Q&A Transcript

Financial Results Presentation for the Fiscal Year Ended April 2024

Astroscale Holdings Inc.

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- Presentation Material:
  Financial Results Presentation Material for the Fiscal Year Ended April 2024
- Recording in only Japanese (Link to YouTube):
  Financial Results Presentation for the Fiscal Year Ended April 2024 Recording

Q: With regard to the outlook for long term mission revenues, please tell us about the potential missions under discussion in the mission pipeline chart on page 23 of the presentation material, the projects that are likely to be contracted or selected and their potential.

A: Regarding the pipeline mission chart, which is also included in the prospectus, it is divided into three groups depending on the status of the project. The top group is "Contracted/Partially Contracted/Selected Projects," and the second from the top, "Potential Uncontracted Projects under Negotiation," are projects that are already in the final stages of contracting. The bottom group, "Potential Missions Under Discussion," are those that are under specific discussion. Therefore, we would like to disclose them at the appropriate time, once we move to award or final selection.

Q: I would like to know if there is any response to the negotiations for ELSA-M series, which is the follow-on mission to ELSA-M in EOL, and LEX-G in LEX, etc.

A: The word "response" is used in different ways depend on people, but we think it would be better to say that we do not list any deals that we have not received any response to. We would like to disclose them as soon as the timing is coming.

Q: I would like to know the breakdown by mission of the 18 billion yen project income forecast for the fiscal year ended April 2025.

A: We would like to refrain from disclosing the figures inside. We think you can roughly estimate the project income for each fiscal year by dividing the contract amount proportionally over the period using the length of the arrows for each mission on page 23 of the presentation materials.

Q: With regard to the expenses in the company plan for the fiscal year ended April 2025, I believe

that the provision for loss on order received for ELSA-M Phase 4 will be included. Please let me know if it is necessary to include a provision for loss on orders for other projects that are scheduled to be awarded. I would also like to know the outlook for R&D and SG&A expenses excluding R&D.

A : We would like to refrain from disclosing specific cost estimates at this stage. We didn't record a provision for ELSA-M Phase 4 in fiscal year ended April 2024, but if a contract is signed in fiscal year ended April 2025, we expect to record a provision at that time. However, we are currently considering a re-evaluation of the provision based on the details of the contracts, so please understand that the amount is not yet fixed. We do not currently have any estimated allowance for losses on orders received for other projects. However, if the situation changes in the future, we will update the information accordingly. Regarding R&D and SG&A expenses, we would like to refrain from disclosing information at this time.

Q: I would like to know the latest trends in the strengthening of regulations and introduction of policies in the various countries listed on page 13 of the briefing material. In addition to this trend, I would like you to supplement the latest developments, such as discussions that have begun behind the scenes and moves toward improving the debris problem.

A : None of the information on page 13 was available until two years ago regarding global rulemaking. Rather than the latest situation regarding rule making, it is not something that changes every day, but rather something that has changed over the past year. Major countries have been responding to the situation to a great extent, and it is not a situation of just any particular country, but the Western countries are at least covered. And it was particularly significant that space sustainability was addressed in The G7 Summit last year, with a commitment to promoting the safe and sustainable use of outer space by addressing the challenges posed by space debris. Discussions have also begun at the United Nations. Since space has no borders, we believe this is proof that the debris problem and sustainable use of space is a challenge for all countries.

Q : Regarding the four services (EOL/ADR/LEX/ISSA), I would like to know about business opportunities beyond the pipeline shown on page 23. In the " Matters concerning business plan and growth potential" in Japanese disclosed on the day of listing, there is a slide showing a steady accumulation of satellites with docking plates for EOL, and LEX also shows the possibility of providing services with 1-2 units per year, so we can imagine business opportunities. On the other hand, I would like to know your expectations regarding the frequency of business opportunities for each of ADR and ISSA.

A : Mainly EOL and LEX are expected to meet commercial demand, while ADR and ISSA are expected

to meet mainly institutional demand. The frequency of these services is difficult to state clearly, but it is true that they are being considered in several countries. Each mission on page 23 was almost unforeseeable two years ago, and even a year ago, only a few missions were realizing. Therefore, we are at a stage where the pipelines are rapidly increasing. In addition, some projects are being discussed, and many discussions of various business opportunities are still in the early stages in a number of countries. The important point is that we are not dependent on one particular country or one particular project, but rather that we have actually won competitive bids in several countries and our missions are progressing in parallel. In addition, we believe it is important that "the core of the project is RPO technology". Regarding institutional projects, we are continuing dialogue with the governments of various countries, and although it is difficult to say how often these projects will be realized, discussions are progressing concurrently. Since we are still in the early stages of these discussions, we will know the pace of these institutional projects over the next few years.

Q: I would like to know if there are any positive factors for recruiting human resources and acquiring orders as a result of being listed on the stock exchange.

A: In terms of human resources, the space industry is experiencing a growing market, and there is competition for human resources around the world. We believe that we have been relatively successful in recruiting human resources. We think this is due to a number of factors, including the fact that our mission is in line with megatrends, our RPO technology is unique, and we are expanding globally. We think the listing is an additional positive factor. In terms of project acquisition, we think the company is winning through competitive bidding, almost regardless of the listing. However, from a business perspective, we think that from the supplier's point of view, the fact that we have developed a very solid financial base has resulted in our increased credibility. We also think that transparency has increased through the disclosure of information. In this sense, we consider this to be one of the positive points.

Q: Regarding the pipeline on page 23, is there a possibility that the plan will be accelerated or delayed? If so, please tell us for what reason it would deviate from the plan.

A: Most of the projects listed here are for government clients. Institutional demand is almost never generated suddenly. Through advanced study, the technological development, the necessary timeframe, and the amount of money required for development are discussed, which leads creating budget and making bid. Since every country has a similar process, we can almost always guess the timing of demand. There are also two main reasons for delays once a project has started. First, delays in component deliveries from suppliers. The second is the impact of the launch. The average success rate for a rocket launch is about 95%, which means that one out of

every 20 rocket launches fail. The same type of rocket we use for launches failed on another launch, and the accident investigation had an impact on our satellite launch plans. We have experienced such delays in our past projects, but we have been able to absorb them within three to six months, and we do not believe that any of them have led to delays of a year. Additional costs, such as labor costs, will be incurred during that delay period, but we have a certain buffer, called “reserve”, in each project, which we use to absorb the increased costs caused by the delay.

Please reach out to IR team at ir@astroscale.com if you have any questions.

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