satellite communication modules coupled with a Wi-Fi hotspot. As inspiring as they might be, these massive projects are requiring unprecedented funding - tens of billions of dollars - and they still have to demonstrate their financial viability and the product/market fit. In comparison with these gigantic projects, the Astrocast satellite network is undoubtedly much smaller and more limited in the range of services it can offer. Nonetheless, Astrocast solves a critical problem in these same remote areas, that is, how to provide global and affordable IoT connectivity. In short, Astrocast allows your IoT device to securely send and receive small data packets from anywhere using one of the smallest and most inexpensive satellite modems available on the market. This is an equally inspiring challenge and one that can be achieved with very low capex. While both problems may seem very similar, it is crucial to understand that they cannot be solved using the same infrastructure. Two very different technical solutions are required, using different spectrum bands, different satellites and different communication modules.

## A fast-growing and dedicated team

Astrocast's most valuable asset is its unique team of committed employees who share the same values, working every day to accomplish their objectives with the highest standard of quality and ethics. Our common mission is to "track assets, monitor the environment, and save lives by building and operating the most advanced and sustainable satellite IoT network." Since our inception we have always strived to hire the most talented and worthy individuals. Between January 1<sup>st</sup> and December 31<sup>st</sup> 2021, the Astrocast team grew from 56 to 74 members, mainly impacting the following teams.

### Network Operations

Commissioning the new satellites deployed in orbit, preparing them for commercial operations, performing detailed mission analysis and working on modeling our service performances-

### R&D

Designing, building and testing our nanosatellites, developing our next generation 6-unit satellite platforms, continuing to enhance our ground and space software infrastructure, as well as our core products, services and applications.

### IT

Continuously upgrading our IT and security infrastructure and answering the growing IT support needs of the company.

### Sales

Improving the sales strategy and progressively ramping up the sales effort with the addition of a new experienced VP of sales.

### Finance and Administration

Supporting the growth of the company and preparing our Direct Listing on Euronext Oslo.



## Direct Listing in Norway

2021 was also the year of our Direct Listing in Oslo. Our early achievements and the need for capital to support the next phase of our development prompted us to consider a listing of the company on the Euronext Growth Oslo. Once convinced of our ability to execute on this new strategy, we decided to move forward with the full support of our investors. Starting in March, we dedicated

a significant amount of time and resources to support the raise of a 40 million CHF private placement (388 million NOK) and the structuring of the Direct Listing, which attracted interest from a wide range of investors and provided a solid platform for growth and expansion. This was a remarkable effort and I would like to thank again the entire Astrocast team for the quality of their work!

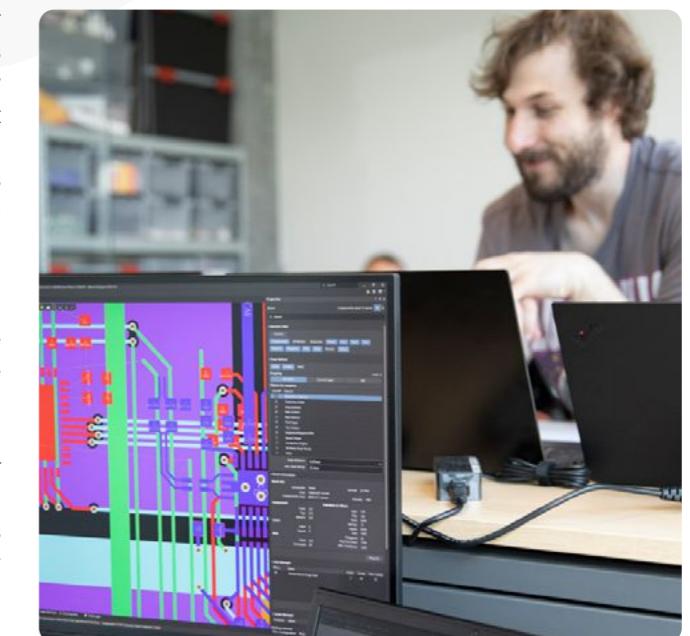


## Key ingredients for success

It is a real source of satisfaction to watch major customers progressively expanding their IoT strategies and envisioning novel business cases based on this new infrastructure that we have deployed. Indeed, Astrocast is offering entirely new perspectives to our customers. Going forward, the growth opportunities in the markets we are targeting are significant and we are very well positioned to take advantage of them.

A fine-tuned cooperation between our sales, marketing, customer support and regulatory teams as well as the smooth deployment of our next 30 satellites over the next 2 years should allow us to thrive in this fast-growing industry. We have set bold objectives; we have created a strong culture of support and innovation within our organization, and we are ready to expand our reach. Lastly, we are fortunate to benefit from the continuous support of our partners, suppliers and investors, key ingredients for future success!

**Fabien Jordan**  
Founder & CEO of Astrocast



## Management Team



**Fabien Jordan**  
**CEO/Founder**

15-year experience in the space business and space systems engineering. Fabien successfully positioned the first Swiss satellite operator as a front runner. Some of his work includes swisscube project and ESA ExoMars mission.



**Federico Belloni**  
**CTO/Founder**

10-year experience as a Space Systems Engineer in satellite and telecom Technologies. Some of his work at Swiss Space Center includes CHEOPS, CubETH, CleanSpaceOne, MicroThrust and SpaceCam projects.



**Kjell Karlsen**  
**Chief Finance Officer**

20+ years in the space industry, former President of Sea Launch AG, where he led its restructuring in 2010 and participated in 39 launches with a total payload value in excess of \$7 billion.



**Antonio Waller**  
**VP of Global Sales**

20 years of general sales, management, and business development experience with a focus on B2B technological sectors, IoT, Fleet Telematics, M2M and Telecoms (Orbcomm in particular).

## Board of Directors



**José Achache**  
**Chairman**

Former Director of Earth Observation Programs at ESA and Deputy Director General for Research and Technology at CNES.



**Fabien Jordan**  
**CEO/Founder & Board member**

15-year experience in the space business and space systems engineering. Fabien successfully positioned the first Swiss satellite operator as a front runner. Some of his work includes swisscube project and ESA ExoMars mission.



**Federico Belloni**  
**CTO/Founder & Board member**

10-year experience as a Space Systems Engineer in satellite and telecom Technologies. Some of his work at Swiss Space Center includes CHEOPS, CubETH, CleanSpaceOne, MicroThrust and SpaceCam projects.



**Yves Pillonel**  
**Board member**

More than 25 years of experience as Portfolio Manager and focusing on client acquisition at leading banks and private institutions including UBS and Pictet. Currently Senior VP Private Banking at Suntrust Investment



**Laurent Vieira de Mello**  
**Chief Operating Officer**

20 years in international program management and business development for satellite telecommunications and solution providers within SITA and ESA. With international background in the energy, aerospace and satellite sectors.



**Marcel Barat**  
**VP Customer Service and Network Operation**

30 years of senior management and customer service experience deploying and operating networks and services for Telecom Service Providers in addition to leading professional services for premium vendors.



**Jan Eiyin Wang**  
**Board member**

Joined Wilhelmsen in 1981 and currently holds the position as Executive Vice President New Energy. Has held several senior positions in Norway and abroad. Recently led the Edda Wind listing in Norway.



**Roland Loss**  
**Board member**

Extensive experience in satellite and telecom technologies having worked as COO and EVP of ITC Global, founder of NewSat Communications as well as Director at Verestar.



**Jon Cholak**  
**Board member**

Seasoned venture investor and software professional with over 15 years of industry experience. Currently serving as Managing Director of Adit Ventures.

## Shareholders

### Astrocast SA - 10 largest shareholders

Shareholder register at 31.12.2021\*

STAKEHOLDER	ISSUED (%)	ISSUED SHARES
Adit Ventures III, LLC	10,67%	4,233,190
Schroder & Co Banque SA	9,05%	3,590,800
Fabien Jordan	4,80%	1,903,366
Argenta AM	4,78%	1,897,541
Federico Belloni	4,30%	1,705,900
Julian Peter Harris	4,21%	1,670,500
Jean-Michel Jordan	4,16%	1,648,600
Bertil Chapuis	4,14%	1,640,500
Palantir	3,83%	1,520,366
Verve Investment Syndicates LLC	3,26%	1,292,400
<b>TOTAL TOP 10</b>	<b>49,95%</b>	<b>19,810,763</b>
Other Shareholders	50,05%	19,850,145
<b>TOTAL</b>		<b>39,660,908</b>

\* As far as can be ascertained from the information available, the main 10 shareholders of the Company's share capital as at December 31, 2021, are the following ones. The list below reflects the share capital immediately before the first trading day on Euronext Growth Oslo (August 25, 2021) and the transactions announced to the Company pursuant to the rules of Euronext Growth Oslo or otherwise, but does not take into account all transactions carried out after August 25, 2021.

### Astrocast SA - 10 largest VPS shareholders

VPS shareholder register at 31.12.2021

RANK	SHAREHOLDER	HOLDING	STAKE**	TYPE
1	JPMorgan Chase Bank, N.A., London	4,902,113	12,36%	Nominee
2	SIX SIS AG	3,593,031	9,06%	Nominee
3	BNP Paribas Securities Services	1,897,541	4,78%	Nominee
4	Interactive Brokers LLC	1,597,118	4,03%	Nominee
5	CACEIS Bank	666,666	1,68%	Nominee
6	UBS Switzerland AG	493,067	1,24%	Nominee
7	MP PENSJON PK	489,868	1,24%	Ordinary
8	CACEIS Bank	450,107	1,13%	Nominee
9	Banque Pictet & Cie SA	384,833	0,97%	Nominee
10	Banque Pictet & Cie SA	364,747	0,92%	Nominee
<b>TOTAL TOP 10 in VPS</b>		<b>14,839,091</b>	<b>37,41%</b>	
Nº of shareholders registered in the VPS		128		
Nº of shares registered in the VPS		16,203,091	40,85%	
<b>TOTAL ISSUED</b>		<b>39,660,908</b>	<b>100,00%</b>	

\*\*% of total number of outstanding shares

The VPS shareholders hold "VPS shares" which are book-entry securities based on the Swiss registered shares as underlying. The Swiss registered shares which are represented by VPS shares are held by the Norwegian Registrar (DNB Bank ASA) or a custodian acting on its behalf. As a result, the holders of VPS shares are as a rule considered as beneficial owners and not registered as shareholders in the share register held by the Company, subject to certain exceptions for investors holding their shares through SIS Nominee service.

Some of the shareholders set forth in the table above "Astrocast SA - 10 largest shareholders" held their shares via nominees registered in the VPS register. To that extent, they must be considered as beneficial owners rather than direct shareholders and their holdings will appear in both tables (Swiss shareholders and VPS register)



### Astrocast largest shareholder, Adit Ventures

Adit was founded in 2014 as an outgrowth of the private equity investment activities of Eric Munson, Adit's founder and CIO. In the past eight years Adit has evolved into an asset management firm run and owned by 17 employees in three offices across the U.S. Adit manages over \$550MM in assets while having returned over half that amount to our investor partners via thirteen liquidity events.

Adit seeks to invest in category-leading, growth companies that it believes can drive outsized returns through substantial revenue and valuation growth prior to a liquidity event. Adit aims to find investment opportunities that represent a 3-5x multiple return on invested capital over a five-year term. Adit's ability to source and offer these exclusive opportunities to our investor-partners stems from our team's 200+ years of investment experience, a lifelong appreciation of entrepreneurs, and a global network of trusted partners in the investment community.

We maintain a disciplined and fundamental investing style, leveraging our proprietary ten-step investment process to identify companies with large market opportunities, strong management teams, and significant revenue and cash

flow generation potential.

In making our investment decisions, we seek to capitalize on long-term secular trends and themes in the global economy where we see dynamic areas of growth. Not only do we believe these sectors provide the best opportunity for capital appreciation, but also that they enable us to hopefully make a positive impact on the world.

Adit targets companies that fall into the following themes: AI & Big Data, Cloud, Critical Infrastructure, Shared Economy, Cybersecurity, EdTech, FinTech, HealthTech, Internet of Things, New Media & Entertainment, the Metaverse, and Space.

#### ADIT VENTURES, LLC

Headquarters 1345 Avenue of the Americas, FL 33 New York, NY 10105



## Creating Values

At Astrocast, we take our values seriously, and we do our best to keep them present in everything we do for our customers, employees, partners, and products.

Our shared values influence our behavior and keep us honest in our decisions and actions.

We know where we come from and where we want to go. We work every day to accomplish our mission with the highest standard of quality and ethics.

- Agile
- Smart
- Team-oriented
- Respectful
- Open-minded

### MISSION

- We track assets, monitor the environment, and save lives by building and operating the most advanced and sustainable satellite IoT network.

### VISION

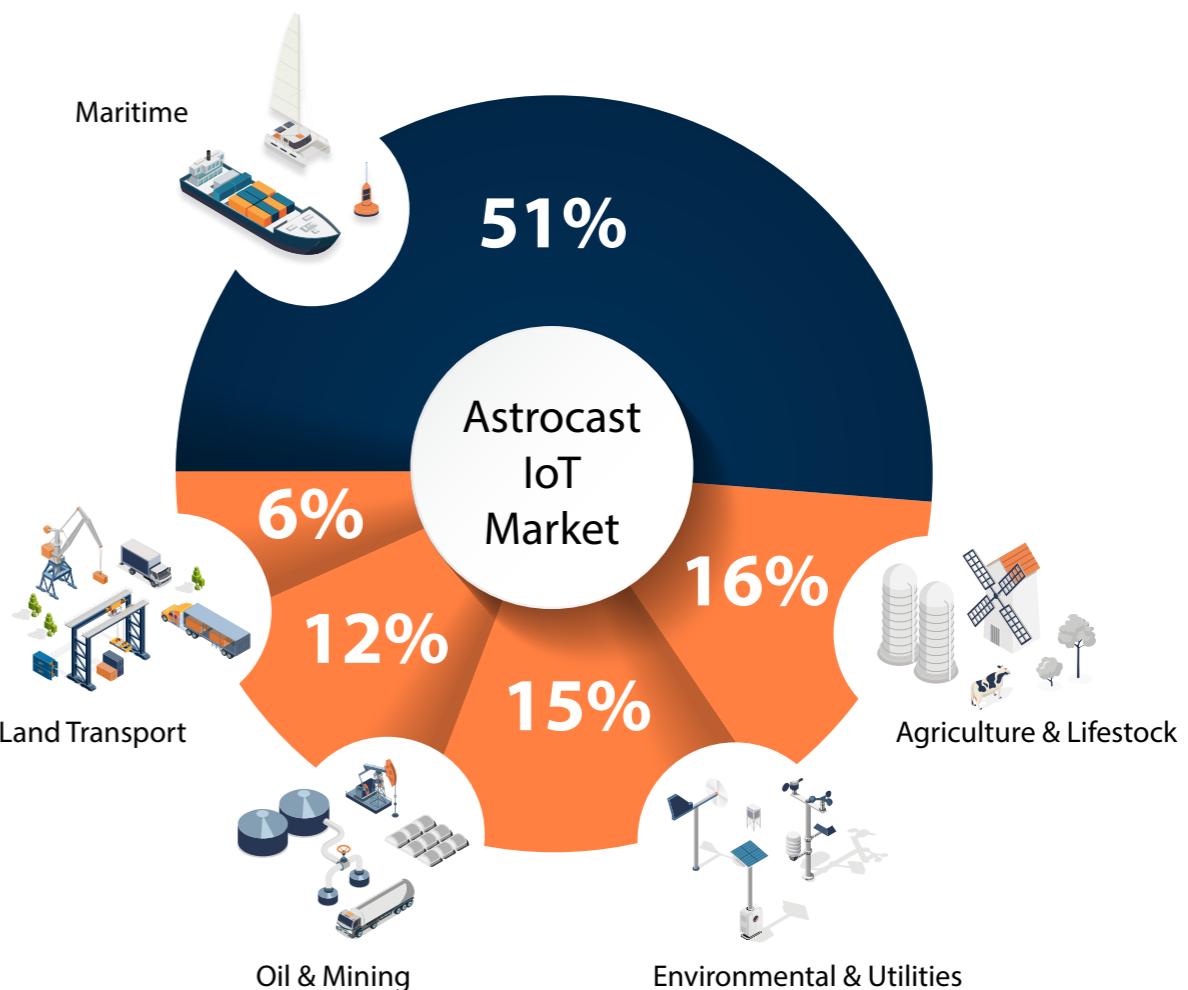
- We believe in a connected world where IoT is global and benefits all.



## Our Market

With an expected 30+ billion connected IoT devices by 2025, IoT is now a fundamental component of both government policy and corporate strategy. However, if operations within organisations are to harness the power and sophistication of IoT, connectivity must extend around the globe. Equally, IoT connectivity needs to be affordable and accessible – but the only alternative to wireless networks has been Satellite IoT (SatIoT), at a price point that has not traditionally been

justifiable by the vast majority of businesses or use cases until now. Systems integrators, VARs, and CIOs can now use Astrocast's cost-effective, bidirectional SatIoT service. Alongside reliable connectivity, our service enables operations teams within organisations to completely benefit from efficient technology planning, configuration, and implementation. Our dynamic, degressive and competitive data plans allow organisations to reap the benefits that IoT promises the world.



# Our products and services



## 1 Astronode S

The Astronode S is a satellite communication module, connecting your IoT devices to the Astrocast Nanosatellite Network. It enables the monitoring and control of devices with bidirectional satellite communication and up to 10 years lifetime off a single battery. The module features an SMT castellated pads form factor for trouble-free integration and soldering onto a PCB.

## 3 Patch Antenna

The Astronode Patch Antenna is a miniaturized antenna designed for communication with Astrocast's constellation of IoT satellites in LEO. The patch is manufactured on a high-permittivity ceramic substrate that results in a reduced antenna footprint, while maintaining good RF performance at the operating frequencies of the Astrocast network in L-band. The antenna's extremely low profile allows for a seamless placement and device integration. The antenna supports GNSS reception at the L1 band (1575 MHz).

## 5 Service

### PORTAL

The Astrocast Portal allows customers to manage their Astronode S modules and devices through a user-friendly web application. Customers can retrieve messages received from their assets and send commands back around the globe, access their account and data and grant additional access and permissions to other users.

### API

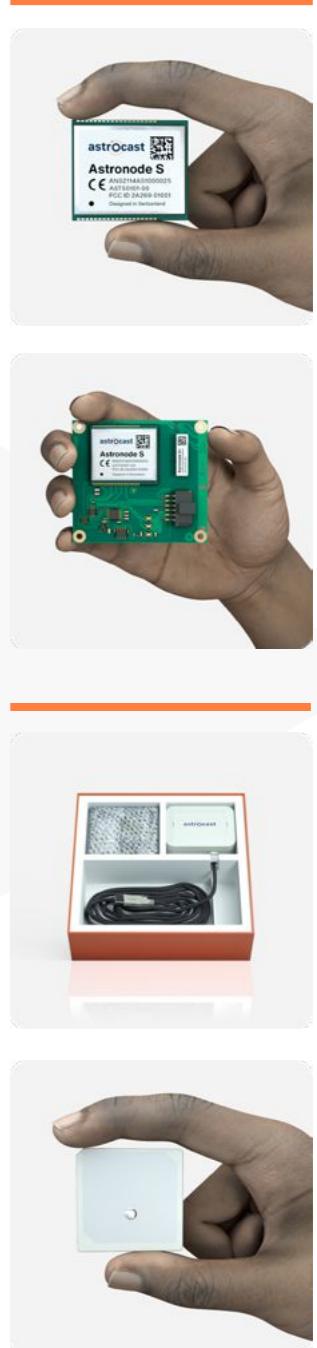
The Astrocast API allows customers to manage their Astronode S modules and devices, retrieve messages received from their assets, and send commands back, through a secure REST API built on standard JSON messages. Customers control access and permissions to their devices and data through access tokens.

## 2 Astronode S+

The Astronode S+ is a ready to install satellite communication device, based on an Astronode S and an Astronode Patch Antenna. It connects to your application via the full Astronode S digital interface or via RS232, both available on the industrial grade board-to-cable connector. The Astronode S+ integrates both new applications as well as existing retrofits or in the field applications. It comes in a small form factor enabling discrete installations. Minimum environmental protection against humidity and extreme temperatures must be provided for operation.

## 4 Astronode DevKit

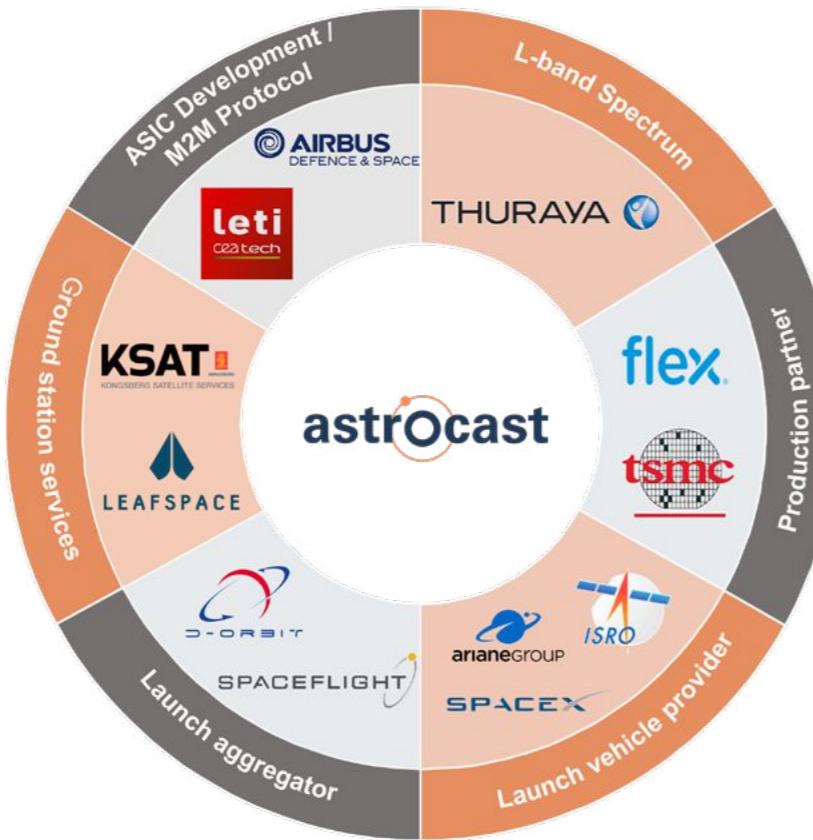
The Astronode DevKit has the Astronode S architecture at its core, enabling you to quickly and securely connect your assets to the Astrocast Nanosatellite Network. With the Astronode DevKit, you can easily connect and test in less than 24 hours. The Astronode DevKit includes a Satellite Board mounted in an IP67 housing by default and a WiFi Board for indoor simulation.



## Success through strong partnerships

Astrocast has prided itself to not only develop the best technology for IOT communication by attracting world class talented employees, but also partner with some of the greatest and most important aerospace companies in the world.

This will ensure that our goal of becoming one of the leading nanosatellite IOT providers will be realized. Below is a sample of some of the world class partners we work with daily and are happy to not just call partners but also friends!



**Airbus**, one of arguably the two largest aerospace companies in the world, has always been at the forefront of innovating new technologies with a pioneering spirit that has redefined the aerospace industry. Our partnership with Airbus has afforded Astrocast to access and co-develop an unrivaled L-band communications protocol for nanosatellites operating in low earth orbit.

**Thuraya**, the mobile satellite services subsidiary of the UAE based Al Yah Satellite Communications company (Yahsat) a public company and subsidiary of Mubadala Investment Company. Established in 1997, Thuraya is the UAE first home grown satellite operator and a market leader in L-band communications. The partnership with Thuraya has offered Astrocast unparalleled access to the optimal spectrum for IOT communications.

**KSAT**, a Norwegian company pioneering the ground segment business since 1968 and enjoying an unquestionable global leading position with a

commercial satellite center giving access to satellites anytime, anywhere. The partnership has ensured Astrocast that its satellites will never be out of reach or out of contact for the mission operations center or its customers.

**Flex**, with over 50 years of design and manufacturing leadership with cross industry and technology capabilities that help transform great ideas into incredible products. Our partnership with Flex has ensured that we will offer our customer a world class product that will enable secure and uninterrupted communication with the Astrocast satellites.

**Spaceflight**, a premier global launch services provider based in Seattle revolutionizing the business of space transportation through its comprehensive launch services and unprecedented flexibility. This flexibility is built on a long standing relationship with a diverse portfolio of launch providers allowing Astrocast to secure reliable options to get our satellites in orbit.

### Flex's collaboration with Astrocast

Flex delivers technology innovation, supply chain, and manufacturing solutions to various industries and end markets through the collective strength of a global workforce across 30 countries.

As part of an international high-tech group, Flex Althofen develops and produces electronic modules and devices for international customers in the medical, automotive and industrial sector.



*“From the first moment I got involved in the Astrocast project, I was intrigued by the concept of the product, the technology to build it and the potential this opportunity represents for Astrocast and Flex Althofen.*

*The collaboration between Astrocast and Flex goes beyond a mere business relationship: it is a partnership based on professionalism, transparency, shared values and objectives.*

*For me, Astrocast is an ideal partner, with whom this project becomes an extraordinary and enjoyable journey.”*

**Luca Filippi**  
Program Manager

## Our 2021 Roadmap

As a satellite telecommunication operator, at Astrocast we always need to work on different levels to offer the best service to our customers. The core of the service lies in its infrastructure, both on Earth -through the deployment of a wide network of ground stations- and space -through the manufacturing, launch and commissioning of the satellites. In 2021, we had two important milestones with the launch of the first two batches of commercial satellites, one in January onboard the SpaceX

Transporter-1 mission and another one in June onboard the SpaceX Transporter-2 mission. With a fully operational constellation, we then launched our commercial DevKit on 1<sup>st</sup> June, which quickly enabled the first customers to test the commercial constellation and start integration projects with our technology. In parallel, the Astronode S and S+ product development continued, eventually leading to pre-certification CE/FCC and launch of mass production towards the end of the year.



# Board of Directors' Report

Astrocast is a Swiss space telecommunication company that provides bi-directional IoT solutions to customers, on a global scale, using nanosatellites. Astrocast primary offer is the end-to-end delivery of data, through its proprietary hardware, software and customer portal. Our goal, in the longer term, is to offer our customers the capabilities to develop complete solutions for specific use cases and applications. Our vision is to be the natural go-to partner for all companies needing to remotely locate and/or monitor devices anywhere on Earth, be it connected vehicles, cattle, containers, machines or environmental sensors.

## Strategy and business activities

### Environmental responsibility

Astrocast's environmental responsibility goes far beyond our daily behavior and is actually at the heart of our business strategy. To begin with, we strive to ensure that the environmental footprint from our operations is as low as possible. It starts with a fully digitized way of working and low paper usage. It goes as far as ensuring that our satellites are actively deorbited when they are no more in use. This feature of our constellation required an extra mile in the design of the satellites to include autonomous propulsion, which provides collision-avoidance capability as well as end-of-life active deorbiting, both contributing to reducing orbital debris and space pollution.

Digitized operations reduce the need to travel for us. More impactful, Astrocast's IoT system and solutions have the goal to remove the need for our customers to travel to remote locations to retrieve information but rather to have the information travel to them, through the Astrocast

satellite network and delivered to them in digital form through our tailored API.

By providing our customers with the information they need from remote objects directly in their data base, we contribute to their own digitization. Furthermore, our solutions can be used for the predictive maintenance of assets and thus contribute to more sustainable operations. This will significantly lower the overall environmental footprint of their activities.

Ultimately, by providing data transmission from in-situ environmental sensors in oceans and remote areas anywhere on Earth, our goal is to position Astrocast as a critical capacity for understanding climate, biodiversity and other environmental changes. Indeed, if Earth observation satellites provide already a great deal of environmental measurements, these have to be complemented by in-situ measurements in order to properly model and predict climate change. Astrocast's strategy is to make it possible.

### Growth and deployment strategy

Astrocast has a clear growth strategy to continue to build its IoT nanosatellite constellation allowing low latency communications. Astrocast will grow organically by extending the capacity of the satellites through the development of new technologies, by offering more products and by adding new features to the user portal. The company will also continue to invest in expertise, possibly pursuing M&A opportunities to strengthen its leadership position. Over time, Astrocast will seek to extend its services to Region 2 covering the Americas.

In 2021, Astrocast launched its first 10 commercial satellites and opened market access in over 69 countries. Astrocast launched 2 batches of 5 satellites in January and June 2021, starting the operation of its commercial satellite network. On 25 August, the company was listed on Euronext Growth at Oslo Stock Exchange. Astrocast obtained pre-certification for its products and prepared their industrialization in collaboration with its production partner Flex to be ready for their commercial launch in 2022.

### Business activities

Astrocast's business model is to sell hardware and data plans, as well as providing consulting services to implement solutions to customer needs. Over time, revenues from data plans, i.e., recurring revenues, will represent an increasing share of the total revenue. Hundreds of leads were generated during the year, most of them through inbound marketing as well as trade shows. Of these, more than 30 were later qualified as relevant short to medium-term leads and converted into opportunities. Most of these opportunities were then converted into purchase orders for "Developer Programs" or "Partner Programs", allowing Astrocast to support these customers in the testing and integration phases of the Astrocast products and services into their devices and data platforms. Strategic MoUs were signed with a number of these entities. Most of the applications which we contributed to in 2021 were in the Maritime and Agriculture sectors. We also observed a significant engagement from large telecommunication companies such as Telefonica.

### Covid-19 impact on Astrocast

Astrocast was well prepared to deal with the Covid-19 situation and ensure business continuity and efficient operations throughout 2021. The company monitored the effect Covid-19 had on the macroeconomic development and the related risks for Astrocast's operations, employees, customers, and partners. As of March 2020, we managed to operate predominantly in remote mode by utilizing home office solutions. Furthermore, until March 2022 we restricted unnecessary physical meetings and limited travel. Market conditions were still affected by the Covid-19 pandemic but have improved since the first outbreak. The majority of Astrocast's customers have restarted operating normally, but we still observe longer lead time in the implementation of products.

### Chip shortage impact on Astrocast

Astrocast is working with Flex, the supplier and manufacturer of its modules, to minimize the impact of the global chip shortage. Currently, this shortage is having a moderate impact on the number of devices that have been produced. It is anticipated that even with the shortage, Astrocast should be able to meet the anticipated customer demand in 2022 and start generating revenue from its hardware sales.

In parallel, Astrocast has efficiently anticipated the needs for satellite components to ensure the delivery of the 10 satellites planned for 2022. To further anticipate, the company has started at the end of 2021 the procurement of all the components for the 20 satellites planned for 2023 to reduce the risk of possible delays caused by chip shortage.

### Research and development

Astrocast's R&D efforts are focused on the development of our solution, using our own resources and external development expertise. In 2021, Astrocast has capitalized personnel cost for an amount of CHF 3 million related to the development of the products and services.

In 2021 Astrocast deployed in production the first one-way service with fully satisfactory performances. This one-way service included acknowledgement. With the availability of the new version of Astrocast's custom ASIC, it has been possible to develop the first communication modules and devkits that have allowed the customers to test and use Astrocast's services.

This has been possible thanks to the launch of the first 10 commercial satellites, 5 in January and 5 in June. In collaboration with our partners KSat and Leaf Space, Astrocast has deployed a network of ground stations. This network has allowed us to establish more than 10'000 ground-station-to-satellite contacts.

Astrocast's portal, API and data management platform have seen a considerable number of improvements in terms of new functionalities, security, and reliability. Ten major updates of the system have been completed and released.

# Board of Directors' Report

## Financial review

### Income statement

2021 revenue amounted to CHF 1.1 million in comparison with CHF 0.52 million for 2020. In 2021, ESA Artes accounted for CHF 0.9 million of these revenues, whereas the Astropreneur program revenue accounted for CHF 0.09 million, the remaining revenues coming from another space program and sales of hardware outside the Astropreneur program.

The total cost for goods sold amounted to CHF 13.5 million, mostly consisting of operations licensing.

Total operational expenditure in 2021 was CHF 7.7 million. Salaries and personnel costs amounted to CHF 4.4 million, other operational costs were CHF 1.5 million and depreciations and amortizations CHF 1.8 million.

Operating loss for 2021 came to negative CHF 20 million.

The net financial result amounted to negative CHF 0.13 million in 2021.

Net loss was CHF 21.4 million for the full year 2021.

Extraordinary expenses amounted to CHF 1.2 million in 2021.

### Balance sheet

As of 31 December 2021, total assets were CHF 35.7 million.

Total tangible assets were CHF 6.8 million and intangible assets accounted for CHF 17 million as of 31 December 2021. Tangible assets include CHF 4.1 million of satellites in orbit, CHF 1.5 million of satellites under construction and CHF 1.2 million in facility installations, equipment, and fixtures.

Total receivables were CHF 0.8 million and total prepaid expenses were CHF 3.9 million as of 31 December 2021. Prepaid expenses include CHF 3.4 million of prepaid launches.

Total equity at the end of 2021 was CHF 24.5 million, corresponding to an equity ratio of 68.7%.

Non-current liabilities amounted to CHF 0.6 million and consists of the long-term part of the COVID loan.

Current liabilities of CHF 10.6 million as of 31 December 2021 mainly include trade account payables of CHF 3.4 million, accrued expenses of CHF 6 million, the short term part of the Covid loan and another loan for a total of CHF 0.55 million.

Total interest-bearing debt was CHF 1.3 million at the end of 2021.

### Cash flow

Astrocast had operational cash flow of negative CHF 14.4 million.

In addition to the negative results from the operations, the cash flow is impacted by investments in fixed assets, tangible (satellites manufacturing and launches) and intangible (internal and external R&D) of negative CHF 10.4 million.

Net cash flow from financing activities were CHF

31.6 million in 2021. This includes net proceeds from capital increase of CHF 21.2 million, convertible loan agreements of CHF 11.8 million and repayment of bank loans for CHF 1.4 million. All convertible loan agreements were converted in the financing round. There are no open convertible loan agreements at the end of 2021.

Cash and cash equivalents increased by CHF 6.8 million during 2021, to reach CHF 7.2 million as of 31 December 2021.

### Full year revenue

**CHF 1.1m**

in comparison to CHF 519 thousand for 2020

### Equity ratio

**68.7%**

at the end of 2020 the equity ratio was 41.5%

### Net loss

**CHF 21.4m**

for the full year 2021

### Net financing cash flow

**CHF 31.6m**

for the full year 2021

### Total assets

**CHF 35.7m**

as of 31 December 2021

### Cash and cash equivalents

**CHF 7.2m**

as of 31 December 2021

# Board of Directors' Report

## Going concern

Based on the aforementioned comments about Astrocast SA's accounts, the Board of Directors confirms that the annual financial statements for 2021 have been prepared on the basis of a going concern assumption, and that this assumption has been made in accordance with article 958a of the Swiss code of obligations.

The company will need to raise additional capital in order to continue its activities.

## Financial risk and risk management

The Group is exposed to risks from its use of financial instruments, including credit risk, liquidity risk and market risk. Credit risk is the risk that customers are unable to settle their obligations as they mature. All receivables are monitored closely, and any overdue receivables are followed up.

Liquidity risk arises from the necessity to raise additional capital while managing working capital and the finance charges and principal repayments on debt instruments. It is a risk that Astrocast will encounter if the company does not raise additional funds, generating difficulties in meeting its financial obligations as they fall due. The company's goal is to ensure that it will always have

sufficient cash to allow it to meet its liabilities when they become due as well as being able to take advantage of acquisition opportunities. The Finance department monitors liquidity flows in short-term and long-term reporting. In addition to a cash reserve of CHF 7.2 million on 31 December 2021, the Group has liquidity reserves available through credit facilities with its banking partners.

Market risk is the risk that the future cash flows will fluctuate because of changes in market prices. Market risk includes interest risk and currency risk. Financial instruments affected by market risk include deposits and debt.

## Transactions with related parties

Fabien Jordan, CEO and member of the Board of Astrocast SA also holds the company Astrocast US LLC, a payroll company in the USA. Trade between Astrocast and Astrocast US LLC is disclosed in Note 3.8 of the 2021 financial statements.

There were no other material transactions with related parties during the period.

## Outlook

Astrocast, its employees, partners, and investors continue to focus on executing on the company's plan for 2022. This includes, on the technological side, the delivery of our Astronode S telecommunication modules to our customers, the delivery and launch of 10 additional nanosatellites to supplement the existing constellation, the production of 20 nanosatellites to be launched in 2023, as well as research and development of the next generation satellites and our extended product portfolio.

From an operational and commercial standpoint, it includes unlocking landing rights and operational rights from additional countries on top of the 69 countries

already unlocked at end of 2021, extending our existing spectrum agreement, identifying additional markets where our IoT solution will enable new customers to access their assets in a more cost-effective way.

And last, but not least, it will require that we take care of our employees, giving them a strong feeling of ownership, a meaningful mission, a solid workplace, providing equal right opportunities, and empowering them to make the right decisions day after day. We pride ourselves for being the leading Swiss satellite operator, with global reach and solutions. As such, we are confident that Astrocast will continue to grow and become a market leader in a very exciting IoT space.

## Corporate social responsibility

Astrocast aims to be a responsible company which respects people, society, and the environment. At Astrocast, we actively work to create a safe working environment without harassment or discrimination. No accidents or incidents were reported in 2021. Astrocast's philosophy is to be an equal opportunity

employer, and we promote equal rights regardless of gender, gender identification or expression, ethnic identity, religion, or other beliefs, sexual-orientation or age. We permit no form of discrimination and work actively to promote diversity across the company and functions.

## Shareholder information

As of 31 December 2021, Astrocast had 39,660,908 shares outstanding, an increase of 39,426,433 shares in comparison to one year earlier. 23,213,025 of this total increase comes from the share split of existing shares and 16,213,408 are the result of the capital increase. At the end of 2021, Astrocast held 2,270,861 of its own shares. The shares have a par value of CHF 0.01.

The company's largest shareholder, ADIT Ventures III, LLC, held 10.67% of the shares at year end, with the 10 largest shareholders holding 50% of the shares outstanding.

The final price on Euronext Growth Oslo at the close of the year was NOK 48 per share. For detailed shareholder information, see section Shareholders in the annual report for 2021.

# Compensation Report 2021

This Compensation Report has been prepared in accordance with Swiss laws and regulations, including the requirements of the Ordinance against Excessive Compensation (**OaEC**), and also takes into account the recommendations set out in the Swiss Code of Best Practice for Corporate Governance of economie suisse. The Company's articles of association (the **Articles**), Board's organizational rules (**Organizational Rules**), and other internal rules and policies of Astroc SA (the **Company**) provide the basis for the principles of compensation.

## Compensation governance

The compensation governance of the Company is mainly comprised of three key bodies: (i) the board of directors (the **Board**) which ultimately decides on compensation-related matters, (ii) a compensation committee (the **Compensation Committee**) which advises the Board in compensation-related matters, and (iii) the Company's annual general meeting of shareholders (**AGM**) which approves the maximum aggregate amount of compensation of the Board for the period until the next AGM and the Senior Management for the subsequent financial year. The Articles and Organizational Rules describe and define the roles and responsibilities of these three bodies.

### Board of Directors

The Board has the overall responsibility of defining the compensation principles used within the Company and its subsidiary(ies) (the **Group**), based on a proposal of the Compensation Committee. The Board deals with compensation matters once a year. The Board approves the compensation of its Chairman, its members and the Senior Management. The aggregate compensation of the members of the Board and of the Senior Management is then subject to approval by the AGM.

### Compensation Committee

The Compensation Committee consists of two or three members of the Board, the majority of which must be independent and non-executive. The members of the Compensation Committee are elected annually and individually by the AGM for a one-year term which ends at completion of the next AGM. Members of the Compensation Committee whose term of office has expired are immediately eligible for re-election. The chairman of the Compensation Committee is appointed by the Board.

The Compensation Committee is currently composed of José Jérôme Achache (Chairman) and Jonathan Francis Cholak (Board Member) (2020: nil).

The Compensation Committee meets as often as business requires. The Compensation Committee was elected at the EGM held on 27.09.2021 and held 1 meeting in 2021.

The Compensation Committee assists the Board in the establishment and periodic review of the compensation strategy and guidelines as well as in the preparation of the proposals of the Board to the AGM regarding the compensation of the Board and the Senior Management. It has notably the following powers and duties:

- support the Board in establishing, reviewing and assessing on a regular basis the compensation system of the Company and the Group (including the management incentive plans) and to make proposals in connection thereto to the Board;
- recommend the terms of employment, in particular the compensation package, of the Senior Management and to make proposals in relation to the compensation of directors;
- review matters related to the compensation of other top managers, as well as the general employee compensation, benefit policies and HR practices of the Company;
- make recommendations on the grant of options or other securities under any incentive plan of the Company.

The Compensation Committee reports regularly to the Board on its findings and propose appropriate actions. The Board may assign additional duties in nomination and compensation matters to the Compensation Committee.

The Compensation Committee acts in an advisory capacity while the Board retains the decision authority on compensation matters, except for the maximum aggregate compensation amounts of the Board and of the Senior Management, which are subject to the approval of shareholders at the AGM.

### Annual General Meeting

Shareholders have a consultative vote on the prior year's Compensation Report at the AGM and a binding vote on the (i) maximum aggregate amount of the fixed compensation of the Board for the period until the next AGM and (ii) the maximum aggregate amount of fixed and variable compensation of the Senior Management for the following financial period (i.e. from January 1 to December 31 of the next financial year).

According to Article 19 of the Articles, approval of these proposals requires the positive vote of the absolute majority of the votes allocated to the shares represented (more than 50% of the share votes represented at the shareholders meeting).

The Board can submit to the approval of the AGM different or additional proposals covering the same period or different periods. The compensation is recorded applying the accrual principle.

In the event the AGM does not approve a proposal of the Board, the Board may immediately submit one or more amended proposals until approval is obtained or convene a new general meeting.

Notwithstanding the previously stated information, the Company or its subsidiary(ies) can pay compensations prior to the approval of the AGM, subject to the approval by the AGM.

## Board of Directors Compensation Principles

According to Article 35 of the Articles, the compensation of non-executive members of the Board consists of a fixed compensation, determined according to their function, responsibility and performance, and the compensation of executive members consists of a fixed compensation and may include variable compensation elements.

The fixed compensation comprises the base compensation and may include other compensation elements. Variable compensation may include both short and long term elements. The amount of the variable compensation may depend, inter alia, on the individual performance of the member concerned, the performance of the Company and/or of its Group, of certain business segments or the share price/value. Performance may be measured in absolute terms or according to relevant benchmarks. Total compensation shall take into account position and level of responsibility of the recipient.

The compensation may be paid, by the Company and/or its subsidiaries, in cash, shares, options and/or other

comparable instruments. The Board (or, if delegated, the Compensation Committee or any third party acting as Plan Administrator) determines the conditions of grant, vesting, exercise and forfeiture of such options, shares, or comparable instruments, as well as the restrictions of transfers and repurchase rights. Social security contributions, to the extent required by Swiss law, are accrued on the fixed and variable compensation of the Board.

The payments in cash are executed quarterly and grant of options yearly before the end of the term of office. From the date of exercising of the options, the shares have both voting and dividend rights.

In addition, the Company reimburses members of the Board for out-of-pocket expenses incurred in relation to their services on an on-going basis upon presentation of the corresponding receipts.

# Compensation Report

## Compensation of the Board in 2021

The total compensation of the Board for the financial year 2021 amounts to CHF 72 thousand (2020: nil). The 2021 compensation of the Board only consist in a fixed compensation paid in cash and related social insurances (where applicable).

The following table reflects the total compensation of the Board for the financial year 2021 (in thousands of CHF):

Name	Position	2021 Total	2021 Of Which Cash	2021 Social Insurance Contribution **	2020 Total	2020 Of Which Cash	2020 Social Insurance Contribution
José Achache	Chairman	40	40	-	-	-	-
Federico Belloni*	Member	-	-	-	-	-	-
Jon Cholak	Member	5	5	-	-	-	-
Fabien Jordan*	Member	-	-	-	-	-	-
Roland Loos	Member	10	10	-	-	-	-
Yves Pillonel	Member	12	10	2	-	-	-
Jan Eyun Wang	Member	5	5	-	-	-	-
<b>Total</b>		<b>72</b>	<b>70</b>	<b>2</b>	-	-	-

\* Fabien Jordan and Federico Belloni do not receive any Board Member compensation. Their compensation is detailed in Section Senior Management of the Compensation Report.

\*\* Social insurance contribution will be settled in the following fiscal year.

## Shareholding

The following table shows the shareholding of the Board members as of 31.12.2021 including information of the prior financial period. This table includes registered shares purchased privately as well as fully vested shares allocated in connection with the Company's incentive plan.

Name	Position	2021 Number of shares held	2020 Number of shares held **
José Achache	Chairman	700,100	700,100
Federico Belloni***	Member	-	-
Jon Cholak	Member	-	-
Fabien Jordan***	Member	-	-
Roland Loos	Member	712,000	712,000
Yves Pillonel *	Member	110,000	110,000
Jan Eyun Wang	Member	-	-

\* Yves Pillonel holds indirectly 50,000 Astrocast shares through Schroder & CO Banque SA included in the 110,000.

\*\* The figures are adapted to the numbers after the share split (1/100) that took place on 30.07.2021.

\*\*\* Fabien Jordan and Federico Belloni are employed by a group company. Their shares are detailed in Section Senior Management of the Compensation Report.

## Other audited information regarding the Board

### Loans and credit facilities

There were no outstanding loans and credit facilities granted by the Company or any of its group companies to members of the Board in 2021 (2020: idem).

### Compensation, loans and credit facilities for former members of the Board

There is no compensation conferred during 2021 neither loan nor credit facilities outstanding to former members of the Board on conditions other than the customary market conditions (2020: idem).

### Compensation, loans and credits to close associates

There is no compensation conferred during 2021 neither loan nor credit facilities outstanding to close associates to members of the Board and former members of the Board which on conditions other than the customary market conditions (2020: idem).

### No other compensation, loans or credit facilities

There were no other compensation, loans or credit facilities paid by the Company or any of its group companies to members of the Board in 2021 other than those disclosed in this Compensation Report.

## Senior Management Compensation Principles

According to Article 35 of the Articles, the compensation of the Senior Management consists of fixed elements and may include variable elements. The fixed compensation includes the annual base salary and can include other elements of compensation. The variable compensation may include both short and long-term elements, and is linked to performance measures (personal objectives, performance of the Company and/or of its Group, of certain business segments or the share price/value). The Board determines the performance measures and the target levels of the elements of variable compensation, as well as their fulfilment. The total compensation also takes into account the level of responsibility of the beneficiary. The compensation is accounted for using the accrual principle.

The compensation may be paid, by the Company and/or its subsidiaries, in cash, in shares, options and/or other comparable instruments. The Board (or, if delegated, the Compensation Committee) determines the conditions of grant, vesting, exercise and forfeiture of such options,

shares, or comparable instruments, as well as the restrictions of transfers and repurchase rights. Social security contributions, to the extent required by Swiss law, are accrued on the fixed and variable compensation of the members of the Senior Management.

The annual base salary is the main fixed component paid to the members of the Senior Management. Typically, it is paid in cash in twelve equal monthly instalments. The variable compensation is always paid in the following year, after the publication of the full year results.

According to Article 36 of the Articles, an additional amount of 40% of the total amount of compensation payable to the Senior Management that was last approved by the AGM for the relevant period is available for the member(s) of the Senior Management appointed after the AGM that voted on the total amount of compensation. This additional amount was not used in 2021.

## Compensation of the Senior Management in 2021

The total compensation of the Senior Management (including stock options, social insurance, pension contributions and others) for the financial year 2021 amounts to CHF 1.4 million (2020: 0.9 million). 39,200 stock options were granted to the Senior Management in 2021 (2020: 50,000 – considering the share split (1/100) that took place on the 30.07.2021). The highest compensation in 2021 was conferred to Fabien Jordan, CEO and Board member (2020: Kjell Karlsen, CFO).

(In thousands of CHF)	2021 Highest Compensation	2021 Other Members	2021 Total Senior Management	2020 Highest Compensation	2020 Other Members	2020 Total Senior Management
Annual base salary	223	748	971	168	605	773
Variable cash compensation	-	15	15	-	-	-
Stock options	72	175	247	-	50	50
Social insurance, pension contributions and others	22	101	123	24	87	111
<b>Total</b>	<b>317</b>	<b>1,039</b>	<b>1,356</b>	<b>192</b>	<b>742</b>	<b>934</b>

In 2021, the Senior Management received variable compensation of 2% in relation to the fixed compensation (2020: 0%).

# Compensation Report

## Shareholding

The following table shows the shareholding of the members of the Senior Management as of 31.12.2021 including information of the prior financial period. This table includes registered shares purchased privately as well as fully vested shares allocated in connection with the Company's employee stock option plan.

Name	Position	2021 Number of Shares Held	2021 Number of Options Held	2020 Number of Shares Held *	2020 Number of Options Held *
Fabien Jordan **	Chief Executive Officer	1,933,366	6,420	1,766,700	-
Antonio Waller	VP Sales	-	-	-	-
Federico Belloni **	Chief Technical Officer	1,721,700	5,462	1,721,700	-
Laurent Vieira de Mello	Chief Operating Officer	48,300	49,936	41,600	26,041
Kjell Karlsen **	Chief Financial Officer	505,200	5,462	505,200	-
Marcel Barat	VP Customer Success & Network Operations	-	28,125	-	15,625

\* The figures are adapted to the numbers after the share split (1/100) that took place on 30.07.2021.

\*\* Numbers above include the shares and options held by spouses of the Senior Management.

## Other audited information regarding the Senior Management

### Loans and credit facilities

There were no outstanding loans and credit facilities granted by the Company or any of its group companies to members of the Senior Management in 2021 (2020: idem).

### Compensation, loans and credit facilities for former members of the Senior Management

There is no compensation conferred during 2021 neither loan nor credit facilities outstanding to former members of the Senior Management on conditions other than the customary market conditions (2020: idem).

### Compensation, loans and credits to close associates

There is no compensation conferred during 2021 neither loan nor credit facilities outstanding to close associates to members of the Senior Management and former members of the Senior Management on conditions other than the customary market conditions (2020: idem).

### No other compensation, loans or credit facilities

There were no other compensation, loans or credit facilities paid by the Company or any of its group companies to members of the Board in 2021 other than those disclosed in this Compensation Report.

## Employee stock option plans (ESOP)

The Company has established two employee stock options plans, in 2018 (the 2018 ESOP) and 2021 (the 2021 ESOP).

The purpose of the ESOP is to provide employees, members of the Board, members of the Senior Management, members of the advisory board and/or consultants of the Company and/or its subsidiaries with an opportunity to benefit from the potential appreciation in the value of the Company's shares, thus providing an increased incentive for participants to contribute to the future success and prosperity of the Company, enhancing the value of the shares for the benefit of the shareholders of the Company and increasing the ability

of the Company to attract and retain individuals of exceptional skills.

The grant of options is at the discretion of the Board. Key factors considered by the Board in granting options are notably the seniority and individual performance. Each option granted gives the right to subscribe for or receive one common registered share of the Company of a nominal value of CHF 0.01. The strike price is determined by the Board.

The 2018 ESOP has been fully distributed and exercised. In 2021, a new stock option plan was implemented and 267,500 options were granted.

### The details of the ESOP is as follows:

Plan	Beneficiary / Grant Date	Number of Instruments / Exercise Price	Vesting Conditions	Exercise Date	Expiry Date
2018	Man./Emp./Cons. / 01.08.2018	884,900 * / 0.01 CHF	Direct vesting	Q3-4 2018	01.08.2028
2018	Management / 01.07.2019	360,000 * / 0.01 CHF	Direct vesting	Sep.-Oct.2019	01.07.2029
2018	Management / Q4 2019	100,000 * / 0.01 CHF	4 years/1 year cliff	Not exercised	10 years
2021	Man./Emp./Cons. 28.08.2021	1,552,500 / 0.01 CHF	4 years/1 year cliff **	December 2021 and yet TBD	10 years

\* The figures are adapted to the numbers after the share split (1/100) that took place on the 30.07.2021.

\*\* Vesting date starting at the date of the engagement agreement for employees that have not beneficiated from the 2018 ESOP and starting on the 01.01.2020 for those who have.

### The movements of share-based plans during 2020 and 2021 are the following:

Plan 2021/2018
Outstanding options at 01.01.2020 *
Granted during the year *
Outstanding options at 31.12.2020
Exercised during the year
Granted during the year
Forfeited options during the year **
Outstanding options at 31.12.2021

\* The figures are adapted to the numbers after the share split (1/100) that took place on the 30.07.2021.

\*\* 2018 options that were granted but not exercised were cancelled in 2021 due to the listing considering the 1/100 split of share nominal value, in favour of a new grant that occurred in 2022.



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## REPORT OF THE STATUTORY AUDITOR ON THE COMPENSATION REPORT

To the General Meeting of  
**Astrocast SA, Chavannes-près-Renens**

We have audited the compensation report (pages 28 to 33) of Astrocast SA for the year ended 31 December 2021. The audit was limited to the information provided under articles 14 - 16 of the Ordinance against Excessive Compensation with respect to Listed Stock Companies (the Ordinance).

### Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance against Excessive Compensation with respect to Listed Stock Companies. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

### Auditor's responsibility

Our responsibility is to express an opinion on the accompanying compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14 - 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14 - 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Opinion

In our opinion, the compensation report of Astrocast SA for the year ended 31 December 2021 complies with Swiss law and articles 14 - 16 of the Ordinance.

Lausanne, 12 May 2022

BDO SA



Nigel Le Maserier  
Licensed Audit Expert  
Auditor in Charge



Jürg Gehring  
Licensed Audit Expert

# Astrocast SA Statutory Financial Statements

## Income Statement for the year ended 31st December 2021

in thousand CHF	Note	Statutory income statement	
		2021	2020
Revenue		1,068	519
<b>Total operating income</b>		<b>1,068</b>	<b>519</b>
<b>Cost for material, goods, services, and energy</b>			
Operations licensing		(12,835)	(2,409)
M2M modules		(136)	(68)
Charges for ground segments		(438)	(127)
Laboratory and projects material		(41)	(9)
<b>Total cost of goods sold</b>		<b>(13,450)</b>	<b>(2,613)</b>
<b>Gross margin</b>		<b>(12,382)</b>	<b>(2,094)</b>
Personnel expenses	2.16/3.1	(4,384)	(1,526)
Operating expenses	2.15	(1,459)	(868)
Depreciation and amortization		(1,848)	(449)
<b>Total operational expenditure</b>		<b>(7,691)</b>	<b>(2,843)</b>
<b>Operating loss</b>		<b>(20,073)</b>	<b>(4,937)</b>
Financial result	2.18	(131)	36
Extraordinay expenses	2.17	(1,188)	-
<b>Net result for the period</b>		<b>(21,392)</b>	<b>(4,901)</b>

## Balance Sheet as of 31 December 2021

in thousand CHF	Note	Statutory balance sheet	
		12/31/2021	12/31/2020
Cash and cash equivalents	2.1	7,170	420
Trade receivables	2.2	24	-
Other receivables	2.3	821	80
Inventories and non-invoiced services	-	19	19
Prepaid expenses	2.4	572	4,083
Prepaid launches and insurance	2.5	3,350	4,038
<b>Total current assets</b>		<b>11,956</b>	<b>8,640</b>
Financial assets	2.6	5	5
Investment	2.6	39	-
Tangible assets	2.7	6,774	4,646
Intangible assets	2.8	16,957	10,651
<b>Total non-current assets</b>		<b>23,775</b>	<b>15,302</b>
<b>Total Assets</b>		<b>35,731</b>	<b>23,942</b>
Trade payables	2.9	3,449	7,580
Short-term interest-bearing liabilities	2.10	733	4,970
Other short-term liabilities	2.11	393	553
Accrued expenses	2.12	6,007	94
<b>Total short-term liabilities</b>		<b>10,582</b>	<b>13,197</b>
Long-term interest-bearing liabilities	2.13	600	800
<b>Total long-term liabilities</b>		<b>600</b>	<b>800</b>
<b>Total liabilities</b>		<b>11,182</b>	<b>13,997</b>
Share capital	2.14	397	234
Additional paid-in capital		53,180	17,324
Treasury shares		(23)	-
Accumulated losses		(29,005)	(7,613)
<b>Total equity</b>		<b>24,549</b>	<b>9,945</b>
<b>Total Liabilities and Equity</b>		<b>35,731</b>	<b>23,942</b>

## Cash Flow Statements for the year ended 31st December 2021

in thousand CHF	Note	Statutory cash flow statement	
		2021	2020
<b>Cash flow from operating activities</b>			
Loss before tax		(21,392)	(4,901)
Depreciation, amortization	2.7/2.8	1,848	449
Extraordinary depreciation related to prior years	2.17	132	-
Change in account receivable		(767)	(20)
Change in inventories		-	1
Change in accounts payable		(4,131)	1,166
Change in other accruals and prepayments		9,955	(2,626)
<b>Net cash flow from operating activities</b>		<b>(14,355)</b>	<b>(5,931)</b>
<b>Cash flow from investing activities</b>			
Investment in tangible and intangible assets	2.7/2.8	(10,414)	(4,184)
Investment in subsidiary	2.6	(39)	-
Increase of other financial asset		-	(3)
<b>Net cash flow from investing activities</b>		<b>(10,453)</b>	<b>(4,187)</b>
<b>Cash flow from financing activities</b>			
Increase in short-term interest-bearing liabilities	14	330	-
Decrease in short-term interest-bearing liabilities		(112)	-
Increase bank loans		-	2,000
Reimbursement bank loans		(1,400)	-
Convertible loan agreement*		11,808	2,940
Net proceeds from capital increase		21,248	4,648
<b>Net cash flow from financing activities</b>		<b>31,558</b>	<b>9,918</b>
<b>Net change in cash and cash equivalents</b>		<b>6,750</b>	<b>(200)</b>
Cash and cash equivalents at beginning of period		420	620
Cash and cash equivalents at end of period		7,170	420

\* The convertible loans were converted during the capital increase.

## 1. General information

### 1.1. Information about the company

Name	Chairman	Directors	Registered office
Astrocast SA	José Achache	Fabien Jordan, Federico Belloni, Roland Loos, Yves Pillonel	Chavannes-près-Renens, Switzerland

Listed	Listing date	Legal Entity	Auditors	Incorporation date
Euronext Growth Market at Oslo Bors	25 August 2021	Limited by shares	BDO Lausanne	1 October 2014

### Company objective

The company's purpose is to provide services and to sell products in the fields of systems engineering, electronic design and/or software development and all similar or convergent activities.

# Astrocast SA Statutory Financial Statements

## 1.2. Accounting principles

The financial statements of Astrocast SA are prepared in accordance with the provisions of Swiss Accounting Law (Section 32 of the Swiss Code of Obligations). They have been prepared on the going concern basis.

## 1.3. Accounting policies for balance sheet items

### Cash and cash equivalents

Cash and cash equivalents comprise cash at banks that can be withdrawn without notice. They are held to maturity and carried at fair value.

### Trade receivables, other receivables and non-invoiced services

Trade receivables are recognised once the company has the unconditional right to payment. Accounts receivables are initially recognized at the transaction value according to contractual terms and conditions. They do not carry any interest.

Subsequently, accounts receivables are measured at amortised cost which equals their transaction values less provision for impairment. For impairment of trade receivables, the company estimates expected lifetime credit losses that would typically be carried for each receivable based on the credit risk class upon the initial recognition of the receivables. Expected lifetime credit losses are estimated based on historical financial

information as well as forward-looking data. Additional provisions are recognised when specific circumstances or forward-looking information lead the company to believe that additional collectability risk exists with respect to customers that are not reflected in loss expectancy rates. The company writes off trade receivables when it has no reasonable expectation of recovery. The company evaluates the credit risk of its customers on an ongoing basis. Foreign currency revaluations and impairment losses are recognised in the income statement. On derecognition, gains and losses are recognised in the income statement.

### Prepaid expenses and prepaid launches

Prepayments represent expenditure booked during the financial year but relating to a subsequent financial year. The prepaid expenses include mainly Data R&D as well as rental of third-party satellite launch capacity. Prepaid expenses are recognised at cost which equals their transaction values less provision for impairment, if any.

### Tangible assets

Tangible assets are initially stated at acquisition cost. After initial recognition, the item is carried at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the gross amount over the useful life of the asset using the straight-line method. Normal annual use is reflected in the scheduled depreciation (see note 2.7).

Depreciation is recognized over the tangible assets' useful lives on the following bases:

Category	Useful life
Equipment	5 years
Facility installations	8 years
Satellites on ground and under construction	not depreciated
Demonstration satellites in orbit	4 years
Commercial satellites in orbit	5 years

Depreciation begins when the asset is available for use, i.e. regardless of whether the asset is effectively used or not. Equally, depreciation is not suspended merely because the asset is temporarily unused. Depreciation of satellites begins as soon as they are in orbit.

### Intangible assets

Intangible assets are measured initially at cost. For the subsequent measurement, intangible assets are measured using the cost model, i.e. at cost of acquisition or production less amortization and impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives.

Useful lives are set individually for each asset and fall within the following ranges:

Category	Useful life
Communication protocol	5 years
Technology and chips	5 years
Data	5 years
Modules, satellites, and ground segment	5 years

Amortization begins when the asset is available for use, i.e. regardless of whether the intangible asset is effectively used or not. Equally, amortization is not suspended merely because the intangible asset is temporarily unused.

### Trade accounts payable

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

### Short-term and long-term interest-bearing liabilities

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost.

### Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as financial income or financial expense, respectively.

### Leases

Leasing and rental contracts are recognized based on legal ownership. Therefore, any leasing or rental expenses are recognized as expenses in the period they are incurred; however, the leased or rented objects themselves are not recognized in the balance sheet.

## 1.4. Reclassification

Internal engineers labour costs were previously capitalized as intangible assets. The Board of Directors has recognized that the hours performed by the engineers on manufacturing of satellites should be allocated to tangible assets.

In thousand CHF	Reported	Reclassification fixed assets	Reclassified
Balance at 31st December 2020			
<b>Non-current assets</b>			
Tangible assets	3,899	747	4,646
Intangible assets	11,398	(747)	10,651

# Astrocast SA Statutory Financial Statements

## 2. Notes to the financial statements

### 2.1. Cash and cash equivalents

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Post account	7	8
Bank accounts	7,163	412
Cash and cash equivalents	7,170	420

### 2.2. Trade receivables

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Receivables towards third parties	18	-
Receivables from Group company	6	-
Trade receivables	24	-

### 2.3. Other receivables

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Advance to suppliers	709	-
VAT receivables	80	73
Other receivables from employees	32	7
Other receivables	821	80

Advance to suppliers down payments correspond to prepayments for the material to produce modules.

### 2.4. Prepaid expenses

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Prepaid expenses	572	4,083
Prepaid expenses	572	4,083

### 2.5. Prepaid launches and insurance

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Insurance for launch	-	6
1 <sup>st</sup> Orbital Plan	-	1,200
2 <sup>nd</sup> Orbital Plan	-	697
3 <sup>rd</sup> Orbital Plan	1,659	337
4 <sup>th</sup> Orbital Plan	5	5
5 <sup>th</sup> Orbital Plan	1,475	1,572
6 <sup>th</sup> Orbital Plan	211	221
Prepaid launches and insurance	3,350	4,038

There is one account (Orbital plan) for each reservation of launch capacity for our satellites on a specific launch vehicle.

### 2.6 Financial assets and investment

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Rent deposit	5	5
Financial assets	5	5

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Investment in subsidiary	39	-
Investment	39	-

The investment in subsidiary refers to the share capital of the newly founded Astrocast Austria GmbH, Vienna, Austria. Astrocast Austria GmbH, Vienna, Austria was founded during the financial year 2021 and is fully owned by Astrocast SA. Astrocast SA holds 100% of the voting rights of Astrocast GmbH. The company objective of Astrocast GmbH is the operation and offer of satellite-based public communication networks and services.

### 2.7 Tangible assets

in thousand CHF	Equipment	Facility installations	Satellites on ground and under construction	Demonstration satellites in orbit	Commercial satellites in orbit	Total
<b>Cost</b>						
Balance at 1 <sup>st</sup> January 2020	245	473	1,545	1,382	-	3,645
Additions	178	833	356	-	-	1,367
Reclassification	-	-	465	282	-	747
Balance at 1 <sup>st</sup> January 2021	423	1,306	2,366	1,664	-	5,759
Additions	146	54	1,008	-	2,900	4,108
Reclassification	-	-	(1,914)	-	1,914	-
Balance at 31 <sup>st</sup> December 2021	569	1,360	1,460	1,664	4,814	9,867
<b>Accumulated depreciation</b>						
Balance at 1 <sup>st</sup> January 2020	153	167	-	334	-	664
Depreciation for the year	18	86	-	355	-	449
Balance at 1 <sup>st</sup> January 2021	171	253	-	689	-	1,113
Depreciation for the year	104	174	-	549	727	1,422
Impairment for the year	-	-	-	426	-	426
Extraordinary depreciation related to prior years	-	-	-	132	-	132
Balance at 31 <sup>st</sup> December 2021	275	427	-	1,664	727	3,093
<b>Carrying amount - in thousand CHF</b>						
31 <sup>st</sup> December 2020	252	1,053	2,366	975	-	4,646
31 <sup>st</sup> December 2021	294	933	1,460	-	4,087	6,774

The company carried out the depreciation of the satellites in respect with the useful life of the satellites:

- Demonstration satellites were fully depreciated in 2021 for an amount of CHF 975k (2020: depreciation of CHF 345k).
- Commercial satellites have a 5-year life expectancy and the depreciation starts from the month of the launch and represents an expense of CHF 727k for 2021 (2020: nil).

# Astrocast SA Statutory Financial Statements

## 2.8. Intangible assets

in thousand CHF	Communication protocol	Chips and technology	Data	Modules	Satellites	Network and ground segment	Total
<b>Cost</b>							
Balance at 1 <sup>st</sup> January 2020	1,635	1,346	779	1,205	2,443	1,173	8,581
Additions	438	746	448	939	1,016	649	4,236
Write-off	(1,419)	-	-	-	-	-	(1,419)
Reclassification	-	-	-	(59)	(655)	(33)	(747)
Balance at 1 <sup>st</sup> January 2021	654	2,092	1,227	2,085	2,804	1,789	10,651
Additions	2,912	892	780	669	455	598	6,306
Balance at 31 <sup>st</sup> December 2021	3,566	2,984	2,007	2,754	3,259	2,387	16,957
<b>Carrying amount - in thousand</b>							
31 <sup>st</sup> December 2020	654	2,092	1,227	2,085	2,804	1,789	10,651
31 <sup>st</sup> December 2021	3,566	2,984	2,007	2,754	3,259	2,387	16,957

Intangible assets increased mainly based on internal developments with capitalized personnel costs of CHF 3 million (2020: CHF 3.1 million) and other intangible assets acquired from third parties in the course of the development of Astrocast's business. The write-off recorded in 2020 of CHF 1.4 million was related to a new payment plan with a supplier, which led to deferred acquisition costs.

## 2.9. Trade payables

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Payables towards third parties	3,405	7,579
Advance from customers	44	1
Trade payables	3,449	7,580

## 2.10. Short-term interest-bearing liabilities

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Third parties	433	2,028
Shareholders	300	2,942
Short-term interest-bearing liabilities	733	4,970

Short-term interest-bearing liabilities were reduced due to the reimbursement of bank loans following the equity financing round.

## 2.11. Other short-term liabilities

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Employees and social charges	373	458
Tax at source	20	95
Other short-term liabilities	393	553

## 2.12. Accrued expenses

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Spectrum leasing accrual	4,792	-
Other accrued expenses	1,215	94
Accrued expenses	6,007	94

Other elements are stamp-tax payables on the 2021 financing round and accruals for overtime and holidays.

## 2.13. Long-term interest-bearing liabilities

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Covid loan	600	800
Long-term interest-bearing liabilities	600	800

To guarantee a sufficient level of cash and cash equivalents, Astrocast SA has taken a COVID-19 guaranteed loan for a total amount of CHF 1 million. The total amount of the loan was granted at an interest rate of 0.5%. Based on decisions of the Swiss Federal finance department, the interest conditions can be adapted to market developments on 31 March once a year. The duration of the loan was 60 months in total with a quarterly limit reduction of CHF 50,000 beginning 31

March 2021. Accordingly, the loan maturity is below five years.

During the period of use of the COVID-19 credit, the company is not allowed to pay dividends, and it cannot reimburse capital contributions. In addition, there are other restrictions on granting and repaying loans to group companies and shareholders.

## 2.14. Share capital

On 30 July 2021, Astrocast SA carried out a share split (each share of CHF 1 being replaced by 100 shares of a nominal value of CHF 0.01), the conversion of all preferred shares into common shares and a capital increase of CHF 162,134.08 from CHF 234,475.00 to CHF 396,609.08 through the issuance of 16,213,408 new shares with a nominal value of CHF 0.01 each. The share capital as at 31 December 2021 amounted to CHF 396,609.08 divided into 39,660,908 registered shares with a nominal value of CHF 0.01 each, fully paid-up.

In accordance with the articles of association, the Board of Directors is authorised to increase the share capital as follows as per 31 December 2021:

- Authorized share capital of 11,723,750 registered shares.

Further, the share capital may be increased as follows:

- Conditional share capital for the ESOP of 1,552,500 registered shares.
- Conditional share capital for loans with conversion rights or option rights and other financial instruments of 10,171,250 registered shares.

# Astrocast SA Statutory Financial Statements

## 2.15. Operating expenses

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Rental and facility expenses	352	281
Insurance	142	14
Energy and waste disposal	39	8
Administration and IT expenses*	538	384
Travel and advertising	322	121
Other operational costs	66	60
Operating expenses	1,459	868

\* Of which audit fees as stated in Note 3.7.

## 2.16. Personnel expenses

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Personnel expenses	5,622	3,442
Social charges	808	516
Third party expenses	829	612
Other personnel expenses	158	85
Capitalization of internally generated cost	(3,033)	(3,129)
Personnel expenses	4,384	1,526

## 2.17. Extraordinary Expenses

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Reduction capitalization before 2018	186	-
Reduction capitalization 2018	216	-
Reduction capitalization 2019	341	-
Reduction capitalization 2020	313	-
Labour cost depreciation 2018	2	-
Labour cost depreciation 2019	60	-
Labour cost depreciation 2020	70	-
Extraordinary expenses	1,188	-

In connection with the preparation of the Company financial statements as of and for the year ended 31 December 2021, the Company determined that certain personnel expenses that were capitalized in intangible assets for prior years should be expensed.

Accordingly, and because prior financial statements had already been approved by the Company's shareholders meeting when this determination was made, extraordinary expenses include the reduction of previous capitalizations of labour costs for development projects. Extraordinary expenses also include additional depreciation of reclassified labour cost. The net effect of these corrections to Astrocast's income statement amounts to zero over the years as outlined on the following page.

in thousand CHF	Statutory			
	2021	2020	2019	2018 and before
Net result	(21,392)	(4,901)	(1,046)	
Reduction capitalization	1,056	(313)	(341)	(402)
Labour cost depreciation	132	(70)	(60)	(2)
Adjusted net result	(20,204)	(5,284)	(1,447)	

in thousand CHF	Statutory			
	31/12/2021	31/12/2020	31/12/2019	31/12/2018
Equity	24,548	9,945	10,199	
Accumulated losses	(1,188)	(805)	(404)	(186)
Net result	1,188	(383)	(401)	(218)
Adjusted equity	24,548	8,757	9,394	

## 2.18. Financial result

in thousand CHF	Statutory	
	12/31/2021	12/31/2020
Net foreign exchange gain	411	142
Interest expenses	(530)	(104)
Bank fees	(11)	(4)
Others	(1)	2
Financial result	(131)	36

## 3. Other disclosures

### 3.1. Number of employees

Average of full-time employees over period

**2021** 53 **2020** 39

### 3.2. Pension fund

Liabilities relating to pension fund (included in the recognized liabilities)

**2021** 127,631 **2020** 128,106

### 3.3. Significant shareholders

The company is aware of the following shareholders holding more than five percent of the voting rights (based on the share capital registered in the commercial register) as of 31 December 2021. See Section Shareholders for more details.

# Astrocast SA Statutory Financial Statements

Shareholder	Registered shares 12/31/2021
Adit Ventures III, LLC	10.67%
Schroder & Co Banque SA	9.05%

## 3.4. Treasury shares

Treasury shares held by the company:

	Number of shares	Price per share in CHF	Value of treasury shares in CHF
January 1, 2021	-	-	-
Acquisition	2,270,861	0.01	22,709
December 31, 2021	2,270,861		22,709

## 3.5. Lease obligations

The maturity of leasing obligations which have a residual term of more than twelve months, or which cannot be cancelled within the next twelve months are as follows:

in thousand CHF	2021	2020
Up to 1 year	269	269
1-5 years	990	990
More than 5 years	3,148	3,395
Total	4,407	4,654

The lease obligations correspond mainly to the long-term rental contract for the office and operational space with a lease term until 2039.

## 3.6. Shares allocated to the Board of Directors, Executive Board and Employees

In the year 2021, participation rights were allocated to members of the Board of Directors and employees as follows:

ESOP 2021	Number of options	Price per option in CHF	Value of options in CHF
Allocated to the Executive Board*	39,200	6.28	246,176
Allocated to Employees	228,300	6.28	1,433,724
Total	267,500		1,679,900

\* In 2020, only one Executive Board Member received 50,000 options with a price per option of CHF 0.01 (numbers adapted to the share split 1 to 100 that took place on the 30.07.2021).

The following table shows the shareholding of the Board members as of 31.12.2021 including information of the prior financial period. This table includes registered shares purchased privately as well as fully vested shares allocated in connection with the Company's incentive plan.

Name	Position	2021 Number of shares held	2020 Number of shares held **
José Achache	Chairman	700,100	700,100
Federico Belloni***	Member	-	-
Jon Cholak	Member	-	-
Fabien Jordan***	Member	-	-
Roland Loos	Member	712,000	712,000
Yves Pillonel *	Member	110,000	110,000
Jan Eyun Wang	Member	-	-

\* Yves Pillonel holds indirectly 50,000 Astrocast shares through Schroder & CO Banque SA included in the 110,000.

\*\* The figures are adapted to the numbers after the share split (1/100) that took place on 30.07.2021.

\*\*\* Fabien Jordan and Federico Belloni are employed by a group company. Their shares are detailed in Section Senior Management of the Compensation Report.

The following table shows the shareholding of the members of the Senior Management as of 31.12.2021 including information of the prior financial period. This table includes registered shares purchased privately as well as fully vested shares allocated in connection with the Company's employee stock option plan.

Name	Position	2021 Number of Shares Held	2021 Number of Options Held	2020 Number of Shares Held *	2020 Number of Options Held *
Fabien Jordan **	Chief Executive Officer	1,933,366	6,420	1,766,700	-
Antonio Waller	VP Sales	-	-	-	-
Federico Belloni **	Chief Technical Officer	1,721,700	5,462	1,721,700	-
Laurent Vieira de Mello	Chief Operating Officer	48,300	49,936	41,600	26,041
Kjell Karlsen **	Chief Financial Officer	505,200	5,462	505,200	-
Marcel Barat	VP Customer Success & Network Operations	-	28,125	-	15,625

\* The figures are adapted to the numbers after the share split (1/100) that took place on 30.07.2021.

\*\* Numbers above include the shares and options held by spouses of the Senior Management.

## 3.7 Audit fees

in thousand CHF	Consolidated 12/31/2021	12/31/2020
Audit services (stand-alone financial statements, consolidated financial statements and compensation report)	54	15
Other services	1	-
Total audit fees	55	15

For the financial year 2021, the fees for audit-related services amounted to CHF 54 thousand and for other services billed by auditors.

### 3.8. Related parties

The related parties consist primarily of members of the Board of Directors and the Executive Board, and companies under their control. Information on the allocation of shares to the Board of Directors and the Executive Board is disclosed in detail in note 3.6. Shareholdings by the Board of Directors and the Executive Board are disclosed in the Compensation Report.

In 2021, Astrocast SA conducted business with Astrocast US LLC. The company is under control of a Board

member and serves as a payroll company for Astrocast in the USA. As per 31 December 2021, the parties did not have any outstanding positions (2020: CHF 112k).

As of 31 December 2021, no other material transactions were conducted, and no receivables or liabilities were outstanding towards other related parties or associated companies. All business relations with related parties are conducted at arm's length. No unusual transactions were affected with either the main shareholders or other related parties.

### 3.9. Going concern

Astrocast SA incurred a net loss of CHF 21.4 million for 2021, which led to a total equity of CHF 24.5 million as per 31 December 2021. The company is still in the ramp-up phase and accordingly has not reached a positive operating result yet.

The 2021 annual financial statements show a situation of loss of capital within the meaning of art. 725 (1) of the Swiss code of obligations (CO). The restructuring measures to address this situation of loss of capital are mainly to continue to pursue the current capital raise (Cosmos II) as well as to raise debt financing.

To ensure the further growth of the business, in the first quarter of 2022, the Board of directors and management of Astrocast decided to raise the necessary capital (EUR 60-80 million) by a dual listing on the Euronext Growth Paris. The Company's plan is to further develop its satellite network. For 2022, the cash needs are estimated at CHF

43 million and should be covered by a capital increase of EUR 60-80 million and a debt financing of CHF 8 million. The Board of directors reviews the results of the Company on a quarterly basis and ensures that the Company has the necessary means to continue its growth activities.

The Board of directors is confident that the financing of the Company will be insured for at least the next twelve months. Accordingly, the financial statements were prepared on a going concern basis.

Should the Company not succeed in attracting additional funding in the future, it may be unable to realize its assets and discharge its liabilities in the normal course of business. As a consequence, the liquidity of the Company over the next twelve months might be seriously negatively impacted. Thus, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

### 3.10. Significant events after the balance sheet date

There were no significant events after the balance sheet date. The Russia/Ukraine conflict did not have an effect on Astrocast's activities as the Company neither had any launches on Russian launch platforms in the past nor any future launches on Russian launch vehicles.



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#### Statutory Auditor's Report

To the General Meeting of  
Astrocast SA, Chavannes-près-Renens

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of Astrocast SA, which comprise the balance sheet as at 31 December 2021 and the income statement, cash flow statement and notes for the year then ended, including a summary of significant accounting policies

In our opinion, the financial statements (pages 36 to 48) as at 31 December 2021 comply with Swiss law and the company's articles of incorporation.

##### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Emphasis of Matter

We draw attention to Note 3.9 to the financial statements, in which the Board of Directors mentions the importance of attracting additional funding in order to be able to continue as a going concern. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

##### Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How our audit addressed the key audit matter
------------------	--

**Accounting and valuation for capitalised expenditure of satellites**

The Company capitalised significant internal labour costs and external costs in respect of the construction of its satellite constellation.

This is a significant focus point of our audit to ascertain whether costs which do not meet the criteria for capitalisation, in accordance with the requirements of Swiss law and the Company's accounting policy, are inappropriately recorded on the balance sheet rather than expensed or that costs continue to be held on the balance sheet despite no longer meeting the relevant capitalisation criteria.

The satellites are presented at cost less accumulated depreciation and impairment losses. The existence of a potential value adjustment indicator would require the recognition of an impairment loss in addition to the actual depreciation plan.

The Company's policy on the capitalisation of tangible assets is included in note 1.3 to the financial statements.

As shown in note 2.7 to the financial statements, the satellites represent a total amount of CHF 5.5m (2020: CHF 3.3m) in the balance sheet of which CHF 1.5m (2020: CHF 2.4m) relates to assets under construction. This represents 16% (2020: 14%) of the assets of the Company.

We evaluated the design and implementation of controls in respect of the capitalisation of external costs and internal labour costs.

We have met the project manager to corroborate the project status and feasibility of completion. Further, we confirmed on the basis of the weekly report from the Swiss Government that the satellites are effectively in orbit.

We have carried out sample-based testing in relation to each element of capitalised costs including inspecting supporting evidence for a sample of the costs capitalised, understanding the nature of these costs, and considering whether they meet the capitalisation requirements of Swiss law and the Company's accounting policy.

We reviewed the reclassification of past labour costs from intangible assets, and if the reclassified costs meet the recognition criteria of tangible assets.

For a sample of assets which entered service in the period we inspected supporting evidence to determine whether depreciation commenced appropriately in accordance with Swiss law and the Company's accounting policy.

We assessed if any value adjustment indicator has occurred that would have required a revision of the depreciation plan or the recognition of an impairment loss.

We have also assessed the adequacy of disclosures and classification in relation with the satellites.



Key Audit Matter	How our audit addressed the key audit matter
------------------	--

**Accounting and valuation for capitalised expenditure of intangible assets**

The Company capitalised significant internal labour costs and external costs in respect of the developments of its intangible assets.

This is a significant focus point of our audit to ascertain whether costs which do not meet the criteria for capitalisation, in accordance with the requirements of Swiss law and the Company's accounting policy, are inappropriately recorded on the balance sheet rather than expensed or that costs continue to be held on the balance sheet despite no longer meeting the relevant capitalisation criteria.

The intangible assets are presented at cost less accumulated amortisation and impairment losses. The existence of a potential value adjustment indicator would require the recognition of an impairment loss in addition to the actual amortisation plan.

The Company's policy on the capitalisation of intangible assets is included in note 1.3 to the financial statements.

As shown in note 2.8 to the financial statements, the intangible assets represent a total amount of CHF 17m (2020: CHF 10.7m) in the balance sheet. This represents 47% (2020: 44%) of the assets of the Company.

**Other Matter**

The financial statements of the Company for the year ended 31 December 2020 were subject to a limited statutory examination. Our report, dated 12 April 2021, expressed an unmodified conclusion on those financial statements.

**Responsibility of the Board of Directors for the Financial Statements**

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.



#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

#### Report on Other Legal and Regulatory Requirements

In the course of our audit performed in accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we noted that an internal control system for the preparation of financial statements designed according to the instructions of the Board of Directors was not fully documented and implemented in all material respects.

In our opinion, the internal control system is not in accordance with Swiss law and accordingly we are unable to confirm the existence of a fully documented and implemented internal control system for the preparation of the financial statements.

We recommend that the financial statements submitted to you be approved.

Furthermore, we draw attention to the fact that half of the share capital and legal reserves are no longer covered (article 725 para. 1 CO).

Lausanne, 12 May 2022

BDO SA



Nigel Le Masurier

Licensed Audit Expert  
Auditor in Charge



Jürg Gehring

Licensed Audit Expert

# Astrocast SA Consolidated Financial Statements

## Consolidated Income Statement for the year ended 31 December 2021

in thousand CHF	Note	Consolidated income statement	
		2021	2020
Revenue		1,068	519
<b>Total operating income</b>		<b>1,068</b>	<b>519</b>
<b>Cost for material, goods, services, and energy</b>			
Operations licensing		(12,835)	(2,409)
M2M Modules		(136)	(68)
Charges for ground segments		(438)	(127)
Laboratory and projects material		(41)	(9)
Total cost of goods sold		(13,450)	(2,613)
<b>Gross margin</b>		<b>(12,382)</b>	<b>(2,094)</b>
Personnel expenses	2.16/3.1	(4,384)	(1,526)
Operating expenses	2.15	(1,459)	(868)
Depreciation and amortization		(1,848)	(449)
Total operational expenditure		(7,691)	(2,843)
<b>Operating loss</b>		<b>(20,073)</b>	<b>(4,937)</b>
Financial result	2.18	(131)	36
Extraordinay expenses	2.17	(1,188)	-
<b>Net result for the period</b>		<b>(21,392)</b>	<b>(4,901)</b>

## Consolidated Balance Sheet as of 31 December 2021

in thousand CHF	Note	Consolidated balance sheet	
		12/31/2021	12/31/2020
Cash and cash equivalents	2.1	7,206	420
Trade receivables	2.2	22	-
Other receivables	2.3	821	80
Inventories and non-invoiced services	-	27	19
Prepaid expenses	2.4	572	4,083
Prepaid launches and insurance	2.5	3,350	4,038
<b>Total current assets</b>		<b>11,998</b>	<b>8,640</b>
Financial assets	2.6	5	5
Tangible assets	2.7	6,774	4,646
Intangible assets	2.8	16,957	10,651
<b>Total non-current assets</b>		<b>23,736</b>	<b>15,302</b>
<b>Total Assets</b>		<b>35,734</b>	<b>23,942</b>
Trade payables	2.9	3,453	7,580
Short-term interest-bearing liabilities	2.10	733	4,970
Other short-term liabilities	2.11	393	553
Accrued expenses	2.12	6,009	94
<b>Total short-term liabilities</b>		<b>10,588</b>	<b>13,197</b>
Long-term interest-bearing liabilities	2.13	600	800
<b>Total long-term liabilities</b>		<b>600</b>	<b>800</b>
<b>Total liabilities</b>		<b>11,188</b>	<b>13,997</b>
Share capital	2.14	397	234
Additional paid-in capital		53,180	17,324
Other reserves		(3)	-
Treasury shares		(23)	-
Accumulated losses		(29,005)	(7,613)
<b>Total equity</b>		<b>24,546</b>	<b>9,945</b>
<b>Total Liabilities and Equity</b>		<b>35,734</b>	<b>23,942</b>

## Consolidated Cash Flow Statements for the year ended 31st December 2021

in thousand CHF	Note	Consolidated cash flow statement	
		2021	2020
<b>Cash flow from operating activities</b>			
Loss before tax		(21,392)	(4,901)
Depreciation, amortization	2.7/2.8	1,848	449
Extraordinary depreciation related to prior years	2.17	132	-
Change in account receivable		(774)	(20)
Change in inventories		-	1
Change in accounts payable		(4,126)	1,166
Change in other accruals and prepayments		9,956	(2,626)
<b>Net cash flow from operating activities</b>		<b>(14,356)</b>	<b>(5,931)</b>
<b>Cash flow from investing activities</b>			
Investment in tangible and intangible assets	2.7/2.8	(10,413)	(4,184)
Increase of other financial asset		-	(3)
<b>Net cash flow from investing activities</b>		<b>(10,413)</b>	<b>(4,187)</b>
<b>Cash flow from financing activities</b>			
Increase in short-term interest-bearing liabilities		14	330
Decrease in short-term interest-bearing liabilities		(112)	-
Increase bank loans		-	2,000
Reimbursement bank loans		(1,400)	-
Convertible loan agreement*		11,808	2,940
Net proceeds from capital increase		21,248	4,648
<b>Net cash flow from financing activities</b>		<b>31,558</b>	<b>9,918</b>
<b>Net change in cash and cash equivalents</b>		<b>6,789</b>	<b>(200)</b>
Cash and cash equivalents at beginning of period		420	620
Effect of exchange rate fluctuations on cash held		(3)	-
Cash and cash equivalents at end of period		7,206	420

\* The convertible loans were converted during the capital increase.

# Astrocast SA Consolidated Financial Statements

## 1. General information

### 1.1. Information about the company

Name	Chairman	Directors	Registered office
Astrocast SA	José Achache	Fabien Jordan, Federico Belloni, Roland Loos, Yves Pillonel	Chavannes-près-Renens, Switzerland

Listed	Listing date	Legal Entity	Auditors	Incorporation date
Euronext Growth Market at Oslo Bors	25 August 2021	Limited by shares	BDO Lausanne	1 October 2014

#### Company objective

The company's purpose is to provide services and to sell products in the fields of systems engineering, electronic design and/or software development and all similar or convergent activities.

### 1.2. Accounting principles

The consolidated financial statements of Astrocast SA are prepared in accordance with the provisions of Swiss Accounting Law (Section 32 of the Swiss Code of Obligations). They have been prepared on the going concern basis.

The consolidated financial statements include the figures of the fully owned subsidiary Astrocast Austria GmbH, Vienna, Austria, incorporated on 30 July 2021. The income statement, the cash flow statement and notes presented in the consolidated financial statements comprise the operations of the parent company for the full calendar year and the subsidiary since incorporation. The comparative information for the year ended 31 December 2020 are those of the parent company as a stand-alone entity.

### 1.3. Principles and scope of consolidation

The consolidated financial statements include all companies in which Astrocast SA holds either directly or indirectly more than 50% of the voting rights or over which it has control in another form. New companies that were acquired during the reporting period are included in the consolidated financial statements from the date on which the company was founded or from the date on which control of the company is transferred to Astrocast SA.

Company name	Registered office	Currency	Share capital	Participation 31.12.2021	Participation 31.12.2020
Astrocast SA	Chavannes-près-Renens, Switzerland	CHF	396,609	n/a	n/a
Astrocast GmbH	Vienna, Austria	EUR	35,000	100%	-

The consolidated financial statements include the financial statements of the following fully consolidated companies:

Astrocast Austria GmbH, Vienna, Austria was founded during the financial year 2021 and is fully owned by Astrocast SA. Astrocast SA holds 100% of the voting rights of Astrocast GmbH. The company objective of Astrocast GmbH is the operation and offer of satellite-based public communication networks and services.

Intercompany assets and liabilities as well as income and expenses are fully consolidated. All intercompany transactions are eliminated on consolidation.

### 1.4. Foreign currency translation

All companies report their financial statements in local currency. For the balance sheet closing rates are used for foreign currency translation. For the income statement average rates are used. The following exchange rates prevail:

Currency	Closing rate	Average rate
1 EUR	1.033871	1.0968

### 1.5. Accounting policies for balance sheet items

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at banks that can be withdrawn without notice. They are held to maturity and carried at fair value. The amount due to credit card institutions has been deducted from the final amount. Not. Equally, depreciation is not suspended merely because the asset is temporarily unused. Depreciation of satellites begins as soon as they are in orbit.

#### Trade receivables, other receivables and non-invoiced services

Trade receivables are recognised once the company has the unconditional right to payment. Accounts receivables are initially recognized at the transaction value according to contractual terms and conditions. They do not carry any interest.

Subsequently, accounts receivables are measured at amortised cost which equals their transaction values less provision for impairment. For impairment of trade receivables, the company estimates expected lifetime credit losses that would typically be carried for each receivable based on the credit risk class upon the initial recognition of the receivables. Expected lifetime credit losses are estimated based on historical financial information as well as forward-looking data. Additional provisions are recognised when specific circumstances or forward-looking information lead the company to believe that additional collectability risk exists with respect to customers that are not reflected in loss expectancy rates. The company writes off trade receivables when it has no reasonable expectation of recovery. The company evaluates the credit risk of its customers on an ongoing basis. Foreign currency revaluations and impairment losses are recognised in the income statement. On derecognition, gains and losses are recognised in the income statement.

#### Prepaid expenses and prepaid launches

Prepayments represent expenditure booked during the financial year but relating to a subsequent financial year. The prepaid expenses include mainly Data R&D as well as rental of third-party satellite launch capacity. Prepaid expenses are recognised at cost which equals their transaction values less provision for impairment, if any.

#### Tangible assets

Tangible assets are initially stated at acquisition cost. After initial recognition, the item is carried at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the gross amount over the useful life of the asset using the straight-line method. Normal annual use is reflected in the scheduled depreciation (see note 2.7).

# Astrocast SA Consolidated Financial Statements

Depreciation is recognized over the tangible assets' useful lives on the following bases:

Category	Useful life
Equipment	5 years
Facility installations	8 years
Satellites on ground and under construction	not depreciated
Demonstration satellites in orbit	4 years
Commercial satellites in orbit	5 years

Depreciation begins when the asset is available for use, i.e. regardless of whether the asset is effectively used or not. Equally, depreciation is not suspended merely because the asset is temporarily unused. Depreciation of satellites begins as soon as they are in orbit.

## Intangible assets

Intangible assets are measured initially at cost. For the subsequent measurement, intangible assets are measured using the cost model, i.e. at cost of acquisition or production less amortization and impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives.

Useful lives are set individually for each asset and fall within the following ranges:

Category	Useful life
Communication protocol	5 years
Technology and chips	5 years
Data	5 years
Modules, satellites, and ground segment	5 years

Amortization begins when the asset is available for use, i.e. regardless of whether the intangible asset is effectively used or not. Equally, amortization is not suspended merely because the intangible asset is temporarily unused.

## Trade accounts payable

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

## Short - and long-term interest-bearing liabilities

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost.

## Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as financial income or financial expense, respectively.

## Leases

Leasing and rental contracts are recognized based on legal ownership. Therefore, any leasing or rental expenses are recognized as expenses in the period they are incurred; however, the leased or rented objects themselves are not recognized in the balance sheet.

## 1.6. Reclassification

Internal engineers labour costs were previously capitalized as intangible assets. The Board of Directors has recognized that the hours performed by the engineers on manufacturing of satellites should be allocated to tangible assets.

in thousand CHF	Reported	Reclassification fixed assets	Reclassified
Balance at 31st December 2020			
<b>Non-current assets</b>			
Tangible assets	3,899	747	4,646
Intangible assets	11,398	(747)	10,651

# Astrocast SA Consolidated Financial Statements

## 2. Notes to the consolidated financial statements

### 2.1. Cash and cash equivalents

in thousand CHF	Consolidated	
	12/31/2021	12/31/2020
Post account	7	8
Bank accounts	7,199	412
Cash and cash equivalents	7,206	420

### 2.2. Trade receivables

in thousand CHF	Consolidated	
	12/31/2021	12/31/2020
Receivables towards third parties	22	-
Trade receivables	22	-

### 2.3. Other receivables

in thousand CHF	Consolidated	
	12/31/2021	12/31/2020
Advance to suppliers	709	-
VAT receivables	80	73
Other receivables from employees	32	7
Other receivables	821	80
Advance to suppliers down payments correspond to prepayments for the material to produce modules.		

### 2.4. Prepaid expenses

in thousand CHF	Consolidated	
	12/31/2021	12/31/2020
Prepaid expenses	572	4,083
Prepaid expenses	572	4,083

### 2.5. Prepaid launches and insurance

in thousand CHF	Consolidated	
	12/31/2021	12/31/2020
Insurance for launch	-	6
1st Orbital Plan	-	1,200
2nd Orbital Plan	-	697
3rd Orbital Plan	1,659	337
4th Orbital Plan	5	5
5th Orbital Plan	1,475	1,572
6th Orbital Plan	211	221
Prepaid launches and insurance	3,350	4,038

There is one account (Orbital plan) for each reservation of launch capacity for our satellites on a specific launch vehicle.

### 2.6 Financial assets and investment

in thousand CHF	Consolidated	
	12/31/2021	12/31/2020
Rent deposit	5	5
Financial assets	5	5

### 2.7 Tangible assets

in thousand CHF	Equipment	Facility installations	Satellites on ground and under construction	Demonstration satellites in orbit	Commercial satellites in orbit	Total
<b>Cost</b>						
Balance at 1st January 2020	245	473	1,545	1,382	-	3,645
Additions	178	833	356	-	-	1,367
Reclassification	-	-	465	282	-	747
Balance at 1st January 2021	423	1,306	2,366	1,664	-	5,759
Additions	146	54	1,008	-	2,900	4,108
Reclassification	-	-	(1,914)	-	1,914	-
Balance at 31st December 2021	569	1,360	1,460	1,664	4,814	9,867
<b>Accumulated depreciation</b>						
Balance at 1st January 2020	153	167	-	344	-	664
Depreciation for the year	18	86	-	345	-	449
Balance at 1st January 2021	171	253	-	689	-	1,113
Depreciation for the year	104	174	-	417	727	1,422
Impairment for the year	-	-	-	426	-	426
Extraordinary depreciation related to prior years	-	-	-	132	-	132
Balance at 31st December 2021	275	427	-	1,664	727	3,093
<b>Carrying amount - in thousand CHF</b>						
31st December 2020	252	1,053	2,366	975	-	4,646
31st December 2021	294	933	1,460	-	4,087	6,774

The company carried out the depreciation of the satellites in respect with the useful life of the satellites:

- Demonstration satellites were fully depreciated in 2021 for an amount of CHF 975k (2020: depreciation of CHF 345k).
- Commercial satellites have a 5-year life expectancy and the depreciation starts from the month of the launch and represents an expense of CHF 727k for 2021 (2020: nil).

# Astrocast SA Consolidated Financial Statements

## 2.8. Intangible assets

in thousand CHF	Communication protocol	Chips and technology	Data	Modules	Satellites	Network and ground segment	Total
<b>Cost</b>							
Balance at 1st January 2020	1,635	1,346	779	1,205	2,443	1,173	8,581
Additions	438	746	448	939	1,016	649	4,236
Write-off	(1,419)	-	-	-	-	-	(1,419)
Reclassification	-	-	-	(59)	(655)	(33)	(747)
Balance at 1st January 2021	654	2,092	1,227	2,085	2,804	1,789	10,651
Additions	2,912	892	780	669	455	598	6,306
Balance at 31st December 2021	3,566	2,984	2,007	2,754	3,259	2,387	16,957
<b>Carrying amount - in thousand</b>							
31st December 2020	654	2,092	1,227	2,085	2,804	1,789	10,651
31st December 2021	3,566	2,984	2,007	2,754	3,259	2,387	16,957

Intangible assets increased mainly based on internal developments with capitalized personnel costs of CHF 3 million (2020: CHF 3.1 million) and other intangible assets acquired from third parties in the course of the development of Astrocast's business. The write-off recorded in 2020 of CHF 1.4 million was related to a new payment plan with a supplier, which led to deferred acquisition costs.

## 2.9. Trade payables

in thousand CHF	Consolidated	12/31/2021	12/31/2020
Payables towards third parties		3,405	7,579
Advance from customers		48	1
Trade payables		3,453	7,580

## 2.10. Short-term interest-bearing liabilities

in thousand CHF	Consolidated	12/31/2021	12/31/2020
Third parties		433	2,028
Shareholders		300	2,942
Short-term interest-bearing liabilities		733	4,970

Short-term interest-bearing liabilities were reduced due to the reimbursement of bank loans following the equity financing round.

## 2.11. Other short-term liabilities

in thousand CHF	Consolidated	12/31/2021	12/31/2020
Employees and social charges		373	458
Tax at source		20	95
Other short-term liabilities		393	553

## 2.12. Accrued expenses

in thousand CHF	Consolidated	12/31/2021	12/31/2020
Spectrum leasing accrual		4,792	-
Other accrued expenses		1,217	94
Accrued expenses		6,009	94

Other elements are stamp-tax payables on the 2021 financing round and accruals for overtime and holidays.

# Astrocast SA Consolidated Financial Statements

## 2.13. Long-term interest-bearing liabilities

in thousand CHF	Consolidated	
	12/31/2021	12/31/2020
Covid loan	600	800
Long-term interest-bearing liabilities	600	800

To guarantee a sufficient level of cash and cash equivalents, Astrocast SA has taken a COVID-19 guaranteed loan for a total amount of CHF 1 million. The total amount of the loan was granted at an interest rate of 0.5%. Based on decisions of the Swiss Federal finance department, the interest conditions can be adapted to market developments on 31 March once a year. The duration of the loan was 60 months

in total with a quarterly limit reduction of CHF 50,000 beginning 31 March 2021. Accordingly, the loan maturity is below five years. During the period of use of the COVID-19 credit, the company is not allowed to pay dividends, and it cannot reimburse capital contributions. In addition, there are other restrictions on granting and repaying loans to group companies and shareholders.

## 2.14. Share capital

On 30 July 2021, Astrocast SA carried out a share split (each share of CHF 1 being replaced by 100 shares of a nominal value of CHF 0.01), the conversion of all preferred shares into common shares and a capital increase of CHF 162,134.08 from CHF 234,475.00 to CHF 396,609.08 through the issuance of 16,213,408 new shares with a nominal value of CHF 0.01 each. The share capital as at 31 December 2021 amounted to CHF 396,609.08 divided into 39,660,908 registered shares with a nominal value of CHF 0.01 each, fully paid-up.

In accordance with the articles of association, the Board of Directors is authorised to increase the share capital as follows as per 31 December 2021:

- Authorized share capital of 11,723,750 registered shares.

Further, the share capital may be increased as follows:

- Conditional share capital for the ESOP of 1,552,500 registered shares, and
- Conditional share capital for loans with conversion rights or option rights and other financial instruments of 10,171,250 registered shares.

## 2.15. Operating expenses

in thousand CHF	Consolidated	
	12/31/2021	12/31/2020
Rental and facility expenses	352	281
Insurance	142	14
Energy and waste disposal	39	8
Administration and IT expenses*	544	384
Travel and advertising	322	121
Other operational costs	60	60
Operating expenses	1,459	868

\* Of which audit fees as stated in Note 3.7.

## 2.16. Personnel expenses

in thousand CHF	Consolidated	
	12/31/2021	12/31/2020
Personnel expenses	5,622	3,442
Social charges	808	516
Third party expenses	829	612
Other personnel expenses	158	85
Capitalization of internally generated cost	(3,033)	(3,129)
Personnel expenses	4,384	1,526

## 2.17. Extraordinary Expenses

in thousand CHF	Consolidated	
	12/31/2021	12/31/2020
Reduction capitalization before 2018	186	-
Reduction capitalization 2018	216	-
Reduction capitalization 2019	341	-
Reduction capitalization 2020	313	-
Labour cost depreciation 2018	2	-
Labour cost depreciation 2019	60	-
Labour cost depreciation 2020	70	-
Extraordinary expenses	1,188	-

In connection with the preparation of the Group's financial statements as of and for the year ended 31 December 2021, the Company determined that certain personnel expenses that were capitalized in intangible assets for prior years should be expensed.

Accordingly, and because prior financial statements had already been approved by the Company's shareholders meeting when this determination was made, extraordinary expenses include the reduction of previous capitalizations of labour costs for development projects. Extraordinary expenses also include additional depreciation of reclassified labour cost. The net effect of these corrections to Astrocast's income statement amounts to zero over the years as outlined below.

in thousand CHF	Consolidated			
	2021	2020	2019	2018 and before
Net result	(21,392)	(4,901)	(1,046)	
Reduction capitalization	1,056	(313)	(341)	(402)
Labour cost depreciation	132	(70)	(60)	(2)
Adjusted net result	(20,204)	(5,284)	(1,447)	

in thousand CHF	Consolidated			
	31/12/2021	31/12/2020	31/12/2019	31/12/2018
Equity	24,546	9,945	10,199	
Accumulated losses	(1,188)	(805)	(404)	(186)
Net result	1,188	(383)	(401)	(218)
Adjusted equity	24,546	8,757	9,394	

## 2.18. Financial result

in thousand CHF	Consolidated	
	12/31/2021	12/31/2020
Net foreign exchange gain	411	142
Interest expenses	(530)	(104)
Bank fees	(11)	(4)
Others	(1)	2
Financial result	(131)	36

# Astrocast SA Consolidated Financial Statements

## 3. Other disclosures

### 3.1. Number of employees

	2021	2020
Average of full-time employees over period	53	39

### 3.2. Pension fund

	2021	2020
Liabilities relating to pension fund (included in the recognized liabilities)	127,631	128,106

### 3.3. Significant shareholders

The company is aware of the following shareholders holding more than five percent of the voting rights (based on the share capital registered in the commercial register) as of 31 December 2021. See Section Shareholders for more details.

Shareholder	Registered shares 12/31/2021
Adit Ventures III, LLC	10.67%
Schroder & Co Banque SA	9.05%

### 3.4. Treasury shares

Treasury shares held by the company:

	Number of shares	Price per share in CHF	Value of treasury shares in CHF
January 1, 2021	-	-	-
Acquisition	2,270,861	0.01	22,709
December 31, 2021	2,270,861		22,709

### 3.5. Lease obligations

The maturity of leasing obligations which have a residual term of more than twelve months, or which cannot be cancelled within the next twelve months are as follows:

in thousand CHF	2021	2020
Up to 1 year	269	269
1-5 years	990	990
More than 5 years	3,148	3,395
Total	4,407	4,654

The lease obligations correspond mainly to the long-term rental contract for the office and operational space with a lease term until 2039.

### 3.6. Shares allocated to the Board of Directors, Executive Board and Employees

In the year 2021, participation rights were allocated to members of the Board of Directors and employees as follows:

ESOP 2021	Number of options	Price per option in CHF	Value of options in CHF
Allocated to the Executive Board*	39,200	6.28	246,176
Allocated to Employees	228,300	6.28	1,433,724
Total	267,500		1,679,900

\* In 2020, only one Executive Board Member received 50,000 options with a price per option of CHF 0.01 (numbers adapted to the share split 1 to 100 that took place on the 30.07.2021).

The following table shows the shareholding of the Board members as of 31.12.2021 including information of the prior financial period. This table includes registered shares purchased privately as well as fully vested shares allocated in connection with the Company's incentive plan.

Name	Position	2021 Number of shares held	2020 Number of shares held **
José Achache	Chairman	700,100	700,100
Federico Belloni***	Member	-	-
Jon Cholak	Member	-	-
Fabien Jordan***	Member	-	-
Roland Loos	Member	712,000	712,000
Yves Pillonel *	Member	110,000	110,000
Jan Eyvin Wang	Member	-	-

\* Yves Pillonel holds indirectly 50,000 Astrocast shares through Schroder & CO Banque SA included in the 110,000.

\*\* The figures are adapted to the numbers after the share split (1/100) that took place on 30.07.2021.

\*\*\* Fabien Jordan and Federico Belloni are employed by a group company. Their shares are detailed in Section Senior Management of the Compensation Report.

The following table shows the shareholding of the members of the Senior Management as of 31.12.2021 including information of the prior financial period. This table includes registered shares purchased privately as well as fully vested shares allocated in connection with the Company's employee stock option plan.

Name	Position	2021 Number of Shares Held	2021 Number of Options Held	2020 Number of Shares Held *	2020 Number of Options Held *
Fabien Jordan **	Chief Executive Officer	1,933,366	6,420	1,766,700	-
Antonio Waller	VP Sales	-	-	-	-
Federico Belloni **	Chief Technical Officer	1,721,700	5,462	1,721,700	-
Laurent Vieira de Mello	Chief Operating Officer	48,300	49,936	41,600	26,041
Kjell Karlsen **	Chief Financial Officer	505,200	5,462	505,200	-
Marcel Barat	VP Customer Success & Network Operations	-	28,125	-	15,625

\* The figures are adapted to the numbers after the share split (1/100) that took place on 30.07.2021.

\*\* Numbers above include the shares and options held by spouses of the Senior Management.

### 3.7 Audit fees

in thousand CHF	Consolidated	
	12/31/2021	12/31/2020
Audit services (stand-alone financial statements, consolidated financial statements and compensation report)	54	15
Other services billed by auditors	1	-
<b>Total audit fees</b>	<b>55</b>	<b>15</b>

### 3.8. Related parties

The related parties consist primarily of members of the Board of Directors and the Executive Board, and companies under their control. Information on the allocation of shares to the Board of Directors and the Executive Board is disclosed in detail in note 3.6. Shareholdings by the Board of Directors and the Executive Board are disclosed in the Compensation Report.

In 2021, Astroc cast SA conducted business with Astroc cast US LLC. The company is under control of a Board

member and serves as a payroll company for Astroc cast in the USA. As per 31 December 2021, the parties did not have any outstanding positions (2020: CHF 112k).

As of 31 December 2021, no other material transactions were conducted, and no receivables or liabilities were outstanding towards other related parties or associated companies. All business relations with related parties are conducted at arm's length. No unusual transactions were affected with either the main shareholders or other related parties.

### 3.9. Going concern

Astroc cast SA incurred a net loss of CHF 21.4 million for 2021, which led to a total equity of CHF 24.5 million as per 31 December 2021. The company is still in the ramp-up phase and accordingly has not reached a positive operating result yet.

The 2021 annual financial statements show a situation of loss of capital within the meaning of art. 725 (1) of the Swiss code of obligations (CO). The restructuring measures to address this situation of loss of capital are mainly to continue to pursue the current capital raise (Cosmos II) as well as to raise debt financing.

To ensure the further growth of the business, in the first quarter of 2022, the board of directors and management of Astroc cast decided to raise the necessary capital (EUR 60-80 million) by a dual listing on the Euronext Growth Paris. The Company's plan is to further develop its satellite network. For 2022, the cash needs are estimated at CHF 43 million and should be covered by a capital increase of

EUR 60-80 million and a debt financing of CHF 8 million. The Board of directors reviews the results of the Company on a quarterly basis and ensures that the Company has the necessary means to continue its growth activities.

The Board of directors is confident that the financing of the Company will be insured for at least the next twelve months. Accordingly, the financial statements were prepared on a going concern basis.

Should the Company not succeed in attracting additional funding in the future, it may be unable to realize its assets

and discharge its liabilities in the normal course of business. As a consequence, the liquidity of the Company over the next twelve months might be seriously negatively impacted. Thus, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

### 3.10. Significant events after the balance sheet date

There were no significant events after the balance sheet date. The Russia/Ukraine conflict did not have an effect on Astroc cast's activities as the Company neither had any launches on Russian launch platforms in the past nor any future launches on Russian launch vehicles.



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#### Statutory Auditor's Report

To the General Meeting of  
Astroc cast SA, Chavannes-près-Renens

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the consolidated financial statements of Astroc cast SA and its subsidiary (the Group), which comprise the consolidated balance sheet as at 31 December 2021 and the consolidated income statement and consolidated cash flow statement for the period from 30 July 2021 to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 54 to 68) for the year ended 31 December 2021 comply with Swiss law and the consolidation and valuation principles as set out in the notes.

##### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Emphasis of Matter

We draw attention to Note 3.9 to the consolidated financial statements, in which the Board of Directors mentions the importance of attracting additional funding in order to be able to continue as a going concern. This indicates the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

**Report on Key Audit Matters** based on the circular 1/2015 of the Federal Audit Oversight Authority  
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How our audit addressed the key audit matter
<b>Accounting and valuation for capitalised expenditure of satellites</b>	
The Group capitalised significant internal labour costs and external costs in respect of the construction of its satellite constellation. This is a significant focus point of our audit to ascertain whether costs which do not meet the criteria for capitalisation, in accordance with the requirements of Swiss law and the Group's accounting policy, are inappropriately recorded on the balance sheet rather than expensed or that costs continue to be held on the balance sheet despite no longer meeting the relevant capitalisation criteria.	We evaluated the design and implementation of controls in respect of the capitalisation of external costs and internal labour costs. We have met the project manager to corroborate the project status and feasibility of completion. Further, we confirmed on the basis of the weekly report from the Swiss Government that the satellites are effectively in orbit. We have carried out sample-based testing in relation to each element of capitalised costs including inspecting supporting evidence for a sample of the costs capitalised, understanding the nature of these costs, and considering whether they meet the capitalisation requirements of Swiss law and the Group's accounting policy.
The satellites are presented at cost less accumulated depreciation and impairment losses. The existence of a potential value adjustment indicator would require the recognition of an impairment loss in addition to the actual depreciation plan.	We reviewed the reclassification of past labour costs from intangible assets, and if the reclassified costs meet the recognition criteria of tangible assets. For a sample of assets which entered service in the period we inspected supporting evidence to determine whether depreciation commenced appropriately in accordance with Swiss law and the Group's accounting policy.
The Group's policy on the capitalisation of tangible assets is included in note 1.5 to the consolidated financial statements.	We assessed if any value adjustment indicator has occurred that would have required a revision of the depreciation plan or the recognition of an impairment loss.
As shown in note 2.7 to the consolidated financial statements, the satellites represent a total amount of CHF 5.5m (2020: CHF 3.3m) in the balance sheet of which CHF 1.5m (2020: CHF 2.4m) relates to assets under construction. This represents 16% (2020: 14%) of the assets of the Group.	We have also assessed the adequacy of disclosures and classification in relation with the satellites.

Key Audit Matter	How our audit addressed the key audit matter
<b>Accounting and valuation for capitalised expenditure of intangible assets</b>	
The Group capitalised significant internal labour costs and external costs in respect of the developments of its intangible assets. This is a significant focus point of our audit to ascertain whether costs which do not meet the criteria for capitalisation, in accordance with the requirements of Swiss law and the Group's accounting policy, are inappropriately recorded on the balance sheet rather than expensed or that costs continue to be held on the balance sheet despite no longer meeting the relevant capitalisation criteria.	We evaluated the design and implementation of controls in respect of the capitalisation of acquired intangible assets and internal development costs. We have met the project managers to corroborate the project status and feasibility of completion. We have carried out sample-based testing in relation to each element of capitalised costs including inspecting supporting evidence for a sample of the costs capitalised, understanding the nature of these costs, and considering whether they meet the capitalisation requirements of Swiss law and the Group's accounting policy.
The intangible assets are presented at cost less accumulated amortisation and impairment losses. The existence of a potential value adjustment indicator would require the recognition of an impairment loss in addition to the actual amortisation plan.	We inspected supporting evidence to determine whether depreciation commenced appropriately in accordance with Swiss law and the Group's accounting policy.
The Group's policy on the capitalisation of intangible assets is included in note 1.5 to the consolidated financial statements.	We assessed if any value adjustment indicator has occurred that would have required a revision of the amortisation plan or the recognition of an impairment loss.
As shown in note 2.8 to the consolidated financial statements, the intangible assets represent a total amount of CHF 17m (2020: CHF 10.7m) in the balance sheet. This represents 47% (2020: 44%) of the assets of the Group.	We have also assessed the adequacy of disclosures and classification in relation with the intangible assets.

#### Other Matter - Comparative figures

The comparative figures for the year ended 31 December 2020 are those of the parent company. The income statement figures for 2021 are comprised of the parent company for the period from 1<sup>st</sup> January 2021 to 29 July 2021 and the consolidated figures for the rest of the year. We refer to the consolidation accounting principles in the Note 1.2.

#### Other Matter - Prior year examination

The financial statements of the Company for the year ended 31 December 2020 were subject to a limited statutory examination. Our report, dated 12 April 2021, expressed an unmodified conclusion on those financial statements.

#### Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the remuneration report and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the provisions of Swiss law and the consolidation and valuation principles as set out in the notes, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.



#### Report on Other Legal and Regulatory Requirements

In the course of our audit performed in accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we noted that an internal control system for the preparation of consolidated financial statements designed according to the instructions of the Board of Directors was not fully documented and implemented in all material respects.

In our opinion, the internal control system is not in accordance with Swiss law and accordingly we are unable to confirm the existence of a fully documented and implemented internal control system for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

Lausanne, 12 May 2022

BDO SA



Nigel Le Masurier

Licensed Audit Expert  
Auditor in Charge



Jürg Gehring

Licensed Audit Expert

## IFRS reconciliation table

### Consolidated Income Statement reconciliation for the year ended 31 December 2021

in thousand CHF	2021				
	Swiss CO	IFRS adjustments	IFRS	Restatement*	IFRS restated
<b>Revenue</b>	1,068	-	1,068	-	1,068
Total operating income	1,068	-	1,068	-	1,068
<b>Cost for material, goods, services, and energy</b>					
Operations licensing	(12,835)	-	(12,835)	-	(12,835)
M2M modules	(136)	-	(136)	-	(136)
Charges for ground segments	(438)	-	(438)	-	(438)
Laboratory and projects material	(41)	-	(41)	-	(41)
Total cost of goods sold	(13,450)	-	(13,450)	-	(13,450)
Gross margin	(12,382)	-	(12,382)	-	(12,382)
Personnel expenses	(4,384)	(1,412)	(5,796)	-	(5,796)
Operating expenses	(1,460)	269	(1,191)	-	(1,191)
Depreciation and amortization	(1,847)	(175)	(2,022)	-	(2,022)
Total operational expenditure	(7,691)	(1,318)	(9,009)	-	(9,009)
Operating loss	(20,073)	(1,318)	(21,391)	-	(21,391)
Financial result	(131)	(197)	(328)	-	(328)
Extraordinay expenses	(1,188)	-	(1,188)	1,188	-
Net result for the period	(21,392)	(1,515)	(22,907)	1,188	(21,719)

\* A restatement was made on the capitalization of personnel costs in intangible assets as detailed in note 2.3.

### Consolidated Income Statement reconciliation for the year ended 31 December 2020

in thousand CHF	2020				
	Swiss CO	IFRS adjustments	IFRS	Restatement*	IFRS restated
<b>Revenue</b>	519	-	519	-	519
Total operating income	519	-	519	-	519
<b>Cost for material, goods, services, and energy</b>					
Operations licensing	(2,409)	-	(2,409)	-	(2,409)
M2M modules	(68)	-	(68)	-	(68)
Charges for ground segments	(127)	-	(127)	-	(127)
Laboratory and projects material	(9)	-	(9)	-	(9)
Total cost of goods sold	(2,613)	-	(2,613)	-	(2,613)
Gross margin	(2,094)	-	(2,094)	-	(2,094)
Personnel expenses	(1,526)	(47)	(1,573)	(313)	(1,886)
Operating expenses	(868)	299	(569)	-	(569)
Depreciation and amortization	(449)	(173)	(622)	(70)	(692)
Total operational expenditure	(2,843)	79	(2,764)	(383)	(3,147)
Operating loss	(4,937)	79	(4,858)	(383)	(5,241)
Financial result	36	(205)	(169)	-	(169)
Net result for the period	(4,901)	(126)	(5,027)	(383)	(5,410)

\* A restatement was made on the capitalization of personnel costs in intangible assets as detailed in note 2.3.

### Consolidated Balance Sheet reconciliation at 31st of December 2021

in thousand CHF	2021				
	Swiss CO	IFRS adjustments	IFRS	Restatement*	IFRS restated
Cash and cash equivalents	7,206	-	7,206	-	7,206
Trade receivables	22	-	22	-	22
Other receivables	821	-	821	-	821
Inventories and non-invoiced services	27	-	27	-	27
Prepaid expenses	572	-	572	-	572
Prepaid launches and insurance	3,350	-	3,350	-	3,350
Total current assets	11,998	-	11,998	-	11,998
Financial assets	5	-	5	-	5
Tangible assets	6,774	2,722	9,496	-	9,496
Intangible assets	16,957	(2,861)	14,096	-	14,096
Total non-current assets	23,736	(139)	23,597	-	23,597
<b>Total Assets</b>	<b>35,734</b>	<b>(139)</b>	<b>35,595</b>	-	<b>35,595</b>
Trade payables	3,453	-	3,453	-	3,453
Short-term interest-bearing liabilities	733	-	733	-	733
Other short-term liabilities	393	-	393	-	393
Accrued expenses	6,009	-	6,009	-	6,009
Total short-term liabilities	10,588	-	10,588	-	10,588
Long-term interest-bearing liabilities	600	-	600	-	600
Defined benefit obligation	-	2,191	2,191	-	2,191
Lease liability	-	2,924	2,924	-	2,924
Total long-term liabilities	600	5,115	5,715	-	5,715
<b>Total liabilities</b>	<b>11,188</b>	<b>5,115</b>	<b>16,303</b>	-	<b>16,303</b>
Share capital	397	-	397	-	397
Other comprehensive income	-	(1,260)	(1,260)	-	(1,260)
Additional paid-in capital	53,180	734	53,914	-	53,914
Other reserves	(3)	-	(3)	-	(3)
Treasury shares	(23)	1	(22)	-	(22)
Reserve for share-based payments	-	98	98	-	98
Accumulated losses	(29,005)	(4,827)	(33,832)	-	(33,832)
<b>Total equity</b>	<b>24,546</b>	<b>(5,254)</b>	<b>19,292</b>	-	<b>19,292</b>
<b>Total Liabilities and Equity</b>	<b>35,734</b>	<b>(139)</b>	<b>35,595</b>	-	<b>35,595</b>

\* A restatement was made on the capitalization of personnel costs in intangible assets as detailed in note 2.3.

## Consolidated Balance Sheet reconciliation at 31st of December 2020

2020					
in thousand CHF	Swiss CO	IFRS adjustments	IFRS	Restatement*	IFRS restated
Cash and cash equivalents	420	-	420	-	420
Other receivables	80	-	80	-	80
Inventories and non-invoiced services	19	-	19	-	19
Prepaid expenses	4,083	-	4,083	-	4,083
Prepaid launches and insurance	4,038	-	4,038	-	4,038
<b>Total current assets</b>	<b>8,640</b>	<b>-</b>	<b>8,640</b>	<b>-</b>	<b>8,640</b>
Financial assets	5	-	5	-	5
Tangible assets	4,646	2,906	7,552	213	7,765
Intangible assets	10,651	(2,861)	7,790	(596)	7,194
<b>Total non-current assets</b>	<b>15,302</b>	<b>45</b>	<b>15,347</b>	<b>(383)</b>	<b>14,964</b>
<b>Total Assets</b>	<b>23,942</b>	<b>45</b>	<b>23,987</b>	<b>(383)</b>	<b>23,604</b>
Trade payables	7,580	-	7,580	-	7,580
Short-term interest-bearing liabilities	4,970	-	4,970	-	4,970
Other short-term liabilities	553	-	553	-	553
Accrued expenses	94	-	94	-	94
<b>Total short-term liabilities</b>	<b>13,197</b>	<b>-</b>	<b>13,197</b>	<b>-</b>	<b>13,197</b>
Long-term interest-bearing liabilities	800	-	800	-	800
Defined benefit obligation	-	805	805	-	805
Lease liability	-	3,006	3,006	-	3,006
<b>Total long-term liabilities</b>	<b>800</b>	<b>3,811</b>	<b>4,611</b>	<b>-</b>	<b>4,611</b>
<b>Total liabilities</b>	<b>13,997</b>	<b>3,811</b>	<b>17,808</b>	<b>-</b>	<b>17,808</b>
Share capital	234	-	234	-	234
Other comprehensive income	-	(453)	(453)	-	(453)
Additional paid-in capital	17,324	7	17,331	-	17,331
Accumulated losses	(7,613)	(3,320)	(10,933)	(383)	(11,316)
<b>Total equity</b>	<b>9,945</b>	<b>(3,766)</b>	<b>6,179</b>	<b>(383)</b>	<b>5,796</b>
<b>Total Liabilities and Equity</b>	<b>23,942</b>	<b>45</b>	<b>23,987</b>	<b>(383)</b>	<b>23,604</b>

\* A restatement was made on the capitalization of personnel costs in intangible assets as detailed in note 2.3.

Astrocast SA is registered in Switzerland and prepares its financial statements according to the Swiss Code of Obligations (CO). The company has prepared this reconciliation table to International Financial Accounting Standards (IFRS) with the stipulations of the Euronext Growth Markets Rule Book Part I (para 3.2.3).

## 1. General information

This IFRS reconciliation table is not a complete set of financial statements in the sense of IFRS. However, this reconciliation table has been prepared by determining the financial position and financial performance of the entity in accordance with the accounting principles stipulated by IFRS and comparing these to the respective statutory values.

### The information presented below has been derived from:

- the financial statements as of and for the 12-month period ended 31 December 2020.
- the financial statements as of and for the 12-month period ended 31 December 2021.

### These financial statements were subject to:

- a limited statutory examination for the year ended 31 December 2020.
- a full statutory audit for the year ended 31 December 2021.

The consolidated financial statements of Astrocast SA are prepared in accordance with the provisions of Swiss Accounting Law (Section 32 of the Swiss Code of Obligations). They have been prepared on the going concern basis.

The consolidated financial statements include the figures of the fully owned subsidiary Astrocast Austria GmbH, Vienna, Austria, incorporated on 30 July 2021. The income statement, the cash flow statement and notes presented in the consolidated financial statements comprise the operations of the parent company for the full calendar year and the subsidiary since incorporation. The comparative information for the year ended 31 December 2020 are those of the parent company as a stand-alone entity.

The significant accounting policies applied in the preparation of this IFRS reconciliation table are set out in section 3 and 4 on the following pages.

## 2. Reconciliation of comprehensive income

IN THOUSAND CHF	REFERENCE	2021	2020 RESTATED
<b>Statutory net result</b>		<b>(21,392)</b>	<b>(4,901)</b>
Personnel expenses	(1)	(1,412)	(47)
Operating expenses	(2)	269	299
Depreciation and amortization	(2)	(175)	(173)
Financial result	(2)	(197)	(205)
<b>Reconciled net result according to IFRS</b>		<b>(22,907)</b>	<b>(5,027)</b>
Restatement	(3)	1,188	(383)
<b>Restated net result according to IFRS</b>		<b>(21,719)</b>	<b>(5,410)</b>

(1) In accordance with IFRS 2 stock options granted have been recognized at fair value and in accordance with IAS 19 the movement of the defined benefit obligation is recognized.

(2) In accordance with IFRS 16, the lease of offices and other operational space has to be recognized as a right of use asset with the corresponding lease liability. The right of use asset is depreciated over the lease period. In the statutory financial statements, lease payments are recognized in the income statement according to the cost incurred over the rental period.

(3) In the statutory financial statements of 2021, previous capitalizations of labour costs for development projects were reduced for intangible assets. The reductions only refer to personnel expenses. Also, additional depreciation due to the reclassification from intangible assets to tangible assets, from previous years were booked in 2021. In IFRS the reduction of the capitalization and the additional depreciation are shown in the corresponding

## 3. Significant accounting principles (Swiss Code of Obligations and IFRS)

### 3.1. Cash

Cash and cash equivalents comprise cash at banks that can be withdrawn without notice. They are held to maturity and carried at fair value.

# IFRS reconciliation table

## 3.2. Trade, other short-term receivables and non-invoiced services

Trade receivables are recognised once the company has the unconditional right to payment. Accounts receivables are initially recognized at the transaction value according to contractual terms and conditions. They do not carry any interest. Subsequently, accounts receivables are measured at amortised cost which equals their transaction values less provision for impairment. For impairment of trade receivables, the company estimates expected lifetime credit losses that would typically be carried for each receivable based on the credit risk class upon the initial recognition of the receivables. Expected lifetime credit losses are estimated based on historical financial

information as well as forward-looking data. Additional provisions are recognised when specific circumstances or forward-looking information lead the company to believe that additional collectability risk exists with respect to customers that are not reflected in loss expectancy rates. The company writes off trade receivables when it has no reasonable expectation of recovery. The company evaluates the credit risk of its customers on an ongoing basis.

Foreign currency revaluations and impairment losses are recognised in the income statement. On derecognition, gains and losses are recognised in the income statement.

## 3.3 Prepaid expenses and prepaid launches

Prepayments represent expenditure booked during the financial year but relating to a subsequent financial year. The prepaid expenses include mainly Data R&D and spectrum leasing as well as rental of third-party satellite launch capacity.

Prepaid expenses are recognised at cost which equals their transaction values less provision for impairment, if any.

## 3.4 Property and equipment

Property and equipment are initially recorded at historical cost, representing either the acquisition or manufacturing cost. Satellite cost includes launch and launch insurance, as well as internal development costs such as engineer salaries and the associated social insurance costs. Subsequent measurement is based on accumulated cost, less depreciation and impairment losses.

Payments associated with short-term leases, as well as leases and acquisitions of low-value assets are recognised as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture. Costs for the repair and maintenance of these assets are recorded as an expense.

**Property and equipment are depreciated using the straight-line method, generally based on the following useful lives:**

DESCRIPTION	YEARS
Equipment	5
Facility installations	8
Demonstration satellites in orbit	4*
Commercial satellites in orbit	5

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the derecognition of an asset is included in the income statement in the period the asset is derecognised. The residual values, remaining useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted where necessary.

### Satellites on ground and in construction

This caption includes satellites under construction. Incremental costs directly attributable to the manufacturing of satellites are capitalised as part of the cost of the asset. This caption also includes satellites that are in storage, in transit or delivered to the launch service provider. Once the satellites are subsequently put into orbit and ready to operate in the manner intended by management, the accumulated costs are transferred to the balance sheet line item "Satellites in orbit" as well as launch costs and other expenses related to bringing the satellites to the condition and location to be launched and depreciation commences.

## 3.5 Intangible assets

Intangible assets comprise mainly of capitalized internal development costs such as engineer salaries and the associated social insurance costs. The company also capitalizes third-party R&D coming essentially from its main partners Airbus and CEA/LETI, but also smaller entities contributing to the R&D of the data, modules, satellites, network and ground segment.

### Software and development costs

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

## 3.6 Impairment of other intangible assets and property and equipment

The company assesses whether there is an indication that the carrying amount of the assets may not be recoverable at each reporting date. If such indications exist, the recoverable amount of the asset or cash generating unit (CGU) is reviewed to determine the amount of the impairment, if any. Impairments can arise from complete or partial failure of a satellite as well as

other changes in expected discounted future cash flows. Such impairment tests are based on a recoverable value determined using estimated future cash flows and an appropriate discount rate. The estimated cash flows are based on the most recent business plans. If an impairment is identified, the carrying value will be written down to its recoverable amount.

## 3.7 Trade accounts payable

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

## 3.8 Short-term and long-term interest-bearing liabilities

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost.

## 4. Significant accounting principles (IFRS only)

### 4.1. Intangible assets

Development costs that are directly attributable to the design and testing of identifiable and unique hardware and software products controlled by the company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the product so that it will be available for use.
- Management intends to complete the product and use or sell it.
- There is an ability to use or sell the product.
- It can be demonstrated how the product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the product are available.
- The expenditure attributable to the product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the hardware or software product include the development employee costs and an appropriate portion of relevant overheads. Other development expenditure that does not meet these criteria are recognised as an expense as incurred. Development costs recognised as assets are amortised over their estimated useful life, not exceeding five years.

# IFRS reconciliation table

## 4.2. Leasing

The determination as to whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, primarily whether the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Control is conveyed where the company has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

**Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:**

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate. At the commencement of the lease the company must recognise a lease asset and a lease liability. The lease liability is initially measured at present value of lease payments payable over the lease term, discounted at the rate implicit in the lease. Lease payments are apportioned between the finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly to expense. In its accounting policies the company applies the practical expedients of not accounting for leases ending within 12 months of the date of the initial application, or where the underlying asset has a low value.

## 4.3. Share-based payments

The fair value at grant date of share-based payment awards granted to employees is recognized as personnel expenses in the consolidated income statement with a corresponding increase in equity, over the period until the employees unconditionally become entitled to the awards. The amount recognized as personnel expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as personnel expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

## 4.4. Pension benefit obligation

The Company has a defined benefit plan. The company pays contributions to an administered pension insurance plan on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as personnel expenses in the income statement when due. Typically, defined benefit plans specify an amount of pension benefit that an employee will receive upon retirement, typically dependent on one or more factors such as age, years of service and compensation.

The benefits paid to employees in Switzerland qualify as a defined benefit plan. The company's net obligation/

asset in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. When the actuarial calculation results in a benefit to the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Remeasurements of

the net defined benefit obligation/asset, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect on the asset ceiling (if any excluding interest) are recognized immediately in the consolidated statement of comprehensive income.

The company determines the net interest expense/income on the net defined benefit obligation/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the period

to the net defined benefit obligation/asset, considering any changes in the net defined benefit obligation/asset during the period as a result of contributions and benefit payments. Net interest expense/income and other expenses related to defined benefit plans are recognized in profit or loss.

**The company opted for the risk-sharing approach.**

## 4.5. Short-term and long-term interest-bearing liabilities

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost.

### Compound instruments

The component parts of convertible loan notes issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate mentioned in the agreement. This amount is recorded as a liability on an amortised cost basis using the effective

interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, the balance recognised in equity will then be transferred to share premium. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

## 4.6. Deferred taxes

Deferred taxes are not recognised due to the tax holiday that Astrocast has until at least 2028.



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#### Review Report on the IFRS reconciliation tables

To the Board of Directors of  
Astrocast SA, Chavannes-près-Renens

According to your request, we have reviewed the reconciliations of Astrocast SA (pages 74 to 81), which comprise the balance sheets as at 31 December 2020 and 2021, and the income statements for the years then ended, and a summary of significant accounting policies and other explanatory information. These reconciliations have been prepared by the Board of Directors of Astrocast SA in accordance with the accounting policies described in the notes to the reconciliations.

#### Board of Directors' Responsibility for the reconciliations

The Board of Directors is responsible for the preparation and presentation of these reconciliations in accordance with the accounting policies described in the notes, and for such internal control as the Board of Directors determines is necessary to enable the preparation of reconciliations that are free from material misstatement, whether due to fraud or error. Our responsibility is to express a conclusion on these reconciliations based on our review.

#### Independent Auditor's Responsibility

Our responsibility is to express a conclusion on the reconciliations. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the reconciliations, taken as a whole, are not prepared in all material respects in accordance with the accounting policies described in the notes. This Standard also requires us to comply with relevant ethical requirements.

A review of financial information in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The auditor performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these reconciliations.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these reconciliations are not prepared, in all material respects, in accordance with the accounting policies described in the notes.

#### Other matter

We draw the readers' attention to the fact that the reconciliations do not comprise a full set of financial statements in accordance with IFRS. Our conclusion is not modified in respect of this matter.

Lausanne, 12 May 2022

BDO SA



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