Financial Results Presentation FY2025 Q1



Astroscale Holdings Inc.

(Ticker symbol: 186A)

September 13, 2024

Astroscale Proprietary

Disclaimer

This document has been prepared by Astroscale Holdings Inc. (herein referred to as the “Company”, “Astroscale” or “we”) solely for informational purposes. This document contains forward-looking statements, which reflect the Company's assumptions and outlook for the future and the Company's plans and expectations as of the date of this document or other date indicated. There can be no assurance that any such forward-looking statements will be achieved. Actual results may differ materially from those expressed or implied by such forward-looking statements due to various factors, including changes or adverse outcomes in the development or operations of our missions, changes in customers' plans and needs, competition, changes in the legal and regulatory environment and other factors. Accordingly, readers are cautioned against placing undue reliance on any such forward-looking statements. The Company has no obligation to update or revise any information contained in this document based on any subsequent developments except as required by applicable law or stock exchange rules and regulations.

This document has been translated from the Japanese language original for reference purposes only. In the event of any conflict or discrepancy between this translated document and the Japanese language original, the Japanese language original shall prevail in all respects. The Company makes no representations regarding the accuracy or completeness of this translation and assumes no responsibility for any losses or damages arising from the use of this translation.

This document includes information derived from or based on third-party sources as cited herein. The Company has not independently verified and cannot assure the accuracy or completeness of any information derived from or based on third-party sources.

TABLE OF CONTENTS

Section 1: FY2025 Q1 Highlights

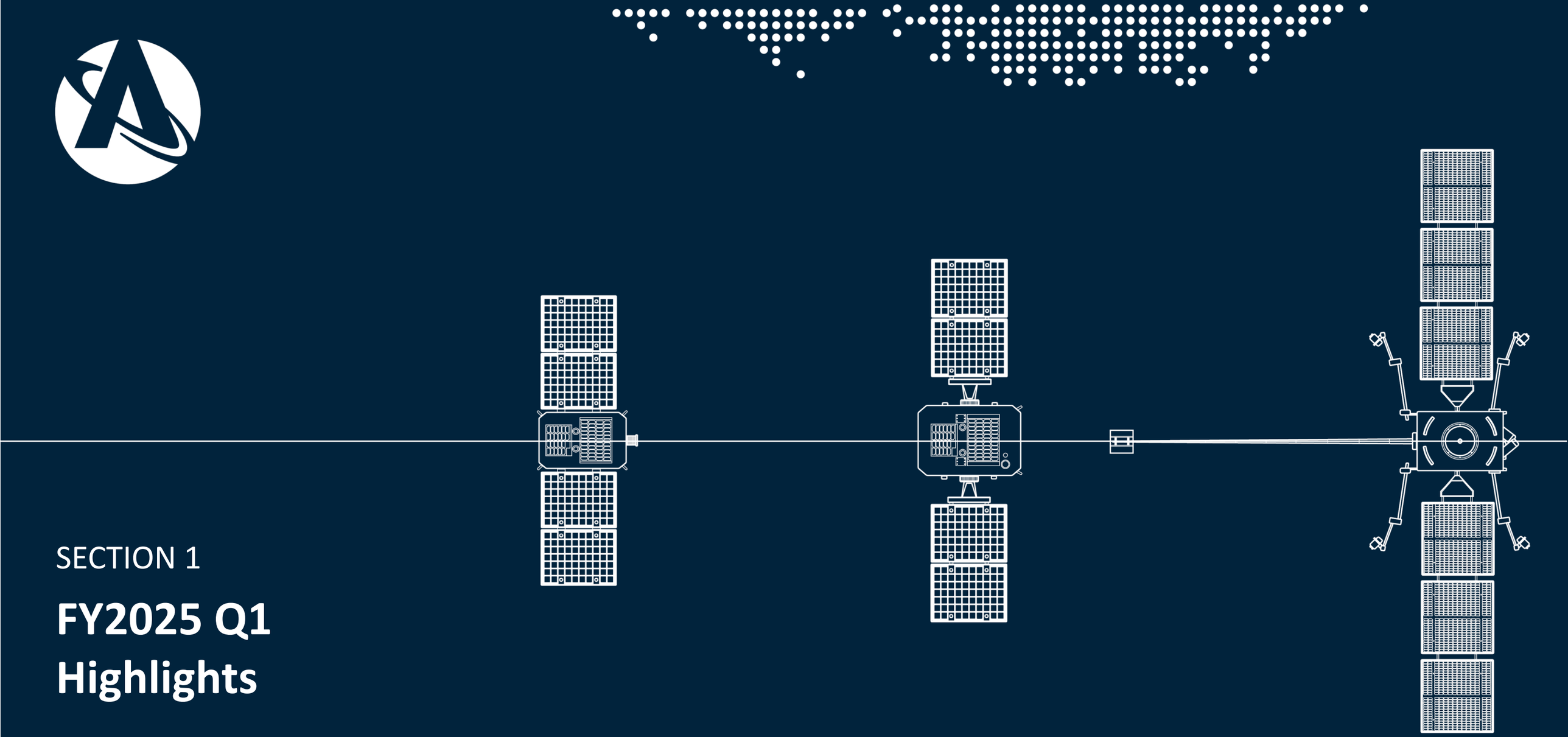
Section 2: FY2025 Q1 Financial Results

Section 3: Backlog, Pipeline and FY2025 Outlook

Section 4: Other Activities

Appendix

Information in this presentation is based on the following unless otherwise noted.
FX rate assumptions: US$1 = ¥140, €1 = ¥150, £1 = ¥175
Fiscal years: “FY202X” is equivalent to the “fiscal year ending April 202X”.
Q1: The first quarter of the fiscal year beginning from May 1 and ending on July 31.



SECTION 1

FY2025 Q1 Highlights

FY2025 Q1 Highlight Summary

1. World’s first detailed image of real debris captured by ADRAS-J, demonstrating our world-leading RPO technology.
2. Signed multiple contracts globally worth ¥2.58bn in total.
3. Signed MOU for a strategic partnership with Airbus Defence and Space Limited.
4. Continued strong policy support such as the G7 Apulia Leaders' Communiqué.
5. Q1 financial results on track with no revision to full year forecast (project income of ¥18.0bn).

FY2025 Q1 Key Metrics

Order Backlog[(1)]:	¥27,975mm
Project Income[(2)]:	¥1,166mm (+102.1% YoY)
Operating Profit:	¥(7,597)mm
Cash Balance:	¥27,340mm

(1) Order backlog includes amounts for confirmed but uncontracted projects that do not have any competitors in the process such as ISSA-J1 (formerly known as SBIR) Phase 2 and 3 as well as amounts for ADRAS-J2 which was awarded in April 2024 but not contracted as of July 2024 end.
(2) Non-IFRS measure. Project income includes revenue from customers and government subsidy income only related to grants for which use is tied to specific projects. We believe project income provides investors with additional information in relation to the sources of income derived from our project-related activities, as we pursue a wide range of project activities regardless of the funding scheme. Management monitors project income as the primary indicator of income of project-related activities.

Astroscale Proprietary

Historical Achievements by ADRAS-J

ADRAS-J continues to make history with world's first detailed image of real debris and fly-around, demonstrating our world-leading RPO technology.

Feb. 18: Launch and start of in-orbit operations.
May 23: Approached to the client within 50 meters.
May 23: First fixed-point observation completed.
Jun. 17: Second fixed-point observation completed.
Jun. 19: Start of fly-around operation.
Jul. 14: Third fixed-point observation completed.
Jul. 15: Successful second fly-around observation.
Jul. 16: Successful third fly-around observation.

Client Object(1) Image



(1) Japanese upper stage rocket body launched in 2009; 11 meters in length; weighing about 3 tons.

FY2025 YTD Contract Signings/Awards: ¥14.9bn in Total

APS-R (Contract Amount Increase)

(press release)

- Service: LEX (Life Extension Services/Refueling)
- Client: U.S. Space Force
- Amount: Increased by $1.355mm (¥0.21bn)
- Signed: June 17, 2024

ADRAS-J2

(press release)

- Service: ADR (Active Debris Removal)
- Client: Japan Aerospace Exploration Agency
- Amount: ¥12bn
- Signed: August 20, 2024

ELSA-M Phase 4

(press release)

- Service: EOL (End-of-Life Services)
- Client: European Space Agency
  UK Space Agency
  Eutelsat OneWeb
- Amount: €13.95mm (¥2.38bn)
- Signed: July 18, 2024

COSMIC Phase 2

(press release)

- Service: ADR (Active Debris Removal)
- Client: UK Space Agency
- Amount: £1.95mm (¥0.36bn)
- Signed: September 5, 2024

(1) ADRAS-J2 and COSMIC Phase 2 were contracted after the end of FY2025 Q1.

Strategic Partnership with Airbus Defence and Space Limited

(press release)

- Astroscale Ltd (Astroscale UK) signed Memorandum of Understanding in August 2024.
- Aim to leverage the strengths and capabilities of both companies to address the growing challenges of space sustainability and satellite longevity, with a particular focus on advancing the UK's efforts in the in-orbit servicing and manufacturing industry and building a circular economy in space.

Key Objectives of this Collaboration

Space Debris Removal

In-orbit Servicing

In-orbit RPO

In-Orbit Space Assembly and Manufacture

Satellite Refueling and Life Extension

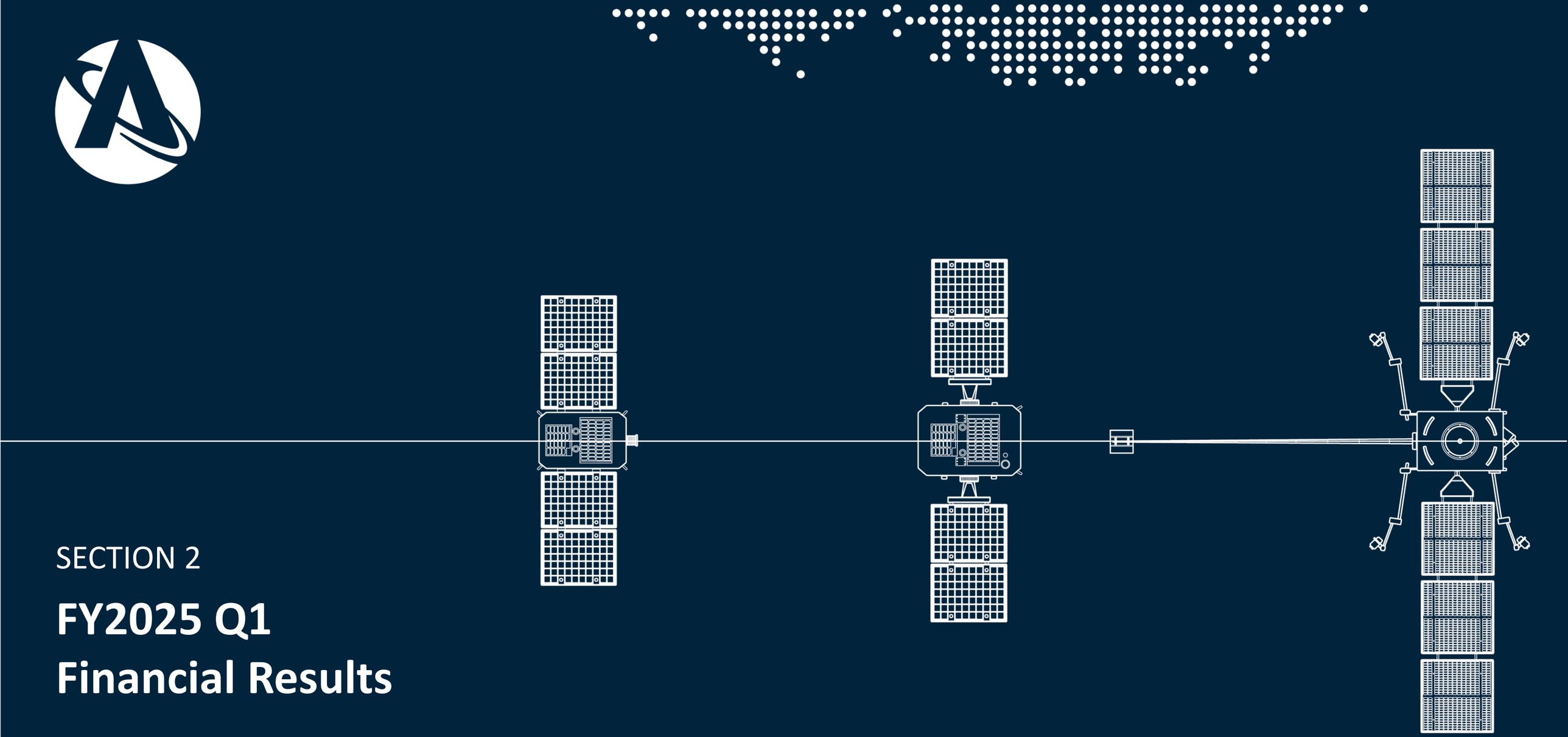
Astroscale Proprietary

Statement from the Apulia G7 Leaders' Communiqué (June 2024)

We strongly support the implementation of the International Guidelines adopted at the UN Committee on the Peaceful Use of Outer Space as urgent and necessary. We welcome national efforts to develop further solutions for space debris mitigation and remediation, including further research and development of orbital debris mitigation and remediation technologies, and the development of space sustainability standards and regulations.

Source: https://www.g7italy.it/wp-content/uploads/Apulia-G7-Leaders-Communique.pdf

Astroscale Proprietary



SECTION 2

FY2025 Q1
Financial Results

Income Statement

While losses were significant in Q1 due to one-time items, we expect improvement on quarterly performance towards the end of the fiscal year.

(¥ million)		FY2024 Q1		FY2025 Q1	YoY Change
Order bookings		N/A		2,582	*NM*
Project income	*A*	577		1,166	*102.1 %*
Government grant income	*B*	-	1	927	*NM*
Revenue	*C = A - B*	577	2	239	*(58.5)%*
Cost of sales	*D*	(745)	3	(3,740)	*401.9 %*
Gross profit (loss)	*E = C - D*	**(168)**		**(3,501)**	-
Gross Margin	*E / C*	***(29.1)%***		***(1,462.6)%***	-
SG&A expenses - R&D	*F*	(961)	4	(3,080)	*220.2 %*
SG&A expenses - non-R&D	*G*	(1,340)	5	(2,170)	*62.0 %*
Other income	*H*	-		1,154	*NM*
Government grant income	*B*	-		927	*NM*
Operating profit (loss)	*I = E ~ H*	**(2,470)**		**(7,597)**	-
Operating margin	*I / C*	***(428.0)%***		***(3,173.8)%***	-
Profit Before Tax		(1,776)		(8,579)	-
Profit (Loss)		(1,776)		(8,579)	-

$1.00 to JPY	139.90	157.19	*12.4 %*
£1.00 to JPY	177.17	200.18	*13.0 %*

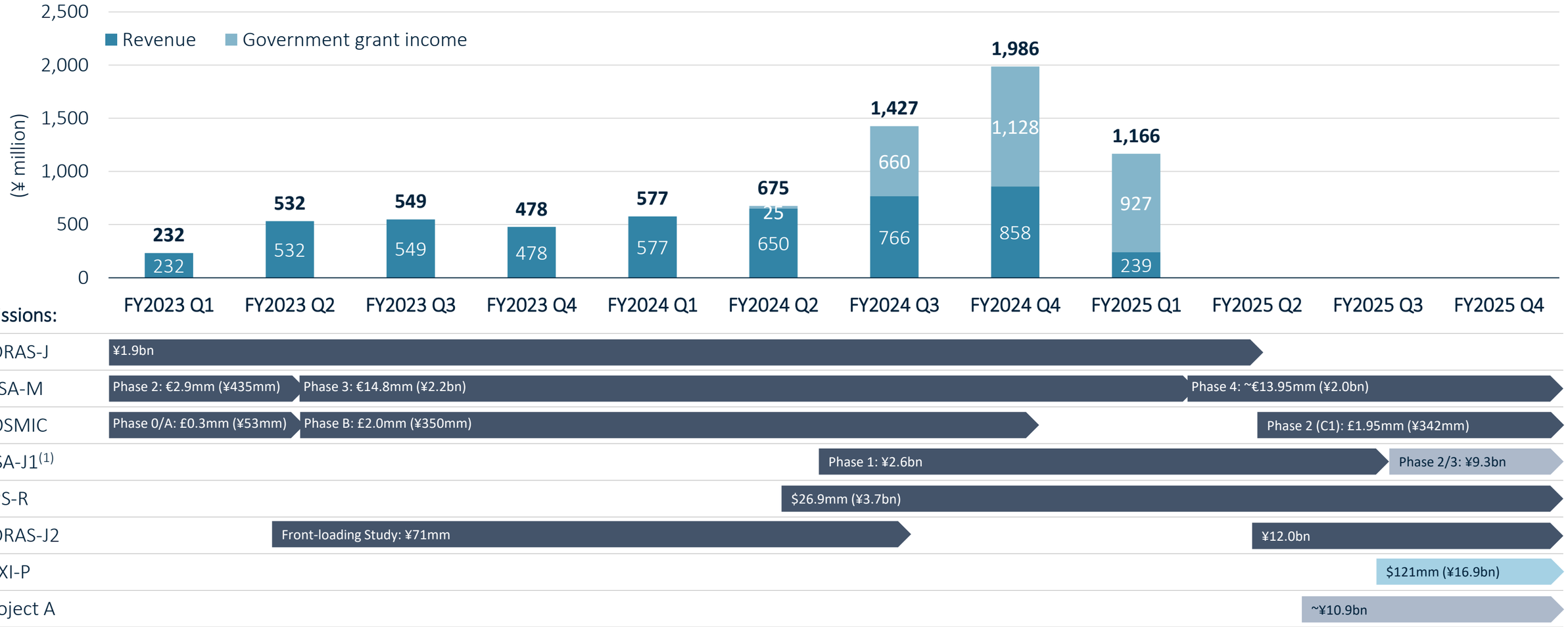
1. Increased due to new grant projects such as APS-R and ISSA-J1[(1)].
2. Temporary decrease due to lower revenue from ADRAS-J, ELSA-M Phase 3 and COSMIC Phase B.
3. One-time increase due to loss provision of ¥3.2bn for ELSA-M Phase 4.
   - Amount of loss provisions is consistent with expectations.
4. Increase due to cost for grant projects (e.g. APS-R and ISSA-J1[(1)]) and pre-contract development (e.g. LEXI-P).
5. Increase due to personnel and IPO-related costs. Amount in-line with expectations.

(1) Formerly known as SBIR.

Note: Project Income: Non-IFRS measure. Project income includes revenue from customers and government subsidy income only related to grants for which use is tied to specific projects. We believe project income provides investors with additional information in relation to the sources of income derived from our project-related activities, as we pursue a wide range of project activities regardless of the funding scheme. Management monitors project income as the primary indicator of income of project-related activities.

Quarterly Project Income

While project income decreased in Q1 as expected due to lower revenue from ADRAS-J, ELSA-M Phase 3 and COSMIC Phase B, expect income to pick up in the remainder of the year with increased mission activity.



(1) Formerly known as SBIR.
Note: Project timelines and details of non-contracted projects such as amount are based on current expectations of the Company and is subject to change in the future. Please refer to page 18 and 19 for further information on pipeline.

Breakdown of SG&A Expense and Other Income

SG&A expenses and other income were consistent with expectations.

(¥ million)	FY2024 Q1	FY2025 Q1	YoY Change
SG&A expenses	(2,302)	(5,250)	*128.1 %*
R&D expenses	(961)	(3,080)	*220.2 %*
Pure R&D cost	(92)	(55)	*(40.1)%*
Development costs for grant projects	-	(1,066)	*NM*
Pre-contract development costs	(869)	(1,958)	*125.3 %*
Other SG&A expenses	(1,340)	(2,170)	*62.0 %*

1. Increased due to new grant projects such as APS-R and ISSA-J1[(1)].
2. Increased mainly due to pre-contract development for LEXI-P.
3. Increase due to personnel and IPO-related costs. Amount in-line with expectations.

(¥ million)	FY2024 Q1	FY2025 Q1	YoY Change
Other Income	-	1,154	*NM*
Government Grant Income	-	927	*NM*
Others	-	227	*NM*

4. Increased due to new grant projects such as APS-R and ISSA-J1[(1)].
5. Income from tax refunds, etc.

(1) Formerly known as SBIR.

Balance Sheet

We continue to maintain a healthy balance sheet.

(¥ million)	Apr. 2024	Jul. 2024	*Change*
Total assets	**24,990**	**38,366**	***53.5 %***
Current assets	17,746	31,229	*76.0 %*
Cash and cash equivalents	14,196	1 27,340	*92.6 %*
Other assets	3,549	3,888	*9.6 %*
Non-current assets	7,244	7,136	*(1.5)%*
Property, plant and equipment	6,214	6,107	*(1.7)%*
Other assets	1,029	1,029	*(0.0)%*
Liabilities	**19,589**	**20,790**	***6.1 %***
Current liabilities	8,864	7,905	*(10.8)%*
Borrowings	2,487	2 3,099	*24.6 %*
Provisions	2,071	3 4 2,095	*1.1 %*
Other liabilities	4,304	2,710	*(37.0)%*
Non-current liabilities	10,725	12,884	*20.1 %*
Loans payable	7,375	7,350	*(0.3)%*
Provisions	271	4 2,544	*836.9 %*
Other liabilities	3,078	2,989	*(2.9)%*
Equity	**5,401**	5 **17,575**	***225.4 %***
Interest-bearing debt	13,180	6 13,669	*3.7 %*
$1.00 to JPY	157.19	151.06	*(3.9)%*
£1.00 to JPY	196.88	194.02	*(1.5)%*

1 Increased due to public offering at IPO (¥20,070mm).

2 Increase due to drawdown from credit facility.

3 Reversal of existing provision for order losses for ADRAS-J and ELSA-M Phase 3.

4 Provision for order losses for ELSA-M Phase 4.

5 Increase due to public offering at IPO offset by losses.

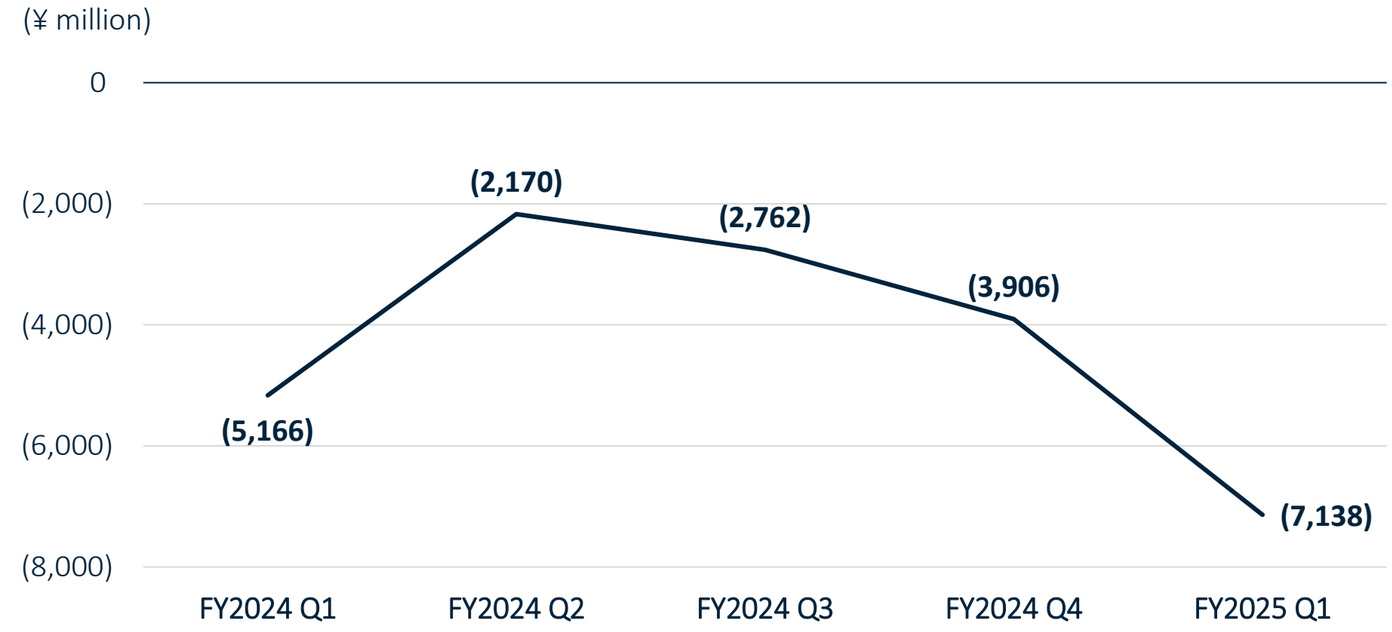
6 Includes the following:

- ¥10,450mm of borrowings
- ¥3,219mm of lease obligations

Cash Flow and Cash/Debt Balance

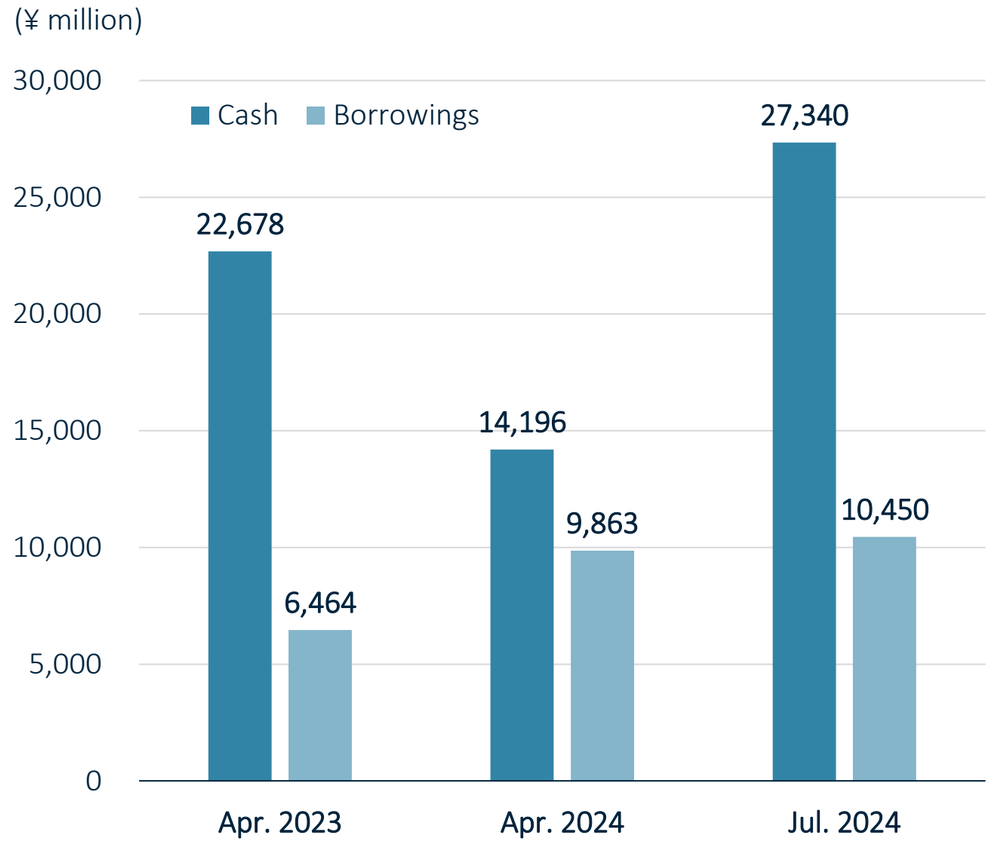
In Q1, free cash flow decreased significantly as expected mainly due to increase in losses. We expect figures to improve significantly in Q2 due to improved P&L performance and expected advance payments on customer contracts.

Quarterly Free Cash Flow(1)

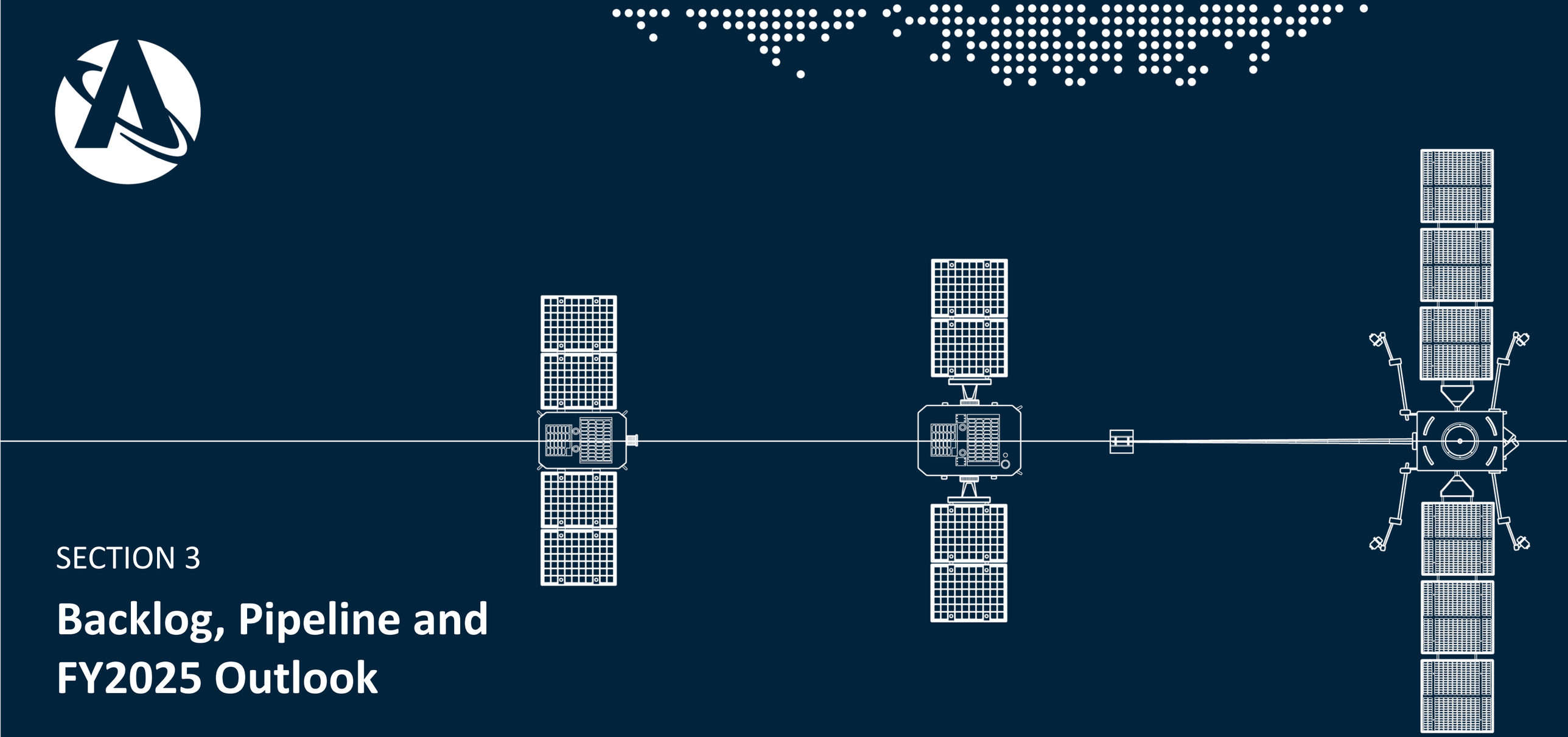


	FY2024 Q1	FY2024 Q2	FY2024 Q3	FY2024 Q4	FY2025 Q1
Operating CF	(4,344)	(2,071)	(2,682)	(3,723)	(6,967)
Investing CF	(821)	(98)	(79)	(182)	(171)
Financing CF	569	1,612	190	1,773	20,465

Cash and Debt Balance



(1) Defined as sum of cash flow from operating activities and investing activities.

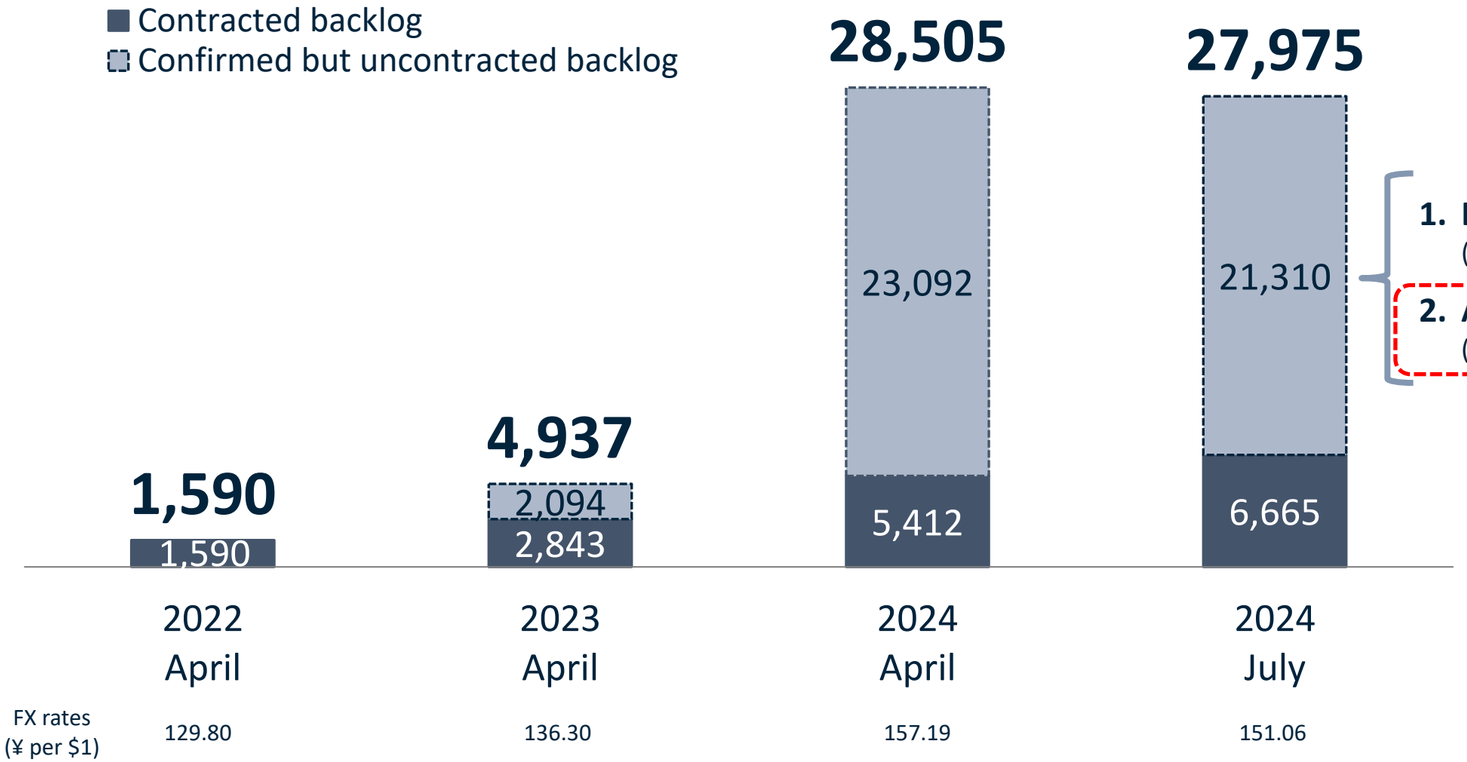


SECTION 3

Backlog, Pipeline and FY2025 Outlook

Order Backlog

Order Backlog (¥mm)



1. **ISSA-J1 Phase 2&3** (¥9,310mm)
2. **ADRAS-J2** (¥12,000mm)

Update as of Sep.13

Contracted **ADRAS-J2** in Aug, **which will be formally under "contracted backlog" at Q2-End.**

Fully-funded Ratio(1)

0% ▶ **11%** ▶ **81%** ▶ **82%**

Enhancing profitability by increasing fully-funded missions

(1) A "fully funded" project is defined as a project that we expect the contract amount will cover the full amount of the then-anticipated mission expenses which has been proposed by us. Ratio is calculated based on contract amount.
(2) Order backlog includes expected amounts for confirmed but uncontracted projects that do not have any competitors in the process such as ISSA-J1 (formerly known as SBIR) Phase 2 and 3 as well as amounts for ADRAS-J2 which was contracted in August 2024 but not contracted as of July 2024 end.

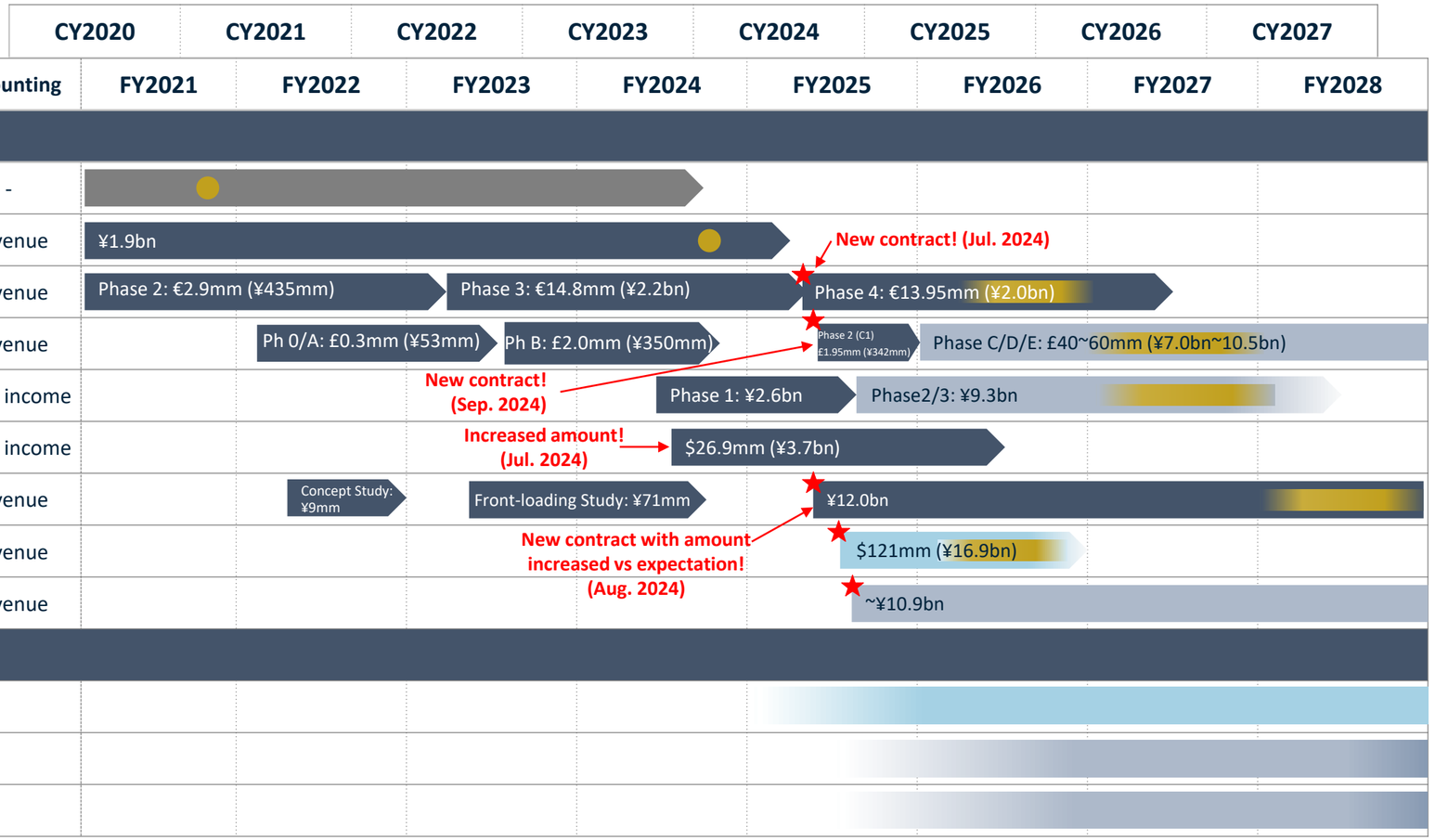
Institutional Pipeline Status

(As of Sep. 13, 2024)

Expected Project Timeline
- Self-funded
- Institutional (Contracted)
- Commercial (Contracted)
- Current FY strategic pursuits
- Planned Launch
- Institutional (Non-contracted)
- Commercial (Non-contracted)

FX assumption:
US$1 = ¥140
€1 = ¥150
£1 = ¥175

#	Project	Service	Customer	Entity	Funding	Payment	Accounting
Projects contracted, awarded and under proposal							
1	ELSA-d	-	-	-	Self-funded	-	-
2	ADRAS-J	ISSA	Institutional	Japan	Partial	Milestone	Revenue
3	ELSA-M	EOL	Institutional	UK	Partial	Milestone	Revenue
4	COSMIC	ADR	Institutional	UK	Full	Milestone	Revenue
5	ISSA-J1 (SBIR)	ISSA	Institutional	Japan	Full	Milestone	Other income
6	APS-R	LEX	Institutional	US	Partial	Milestone	Other income
7	ADRAS-J2	ADR	Institutional	Japan	Full	Milestone	Revenue
8	LEXI-P	LEX	Comm./Insti.	US	Full	Milestone	Revenue
9	Project A	LEX	Institutional	Japan	Full	Milestone	Revenue
Potential future missions under discussion							
i	MELCO (Bus)	Others	Comm./Insti.	Japan			
ii	Defense	ISSA	Institutional	-			
iii	Defense	ISSA	Institutional	-			



Note: Project timelines and details of non-contracted projects such as amount are based on current expectations of the Company and is subject to change in the future. A "fully funded" mission or project is one for which, at the outset of the mission or project, we expect that the customer contract amount or project-specific government grant amount will cover the full amount of the then-anticipated mission or project expenses which has been proposed by us. A "partially funded" mission or project is one for which, at the outset of the mission or project, we expect that the customer contract amount or project-specific government grant amount will cover less than the full amount of the then-anticipated mission or project expenses. The actual amount of the contract or the costs incurred for these projects may differ materially from our current expectations. In particular, if we experience unexpected cost increases after the contracts are concluded, we may be required to absorb such cost increases depending on the project, resulting in our costs exceeding the funding amount to a greater extent than initially expected.

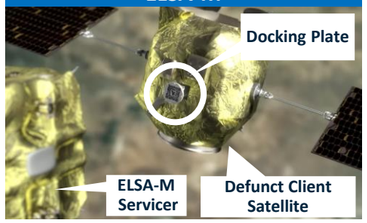
Commercial Pipeline Status

(As of Sep. 13, 2024)

Expected Project Timeline
- Self-funded
- Institutional (Contracted)
- Commercial (Contracted)
- ★ Current FY strategic pursuits
- ● / Planned Launch
- Institutional (Non-contracted)
- Commercial (Non-contracted)

FX assumption:
US$1 = ¥140
€1 = ¥150
£1 = ¥175

#	Project	Service	Customer	Entity	Funding	Payment	Accounting
EOL Missions (ELSA-M Series)							
3	ELSA-M	EOL	Institutional	UK	Partial	Milestone	Revenue
-	EOL	EOL	Commercial	UK	Full	TBD	Revenue
LEX Missions (LEXI Series)							
8	LEXI-P	LEX	Comm./Insti.	US	Full	Milestone	Revenue
-	LEXI-G	LEX	Institutional	US	Full	Milestone	Revenue
-	LEXI-C	LEX	Commercial	US	Full	TBD	Revenue



ELSA-M Service Assumptions

ELSA-M Servicer
- Removals per mission : **3** debris
- Revenue per removal (plan) : **$8–13 mm**

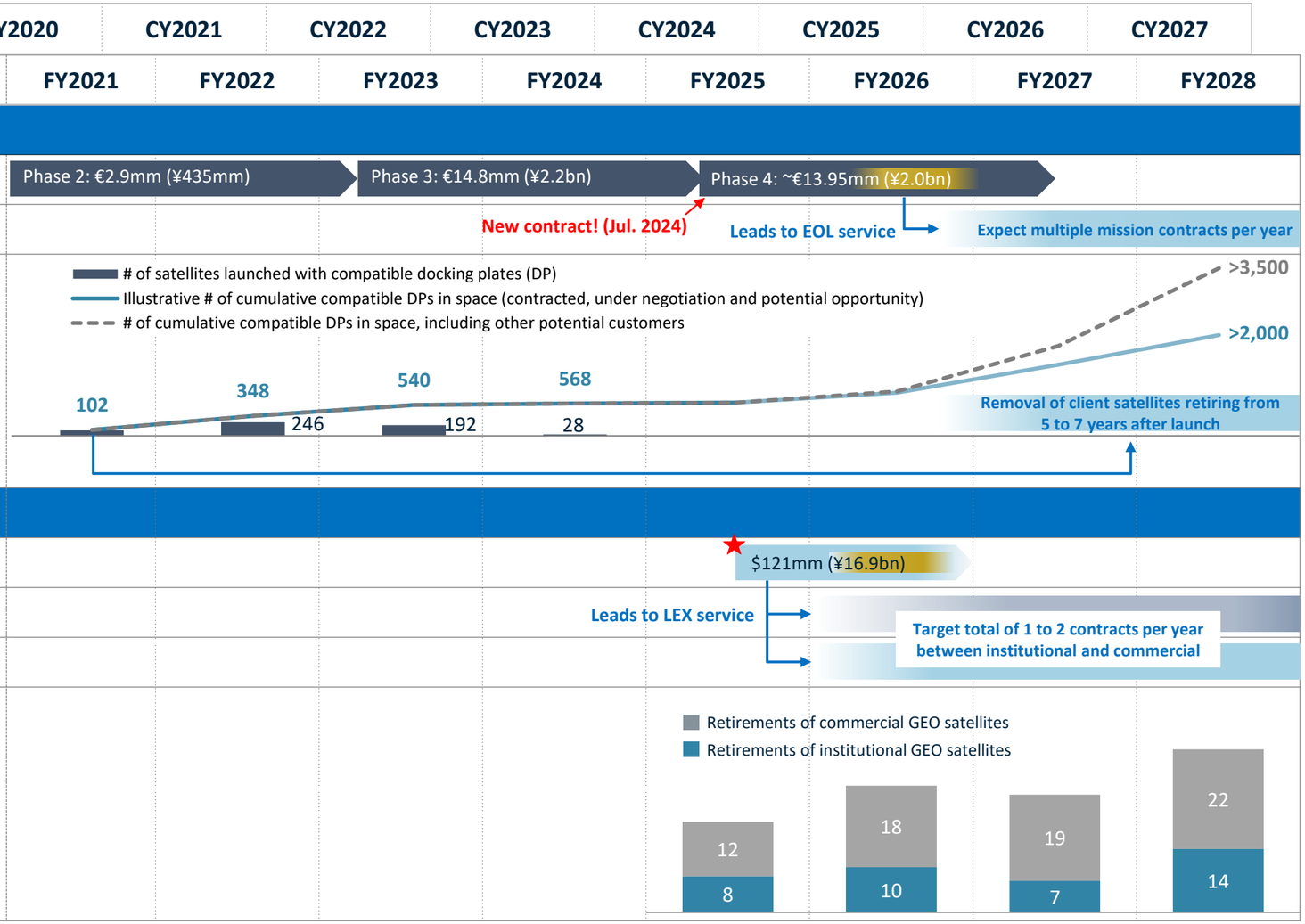
Client Satellite
- Lifetime : **5–7** years
- Illustrative failure rate(1) : **7–8** %



LEXI Service Assumptions

LEXI Servicer
- Total life extension capability : **15** years
- Revenue per servicer (In case of servicer sale) : **$121 – 215 mm**

Client Satellite (GEO Satellites)
- Lifetime : **15** years
- Cost : **Several hundred mm$**



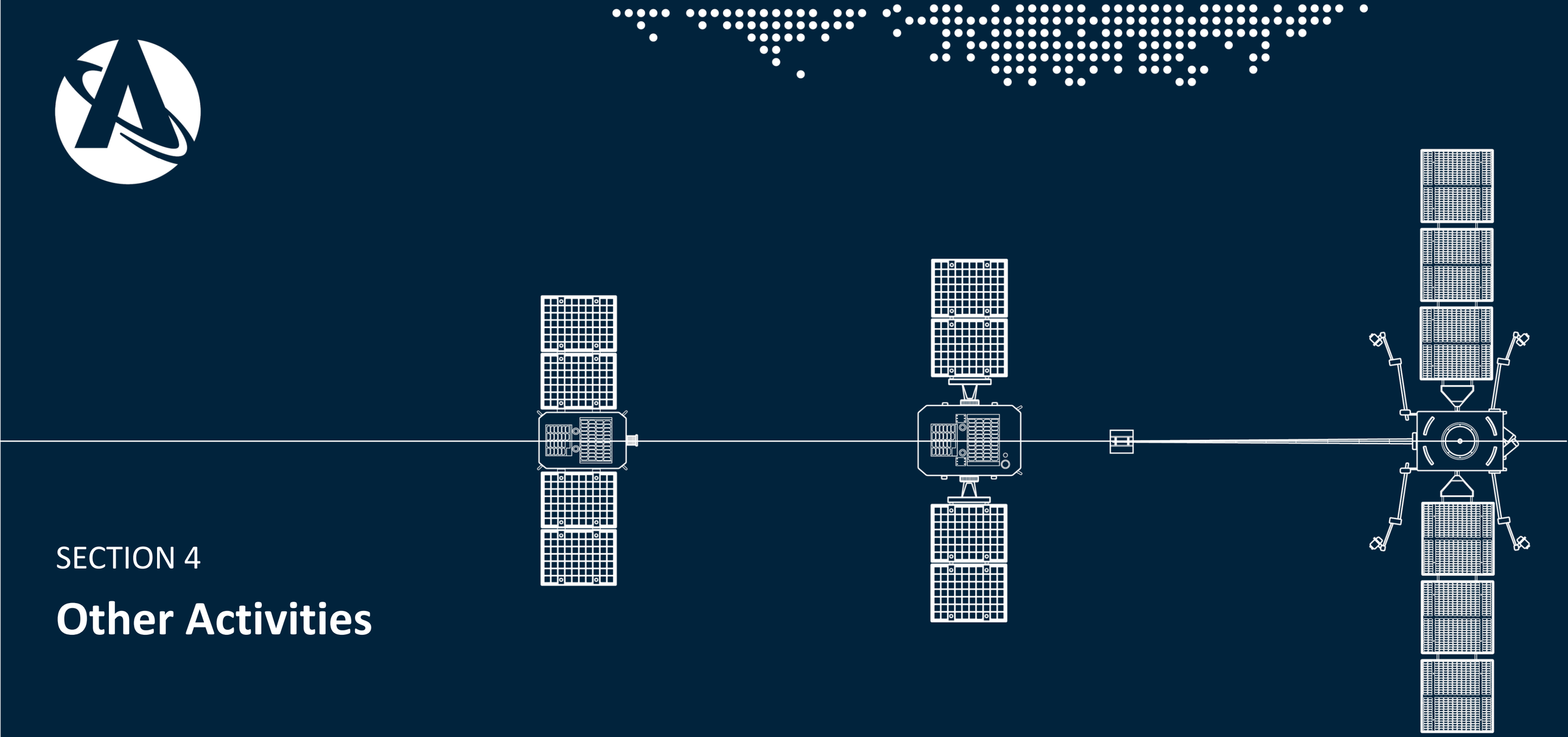
(1) Illustrative rates based on satellite failure rate research of historical satellite systems. These rates do not represent actual failure rates of current satellite systems with compatible DPs. Note: ELSA-M/LEXI service assumptions, number of compatible docking plates on orbit, retirements of GEO satellites, etc. shown above are based on our estimates and may differ from actual results. Project timelines and details of non-contracted projects such as amount are based on current expectations of the Company and is subject to change in the future.

FY2025 Full-year Outlook (Unchanged since June 13, 2024)

(¥ million)	FY4/2025 Forecast	FY4/2024 Result	YoY
Project Income	18,000	4,667	285.7%
Operating Profit (Loss)	N/A	(11,555)	-
Profit (Loss) Before Tax	N/A	(9,219)	-
Profit (Loss)	N/A	(9,181)	-

Forex Rate Assumption (¥)				Forex sensitivity (¥ million)
$ 1.00	140.00	146.23	(6.23)	80
€ 1.00	150.00	158.29	(8.29)	-
£ 1.00	175.00	183.85	(8.85)	12

Note: The reason for not disclosing profit projections is that large projects have a high possibility of differences in cost recognition for each case and until the contract details are known, it is impossible to eliminate uncertainties at this point. We plan to immediately announce full-year profit forecasts as soon as the orders for a large project, expected to be concluded during the fiscal year ending April 2025, are confirmed. Forex sensitivity is the amount of impact on project income for each ¥1 depreciation in the yen exchange rate.



SECTION 4

Other Activities

Other Activities

aSTART Co.,Ltd. and Mitsubishi UFJ Capital Co., Ltd., who has invested in our private funding round, conducted interviews with our CEO Mitsunobu Okada and CFO Nobuhiro Matsuyama.

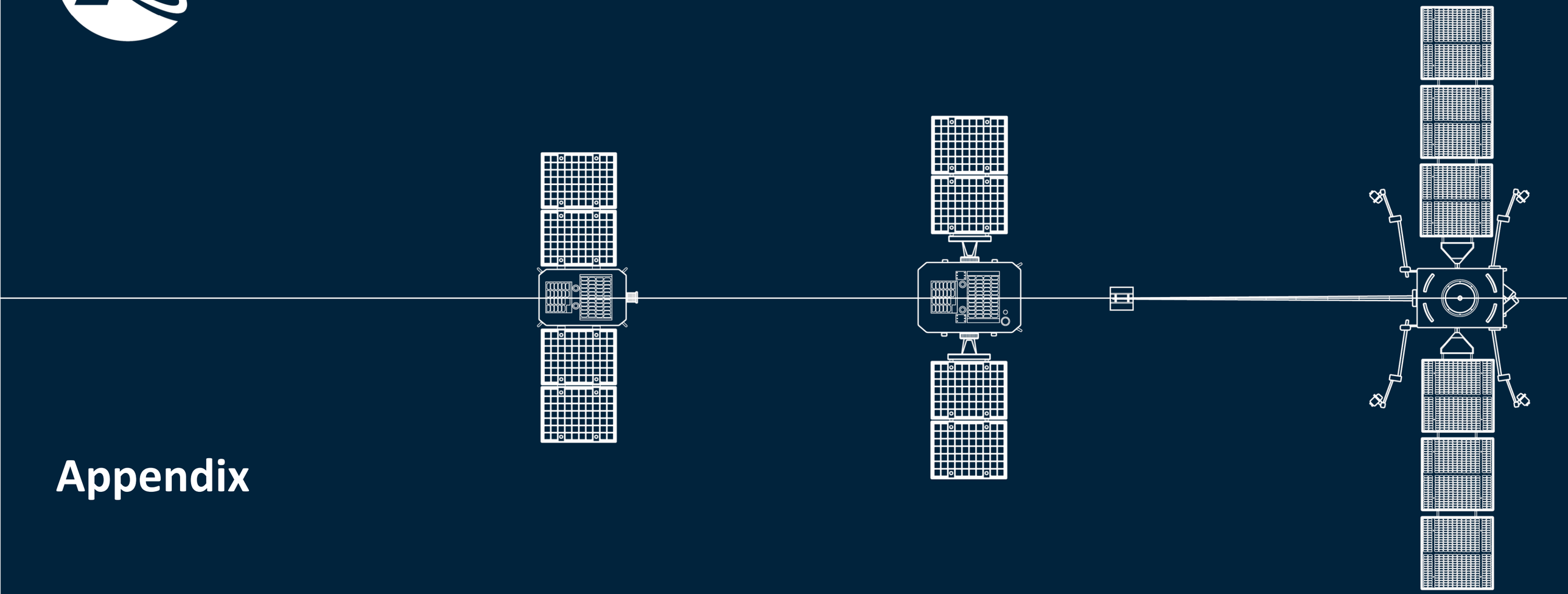


Published: Aug 8, 2024
Interviewer: aSTART Co.,Ltd.
Read more: Link (External, Japanese Only)



株式会社アストロスケールホールディングス
代表取締役社長兼CEO　岡田 光信 氏（左）
最高財務責任者（CFO）　松山 亘弘 氏（右）

Published: Aug 29, 2024
Interviewer: Mitsubishi UFJ Capital Co., Ltd.
Read more: Link (External, Japanese Only)



Appendix

Historical Financial Information: Income Statement

(¥ million)	FY2022	FY2023	FY2024	FY2024 Q1	FY2025 Q1
Order bookings	675	2,980	6,775	-	2,582
Project Income (Non-GAAP)	910	1,792	4,667	577	1,166
Revenue (IFRS)	910	1,792	2,852	577	239
Cost of Sales	(2,742)	(6,988)	(5,097)	(745)	(3,740)
Gross Profit (Loss)	(1,832)	(5,195)	(2,245)	(168)	(3,501)
Gross Margin	(201.3)%	(289.8)%	(78.7)%	(29.1)%	(1,462.6)%
SG&A expenses - R&D	(2,170)	(2,861)	(5,001)	(961)	(3,080)
SG&A expenses - non-R&D	(2,591)	(4,547)	(6,694)	(1,340)	(2,170)
Other Income	190	2,938	2,386	0	1,154
Operating Profit (Loss)	(6,404)	(9,665)	(11,555)	(2,470)	(7,597)
Operating Margin	(703.5)%	(539.1)%	(405.1)%	(428.0)%	(3,173.8)%
Finance Income	853	507	2,824	809	15
Finance Costs	(12)	(155)	(488)	(116)	(997)
Profit (Loss) Before Tax	(5,563)	(9,314)	(9,219)	(1,776)	(8,579)
Income Tax	79	49	38	(0)	(0)
Profit (Loss)	(5,484)	(9,264)	(9,181)	(1,776)	(8,579)
Earnings Per Share (¥)	(73.66)	(111.16)	(101.45)	(19.73)	(80.98)

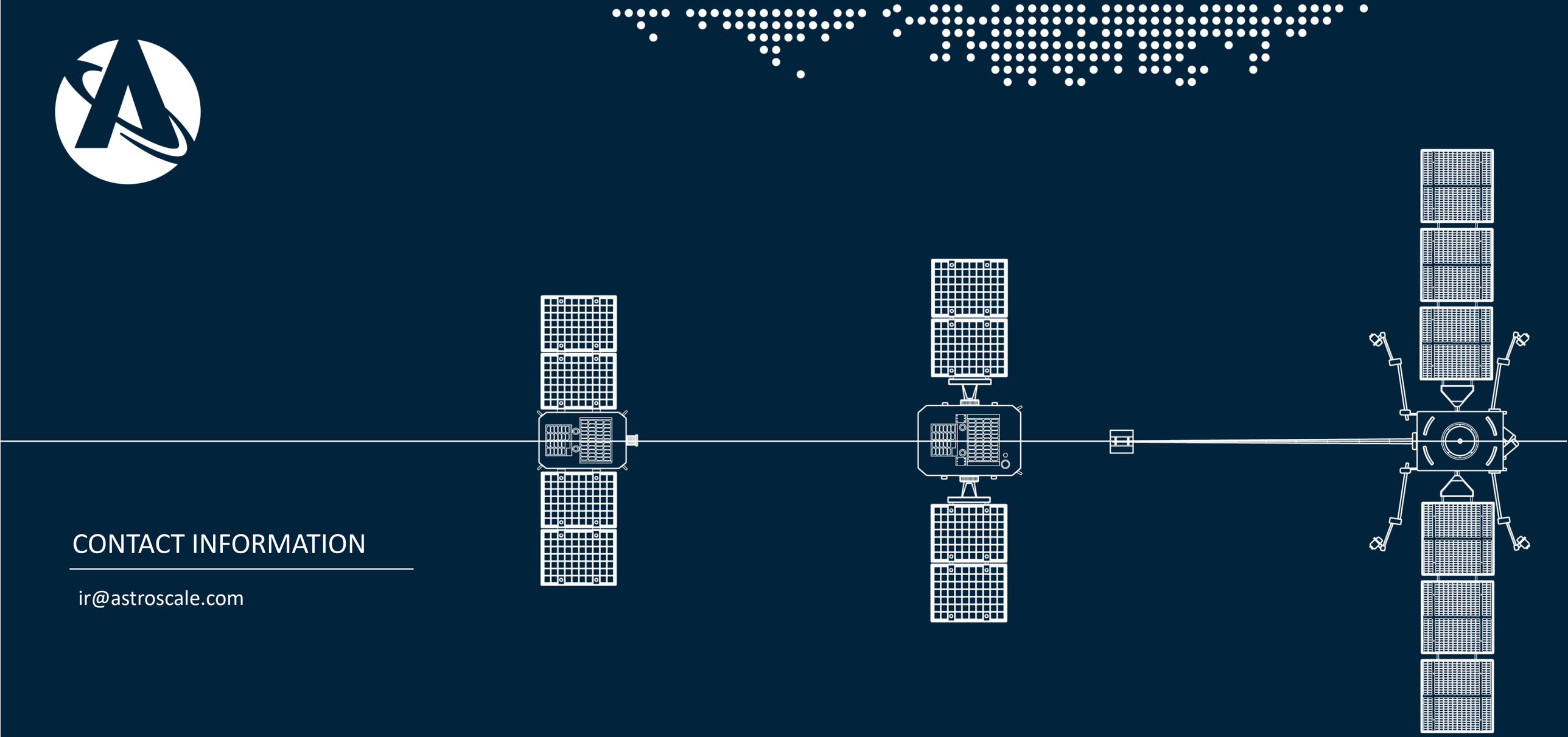
Historical Financial Information: Balance Sheet

(¥ million)	FY2022	FY2023	FY2024	FY2025 Q1
Assets				
Current assets				
Cash and cash equivalents	16,869	22,678	14,196	27,340
Trade and other receivables	401	472	1,044	735
Contract Assets	84	496	794	952
Other current assets	235	769	1,710	2,200
Total current assets	17,590	24,417	17,746	31,229
Non-current assets				
Property, plant and equipment	1,778	5,151	6,214	6,107
Intangible assets	143	138	220	242
Other non-current assets	613	730	809	787
Total non-current assets	2,535	6,020	7,244	7,136
Total assets	20,125	30,437	24,990	38,366

(¥ million)	FY2022	FY2023	FY2024	FY2025 Q1
Liabilities				
Current liabilities				
Trade and other payables	774	1,674	2,945	1,827
Contract Liabilities	109	253	-	-
Borrowings (Current)	943	988	2,487	3,099
Provision (Current)	1,899	3,726	2,071	2,095
Lease obligations (Current)	146	226	239	229
Other current liabilities	73	116	1,119	653
Total current liabilities	3,946	6,987	8,864	7,905
Non-current liabilities				
Borrowings (Non-current)	500	5,475	7,375	7,350
Provision (Non-current)	672	43	271	2,544
Lease obligations (Non-current)	914	3,041	3,078	2,989
Total non-current liabilities	2,087	8,559	10,725	12,884
Total liabilities	6,033	15,547	19,589	20,790
Equity				
Share capital	100	100	100	10,185
Capital surplus	14,881	19,643	7,858	9,724
Retained earnings	(487)	(4,287)	(679)	(1,255)
Other reserves	(402)	(564)	(1,878)	(1,079)
Equity attributable to owners of the parent	14,091	14,890	5,401	17,575
Other reserves				
Total Equity	14,091	14,890	5,401	17,575
Equity and liabilities	20,125	30,437	24,990	38,366

Historical Financial Information: Cash Flow Statement

(¥ million)	FY2022	FY2023	FY2024	FY2024 Q1	FY2025 Q1
Cash flow from operating activities					
(Loss) / Profit before taxation	(5,563)	(9,314)	(9,219)	(1,776)	(8,579)
Depreciation / Amortization	192	455	739	173	257
(Increase) / Decrease in trade and other receivables	588	(894)	(1,738)	(474)	(578)
Increase / (Decrease) in trade and other payables	451	1,045	881	(874)	(1,075)
Increase / (Cecrease) in provisions	(629)	1,067	(1,952)	(1,007)	2,325
Others	(712)	(2,864)	(3,988)	(426)	152
Subtotal	(5,673)	(10,505)	(15,277)	(4,386)	(7,497)
Others	172	2,568	2,455	41	530
Cash flow from operating activities	(5,501)	(7,937)	(12,822)	(4,344)	(6,967)
Cash flow from investing activities					
Purchase of property, plant and equipment	(480)	(1,528)	(1,082)	(808)	(135)
Purchase of intangible assets	(24)	(10)	(87)	(0)	(35)
Others	(157)	(95)	(12)	(12)	-
Cash flow from investing activities	(662)	(1,634)	(1,182)	(821)	(171)
Cash flow from financing activities					
Proceeds from issuarance of shares	12,381	10,189	996	-	19,854
Net increase (decrease) in short-term borrowings	943	20	1,424	-	612
Proceeds and Repayments of long-term borrowings	500	5,000	1,975	636	-
Others	(30)	18	(250)	(66)	(1)
Cash flow from financing activities	13,794	15,227	4,145	569	20,465
Effects of changes in foreign exchange rates	295	154	1,377	265	(182)
Change in cash and cash equivalents	7,925	5,809	(8,482)	(4,331)	13,144
Cash and cash equivalents at beginning of period	8,943	16,869	22,678	22,678	14,196
Cash and cash equivalents at end of period	16,869	22,678	14,196	18,347	27,340



CONTACT INFORMATION

ir@astroscale.com

visit us at **www.astroscale.com/ir**

Astroscale Proprietary