Financial Results Presentation
FY2025 Q3



Astroscale Holdings Inc.
(Ticker: 186A)

March 14, 2025

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Historical financial information appearing in this presentation has been derived from our financial statements or accounting records and has not been audited or reviewed by our independent auditors. Our financial statements are stated in Japanese yen and prepared in accordance with International Financial Reporting Standards. For convenience purposes, we have translated certain financial information appearing herein from Japanese yen into U.S. dollars.

TABLE OF CONTENTS

Section 1: FY2025 Q3 Executive Summary

Section 2: FY2025 Q3 Business Update

Section 3: Defense-related Business Progress

Section 4: FY2025 Q3 YTD Financial Results

Section 5: Backlog, Pipeline and FY2025 Outlook

Section 6: Other Activities

Appendix

Notes:

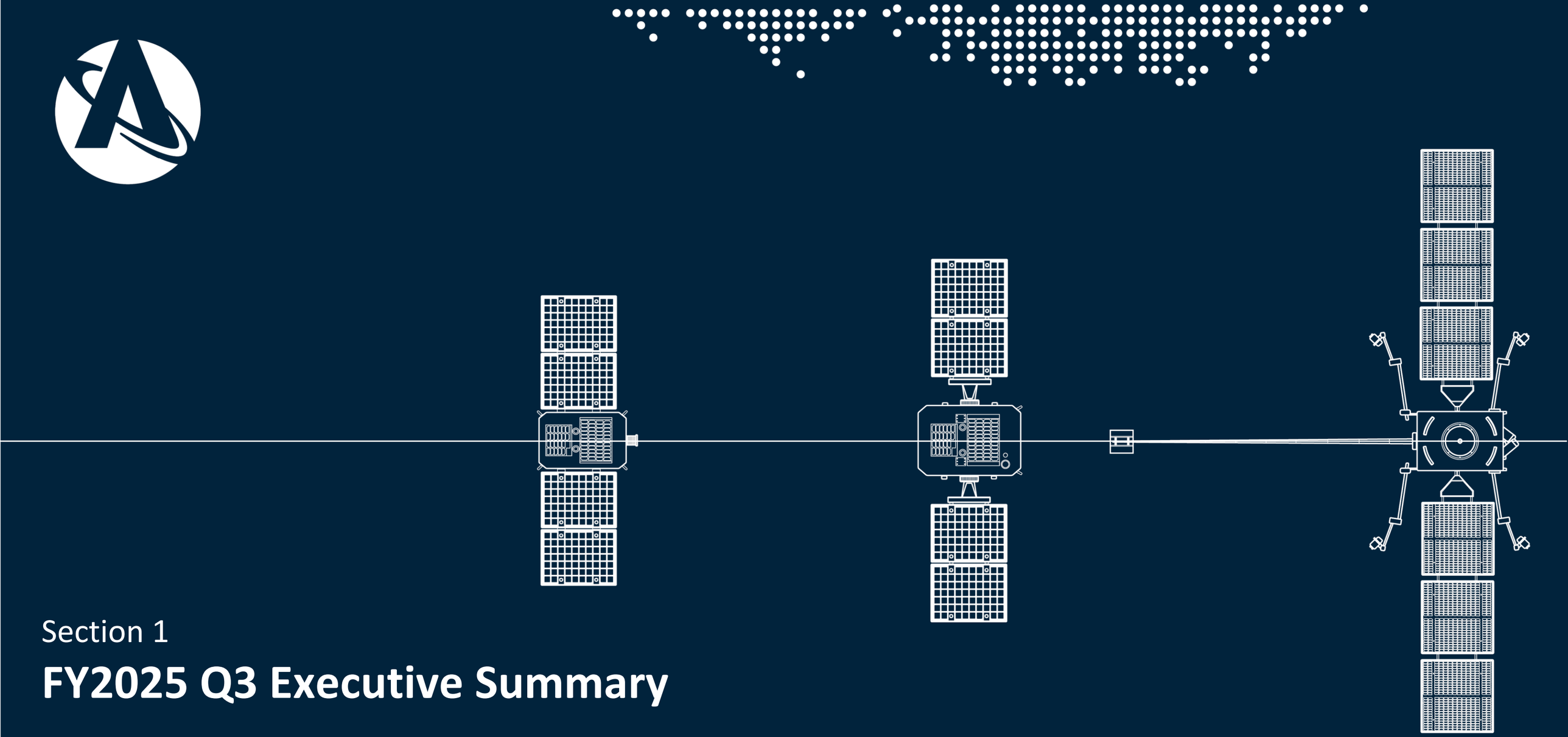
Information is presented based on the following unless otherwise noted.

Fiscal year: "FY202X" is equivalent to the "fiscal year ending April 202X".

Q3: The third quarter of the fiscal year beginning from November 1 and ending on January 31.

Q3 YTD: The first nine months of the fiscal year beginning from May 1 and ending on January 31.

FX rate assumptions: US$1 = ¥140, €1 = ¥150, £1 = ¥175



Section 1

FY2025 Q3 Executive Summary

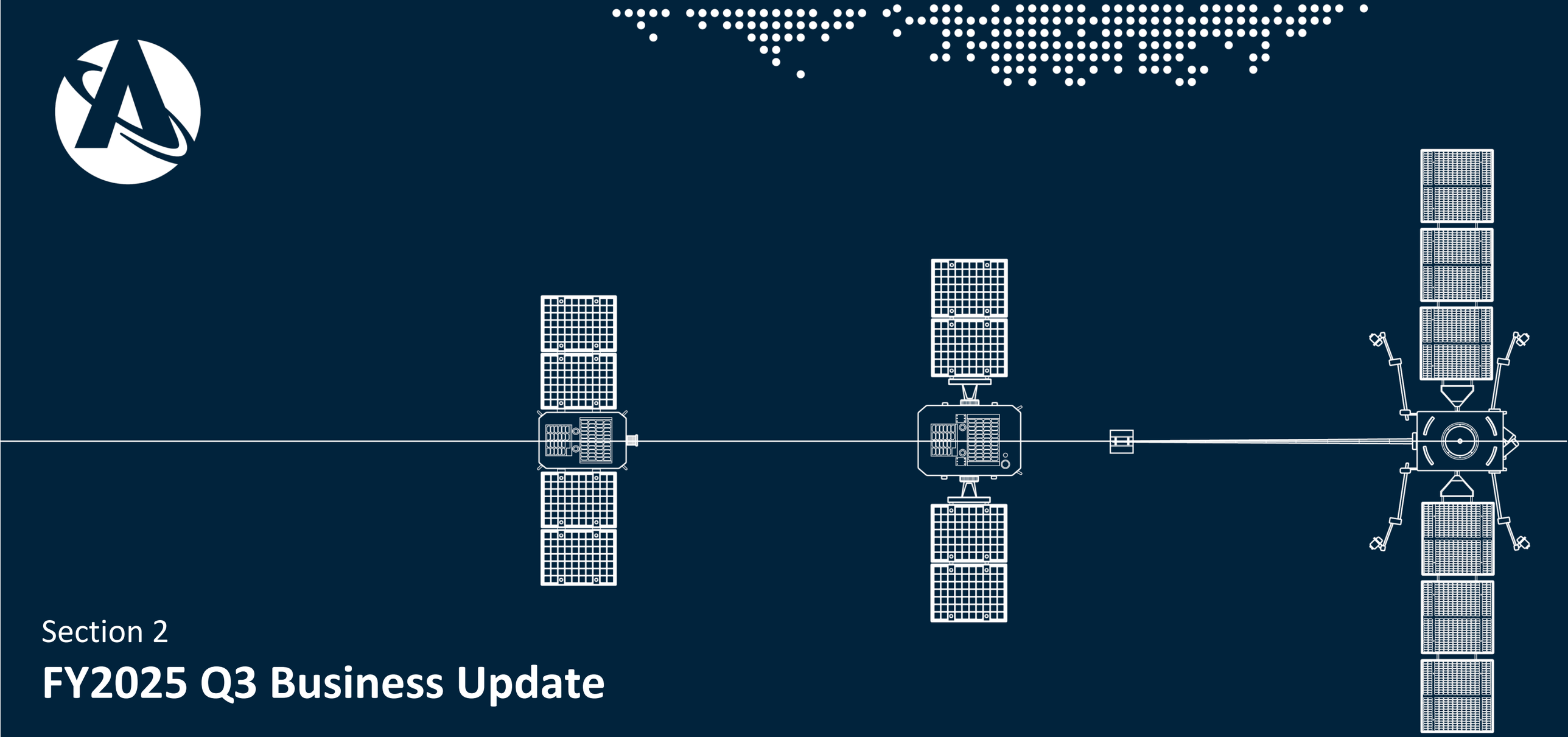
FY2025 Q3 Executive Summary

1. All pipeline assumed at the timing of our IPO (June 2024) has been secured except for LEXI-P.
2. In addition, CAT-IOD Phase A (ESA's ADR mission) sets the stage for further growth in civil missions.
3. Surge in defense contracts with awards of BAE Systems and JMoD Projects, expands our defense-related business portfolio to US, UK and Japan.
4. 1 additional docking plate ("DP") launched; total of 569 DPs now on orbit.
5. Robust backlog of ¥38,563mm representing QoQ growth of 39.5%.
6. While project income was impacted by temporary timing shifts in cost recognition, achieved gross profit breakeven on a quarterly basis.

FY2025 Q3 YTD Key Metrics

Backlog(1):	¥38,563mm Contracted backlog: ¥23,845 million Confirmed but non-contracted backlog : ¥14,717 million
Project Income(2):	¥3,709mm (+38.4% YoY)
Operating Profit:	¥(15,683)mm
Cash Balance:	¥23,664mm

(1) Backlog includes amounts for confirmed but uncontracted projects that do not have any competitors in the process such as ISSA-J1 Phase 3.
(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.



Section 2

FY2025 Q3 Business Update

FY2025 Q3 Space Environment Dashboard

The space environment continues to worsen.

Space Debris Objects on Orbit

40,500

(Larger than 10cm, as of Mar. 6, 2025)

Functioning Satellites on Orbit

11,000

(As of Mar.6, 2025)

Post-Mission Disposal Rate in LEO

Approx. 60%

(Payload clearance in LEO, percentage of successful attempts in 2022)

Major Fragmentations on Orbit

At least 6

(As of Jan 2025, fiscal year to date)

Source: European Space Agency "Space debris by the numbers" updated on Mar. 6, 2025, "ESA's Annual Space Environment Report" issued Jul. 19, 2024

FY2025 Q3 Contract Signings/Awards: ¥22.2bn in Total

We continued our robust backlog growth during Q3 including our first defense missions in Japan and the UK.

DSIT Regulatory Sandbox *(press release)*
- Service: Others (Regulatory Study)
- Customer: DSIT(1) (UK)
- Amount: £0.69 million (¥0.12 billion)
- Signed: December 19, 2024

CAT-IOD Phase A *(press release)*
- Service: ADR (Active Debris Removal)
- Customer: European Space Agency
- Amount: €0.59 million (¥89 million)
- Signed: January 20, 2025

ISSA-J1 Phase 2 *(press release)*
- Service: ISSA (Inspection)
- Customer: MEXT(3) (Japan)
- Amount: ¥6.31 billion
- Notified: January 24, 2025

BAE Systems Project *(press release)*
- Service: ISSA (Inspection)
- Customer: BAE Systems plc (UK)
- Amount: £5.15 million (¥0.90 billion)
- Signed: January 14, 2025

K Program *(press release)*
- Service: LEX (Refueling)
- Customer: JST(2) (Japan)
- Amount: ¥12.0 billion (including tax)
- Awarded: January 22, 2025

JMoD Project *(press release)*
- Service: ISSA (Inspection)
- Customer: JMoD(4) (Japan)
- Amount: ¥6.60 billion
- Signed: February 25, 2025

FY2025 Q4

The total amount of contracts signed and selected for the cumulative third quarter is ¥22.2 billion.
The total amount of contracts signed and selected year-to-date (YTD) up to the Q3 earnings announcement date is ¥28.8 billion.

(1) Department for Science, Innovation and Technology.
(2) Japan Science and Technology Agency
(3) Ministry of Education, Culture, Sports, Science and Technology.
(4) Japan Ministry of Defense.

Note: The Japanese yen amounts for foreign currency-denominated contracts are converted at the company's assumed exchange rate. Please note that the Japanese yen amounts for contract values in each release are applied using the exchange rate on the business day before the release, so they may differ from the Japanese yen amounts in the parentheses above.

Capturing Future Civil Opportunities through the CAT-IOD Mission

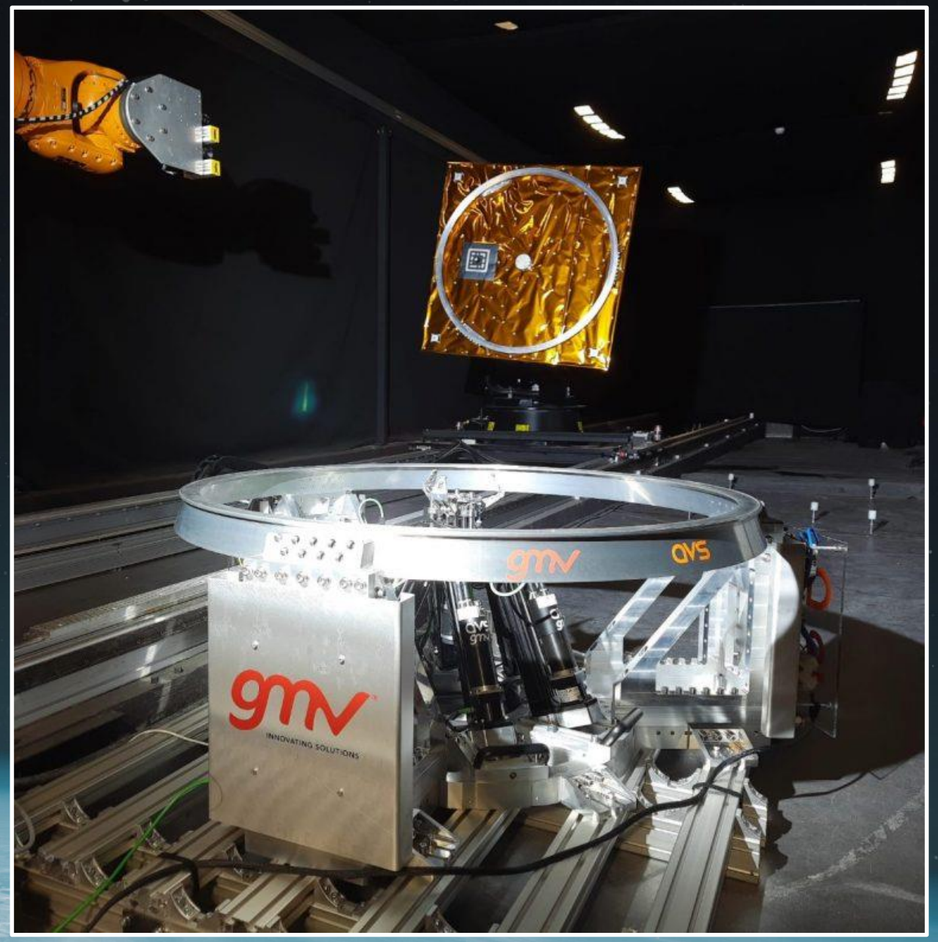
We expect the new CAT-IOD Phase A contract will help us expand future civil opportunities through Phase B onwards and potential future demand.

Mission Overview

- In close collaboration with strategic mission partner GMV, responsible for the docking mechanism called Return CApTure payload bay (“CAT”), Astroscale will adapt its proven RPO-enabled ELSA-M platform for the CAT in-orbit demonstration of the European Space Agency.
- By demonstrating docking with CAT and the ELSA-M platform, we can show that our RPO capability is agnostic to the docking mechanism.

Future Business Opportunities

- The demonstration mission phase of CAT-IOD is potentially worth upwards of €50 to 60 million, providing potential growth opportunity in the mid-term.
- The mission aligns with the Copernicus program which is an EU Earth observation program with plans to place a constellation of 20 CAT-compatible satellites in orbit by 2030.



The CAT System for Active Debris Removal

Photo credit: GMV.

Steadily Increasing Docking Plates on Orbit

The 569 docking plates (“DPs”) on orbit + upcoming launches seed future business to remove failed customer satellites through magnetic capture.

Launch of our second-generation (Gen 2) DP[(1)]

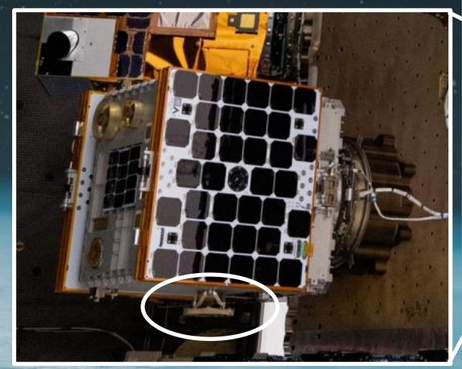
- A customer satellite with an Astroscale DP was launched aboard SpaceX’s Transporter-12 rideshare mission on January 14, 2025.
- This marks the first time our Gen 2 DP has entered space.
- The total number of docking plates on orbit is now 569.

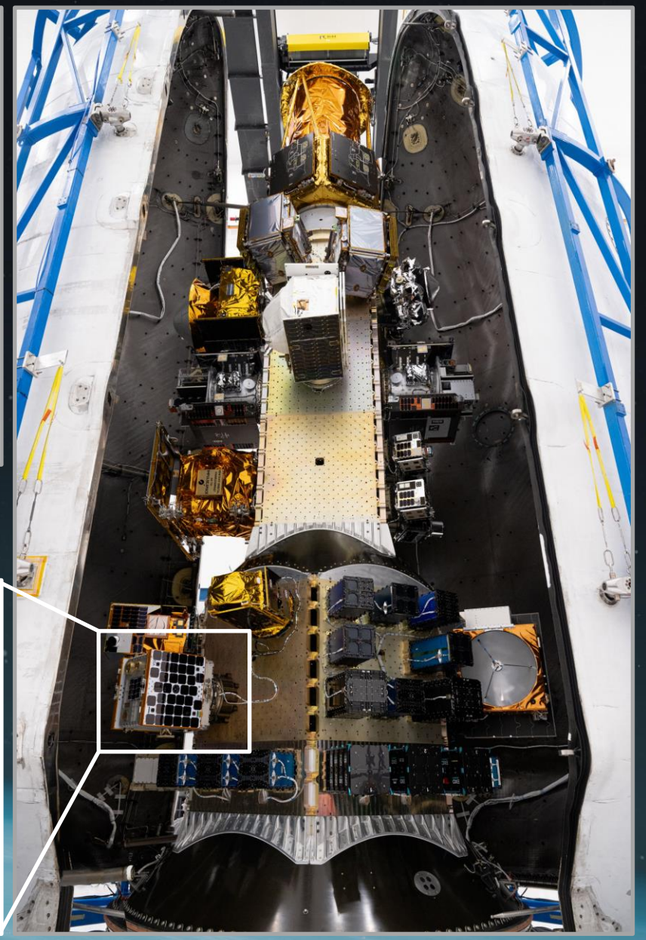
Commercial Sale of DPs

- We continue to discuss with multiple customers on integrating DPs into their satellite designs.
- These DPs will prepare customer satellites for magnetic removal in the event of failure, seeding future business in our end-of-life mission line.



Astroscale Gen 2 DP





Customer Satellite with Astroscale DP on Space X Transporter-12

Photo credit: SpaceX

(1) The fully qualified second-generation docking plate is a mature version of the first-generation docking plate. Now at Technology Readiness Level (TRL) 9, the highest with flight heritage, the second-generation docking plate utilizes robust materials and offers flexible features in order to meet the needs of commercial customers.

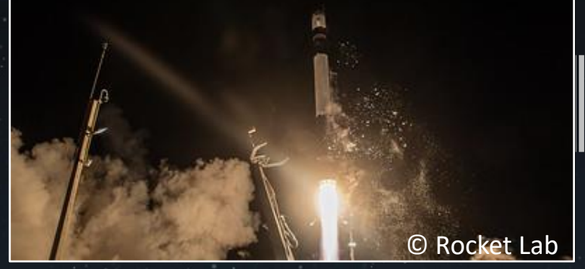
Completion of CRD2 Phase I Contract (ADRAS-J Mission)

We successfully concluded the Commercial Removal of Debris Demonstration (CRD2, mission name: ADRAS-J) Phase I contract with JAXA on February 25, 2025. This mission collected data critical for our contracted future debris removal mission ADRAS-J2.

Key Accomplishments

- Successful rendezvous with an actual space debris from the ground (May 2024)
- World's first 360-degree fly around observation, collecting imagery of a piece of space debris directly from orbit (July 2024)
- Approaching to approx. 15 meters from the debris (November 2024)

Launch



February 2024 – Dedicated launch on Rocket Lab placed ADRAS-J in the proper plane.

Absolute navigation

February 2024 – Successful ADRAS-J check out and began approach to the rocket body.

Relative navigation



April 2024 – Switch to on-board sensors for accurate navigation; first view of rocket body.

Proximity approach (Safety Ellipse)

Image from a few kilometers



April 2024 – Safely approach rocket body and get clearer view using on-board visual camera.

Fixed observation

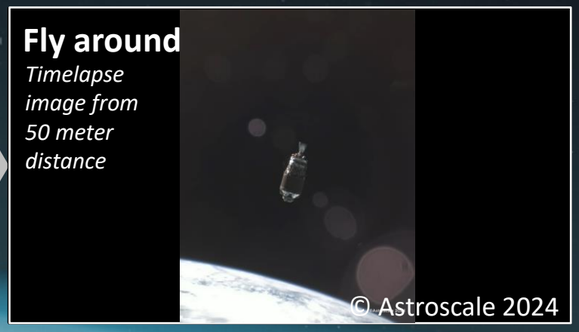
Image from 50 meters



May 2024 – Switching between several on-board sensors, move in closer to rocket body.

Fly around

Timelapse image from 50 meter distance



July 2024 – Complete historic 360-degree fly around of rocket body.

Driving Global Policy on Active Debris Removal

Our presence at the UN and other international bodies are driving policy discussions across the globe.

- In February 2025, our Founder & CEO Nobu Okada spoke at a session of the Scientific and Technical Subcommittee of the United Nations Committee on the Peaceful Uses of Outer Space (COPUOS), organized by the United Nations Office for Outer Space Affairs (UNOOSA).
- This is the fourth time Nobu formally addressed the UN in the last 12 months.
- Through these efforts, we are advocating for a global active debris removal framework to achieve a sustainable space environment.
- Follow this link for a video of the session (starting at 2:22:18)

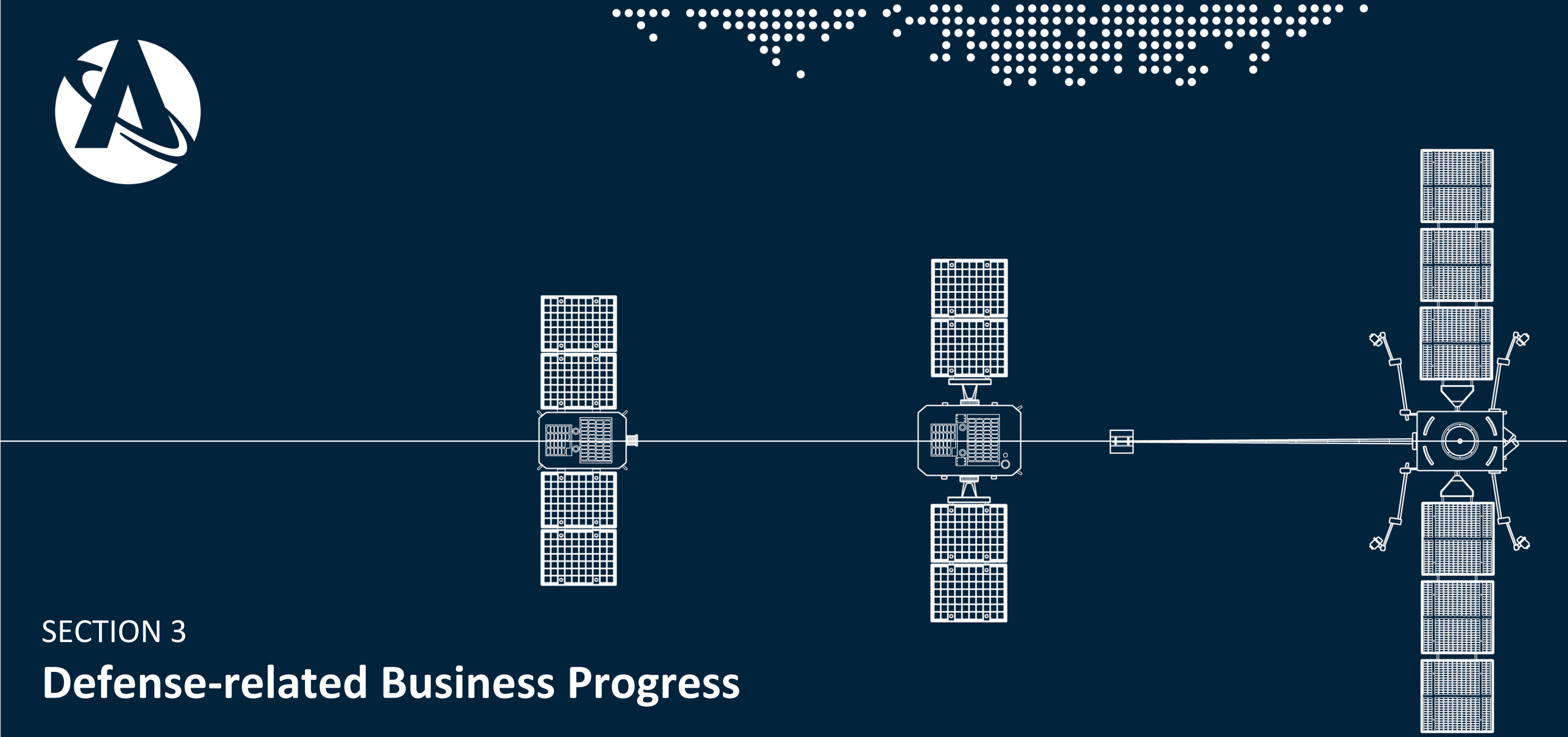


Our Founder & CEO, Nobu Okada speaking at the UN

Commitment Line Agreement with Resona Bank

On March 14, 2025, our Board of Directors approved to enter into a commitment line agreement for ¥3 billion with Resona Bank, Limited to secure working capital. This debt financing will broaden the range of our financial institution partnerships.

Total credit line amount:	¥ 3,000,000,000
Interest rate:	Base interest rate + spread
Contract date:	March 31, 2025 (scheduled)
Contract period:	Up to March 31, 2028 (3 years)
Contract type:	Bilateral commitment line agreement
Collateral or guarantees:	No collateral / No guarantee
Key financial covenants:	1) Maintain amount of equity stated in the consolidated balance sheet as of the end of each fiscal year at ¥0 or more. 2) Maintain total balance of consolidated cash and cash equivalents and backlog (excluding those for which payment has already been received) as of the end of each fiscal year at ¥5 billion or more.



SECTION 3

Defense-related Business Progress

Executive Summary on Defense-related Business Progress

We are observing a strong surge in defense-related demand with tangible proof of market progress through our recent project awards.

- Given the increasing demand signals, we believe defense-related business will be the near-term growth driver for on-orbit services globally.
  - The global space defense budget grew 23.7% year-on-year in 2024, in light of increasing strategic importance of space to defense.

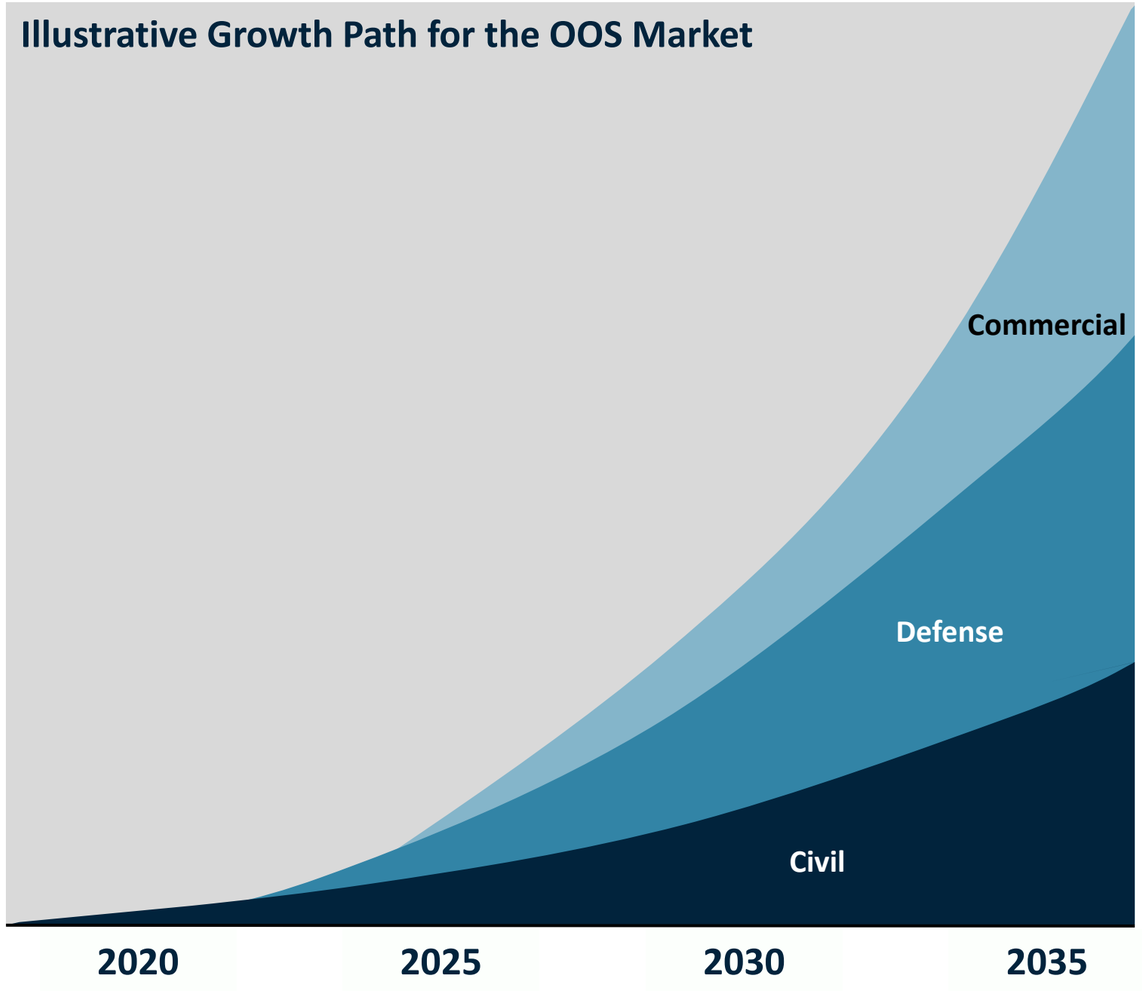
- Defense agencies are interested in awarding projects to commercial companies to develop local capability for the following services:
  - **Refueling:** enables defense agencies to move their space assets without concern for fuel budget.
  - **On-orbit inspection:** enables defense agencies to understand threats on orbit with high-fidelity data obtained through direct observation.

- Astroscale is winning defense projects globally by leveraging core strengths:
  - **Superior technical capability and credibility:** proven technology from ELSA-d and ADRAS-J missions; credibility from on-going missions.
  - **Localized global presence:** established presence in 5 countries with a strong local team allowing us to act as a local company.

- As a result, we have already secured defense-related projects in the US, Japan and the UK.

Importance of Defense for On-orbit Services Market Growth

We believe defense-related business will be the near-term growth driver for on-orbit services (“OOS”) globally.



Commercial - constellations in LEO and large satellites in GEO

- Domestic regulations and global best practices are changing operator behavior.
- Customer Incentives:
  - LEO Constellations: End-of-life service (EOL) - Adhere to strengthened regulations, reduce risks of revenue loss from collisions
  - GEO Operators: Life Extension Service (LEX) - Extend revenue generation timeline of assets in orbit

Defense - domestic and regional defense agencies

- Space is central to geopolitics as countries seek to improve ability to monitor threats and deter adversaries
- Customer Incentives:
  - Enhanced RPO capabilities in space means greater security on the ground
  - Commercial sector provides defense customer with economical, effective and efficient RPO capabilities

Civil - international groups and national governments

- Initial investment is supporting current R&D missions
- Customer Incentives:
  - International Groups: Risk reduction, Global best practices
  - National Governments: Economic growth, Market leadership, National pride

Note: The chart above illustrates the potential growth path of the OOS market but does not show trend of actual amount of revenues or profit. Chart not to scale.

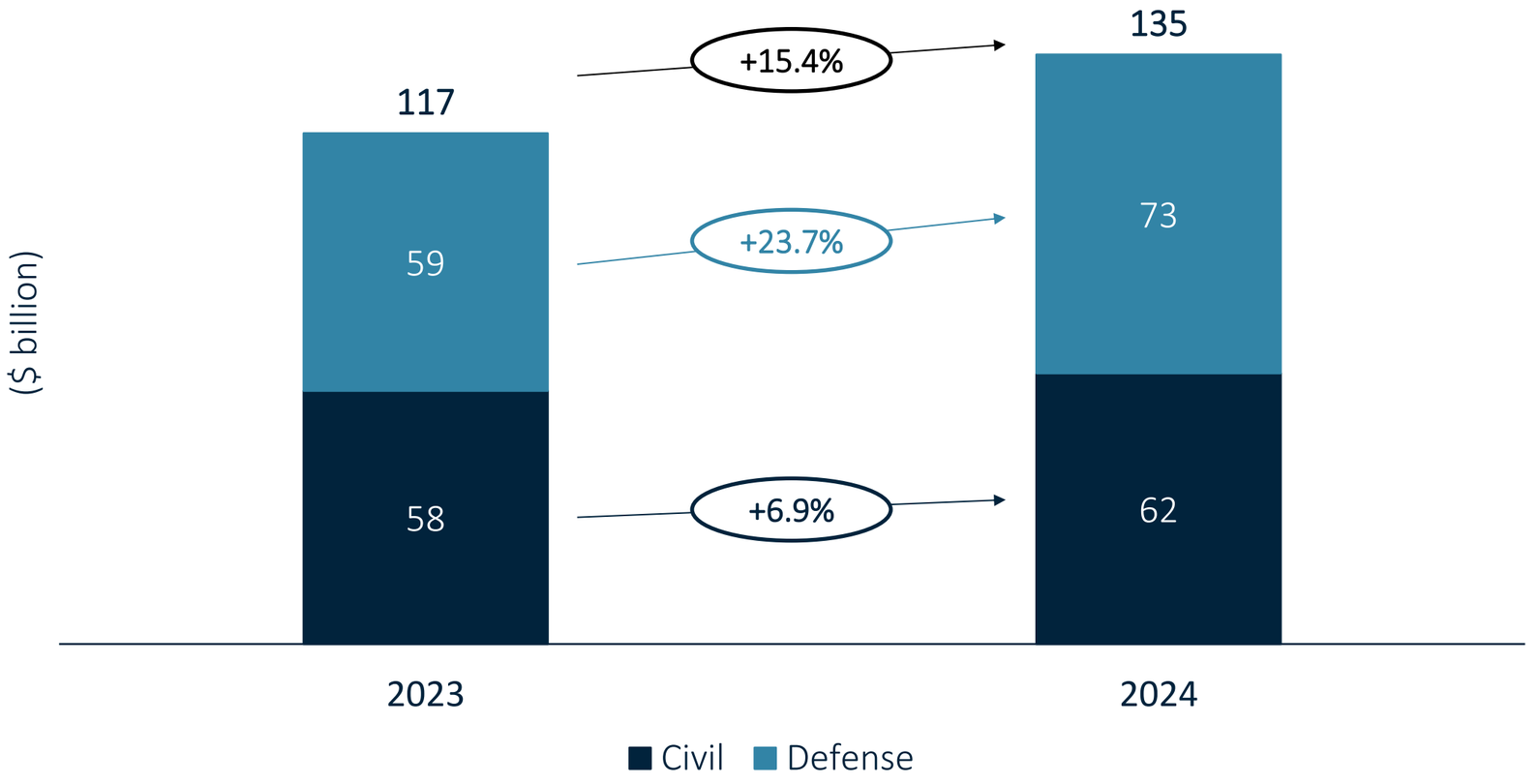
Global Space Defense Budget Growth Driven by Security Needs

The outsized growth of defense-related spending within government space budgets highlights value of space to defense agencies globally.

Comments

- In 2024, government space spending increased by $18 billion (+15.4%) globally.
- $14 billion of that increase was attributable to defense-related spending which increased 23.7% year-on-year.
  - Since 2022, defense budgets have consistently surpassed civil space investments, with the gap widening due to recent surges in government funding for defense-related initiatives.
- This surge in space defense budgets reflects the strategic importance of space to:
  - Secure assets on space
  - Enhance their geopolitical standing
  - Foster economic growth

Breakdown of Global Government Space Spending



Source: Novaspace "Government Space Programs", Space News.

Benefits of the Private OOS Sector to Defense Agencies

Refueling and inspection are two key areas of interest for defense agencies.
By funding development, defense agencies can benefit from (i) access to capability and (ii) potential to reduce costs over time.

OOS Capabilities of Interest to Defense Agencies

Refueling



- Refueling enables defense agencies to move their space assets without concern for fuel budget, achieving a “dynamic operation.”
- Astroscale is working with the US Space Force on the APS-R mission to build a prototype refueling servicer.

On-orbit Inspection



- On-orbit inspection enables defense agencies to understand threats on orbit with high-fidelity data obtained through direct observation.
- Astroscale has won multiple government inspection missions globally including defense projects.

Interaction between Defense Agencies and Private OOS Sector

Current

- Defense agencies can award projects to a private company to fund and accelerate development of a certain OOS capability.
- Defense agencies will likely prefer companies with local presence to maintain capability within the country.

Future Potential

- Aim to leverage capability developed through the initial projects mentioned above to provide continuous OOS service to defense agencies in the future.
- Defense agencies can expect benefit of lower-cost service through economies of scale if non-defense demand for OOS services increase over time.

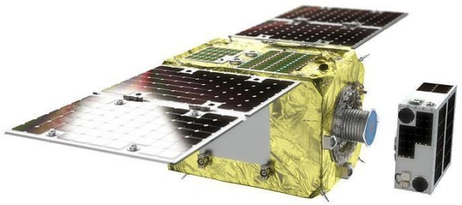
Astroscale's Advantage in Defense-related OOS Business

Astroscale is winning defense-related projects globally leveraging our technical capability, credibility and localized global presence.

Superior Technical Capability and Credibility

1 Completed On-orbit Demonstrations

- Astroscale has already proven its core rendezvous and proximity operations (RPO) technology through 2 on-orbit missions; **ELSA-d** and **ADRAS-J**.
- Data, images and experience obtained through these missions are tangible proof of our technical capabilities.



ELSA-d
(Launched Mar. 2021)



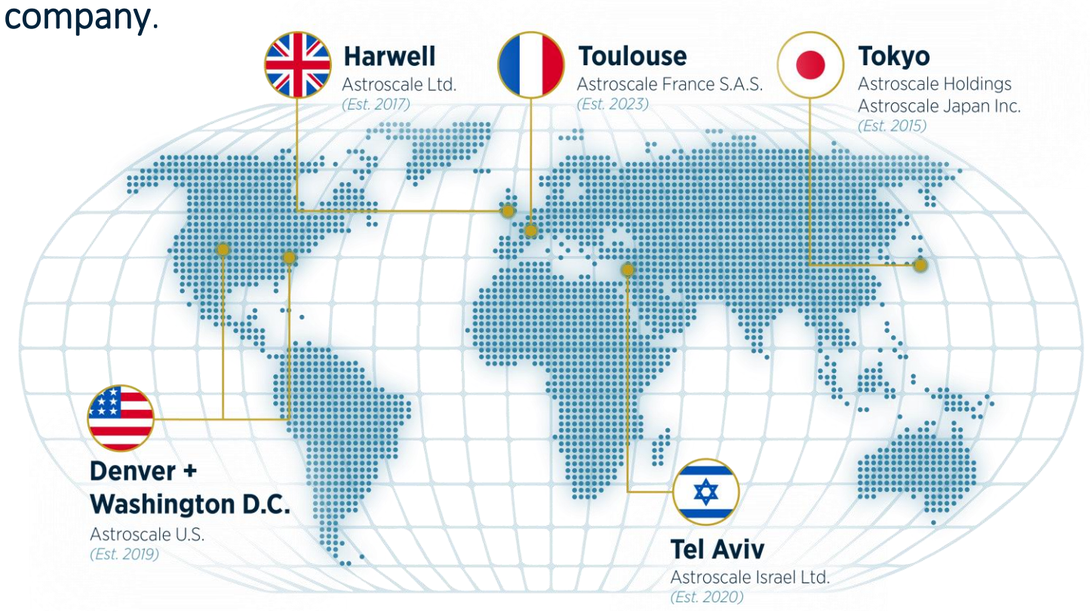
ADRAS-J
(Launched Feb. 2024)

2 Ongoing Missions

- Our ongoing missions – refueling missions in the US and Japan, ISSA missions in Japan and the UK – show strong support from governments globally, which adds to our credibility.

Localized Global Presence

- Astroscale has established presence in **5 countries**.
- Our local entities each have a team lead by local nationals with full R&D capability and manufacturing capabilities in Japan and UK.
- US has secured facility clearances required for defense work.
- This **localized approach allows us to win defense missions as a local company**.



The Global Defense-related Project Portfolio of Astroscale

Astroscale has secured defense-related projects in each of its major regions with potential for significant opportunities in the future.

US

APS-R



- Service: LEX (Refueling)
- Customer: U.S. Space Force
- Amount: $29.4mm (¥4.1 billion)
- Awarded: September 19, 2023
- Details/highlights:
  - Deliver a launch-ready prototype vehicle capable of refueling a satellite in GEO.
  - First defense contract in the US.
  - Sole winner out of 23 competing bids(1).

Japan

JMoD Project



- Service: ISSA (Inspection)
- Customer: Japan Ministry of Defense
- Amount: ¥6.6 billion
- Signed: February 25, 2025
- Details/highlights:
  - Develop and test a proto-flight model for a GEO satellite that is highly maneuverable, compact and versatile.
  - First defense contract in Japan.

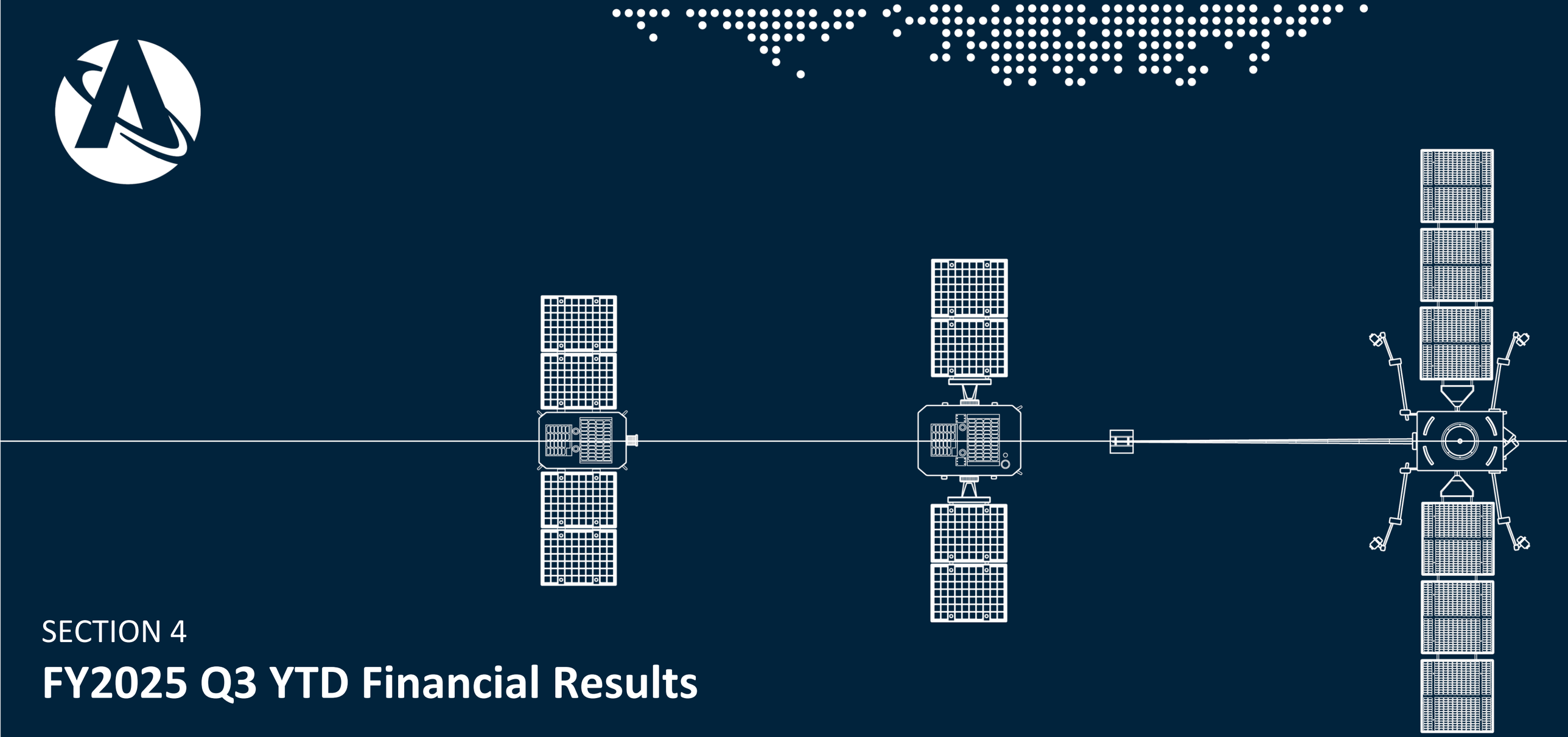
UK

BAE Systems Project



- Service: ISSA (Inspection)
- Customer: BAE Systems plc
- Amount: £5.15 million (¥0.90 billion)
- Signed: January 13, 2025
- Details/highlights:
  - Conduct an inspection mission in collaboration with BAE Systems. Details are confidential.
  - First defense contract in the UK.

(1) Source: Space News.



SECTION 4

FY2025 Q3 YTD Financial Results

FY2025 Q3 Financial Results Summary

Fundamentals of business remain strong with robust backlog, achievement of gross margin breakeven in Q3 and better than expected operating loss / cash flow. Continue to closely monitor LEXI-P status which is the most significant risk factor to FY2025 financial performance.

Positive Factors

- Robust increase in backlog driven by multiple project awards
- Growth in revenue driven by increasing project activity
- Achieved gross profit breakeven in Q3; outperformed expectations
- Operating loss and cash flow outperformed expectations

Negative Factors

- Delay in project income recognition on existing projects due to timing shift of cost recognition

Mitigations:
Delay mainly caused by supplier delays and funding shift between phases of APS-R and ISSA-J1. Fundamental impact to business is limited given delay is driven by timing shift of cost recognition.

Update on Anticipated New Contracts for FY2025

- **K Program:** Project formally awarded in January 2025 for a maximum amount of ¥12 bn. Contract for the project may slip to early FY2026 but expect negative impact on FY2025 to be minimal.
- **LEXI-P:** Continue to closely monitor customer discussions and ongoing contract negotiations. No critical issues identified to date; significant focus on minimizing risk of delay in contract timing.

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.

Income Statement

Q3 operating loss was lower than expected driven by discipline in R&D and other SG&A expenses.

(¥ million)		FY2024 Q3 YTD		FY2025 Q3 YTD	YoY Change
Bookings		6,594		22,242	*237.3 %*
Project income	*A = B + C*	2,680		3,709	*38.4 %*
Government grant income	*B*	686	1	2,210	*222.0 %*
Revenue	*C*	1,994	2	1,499	*(24.8)%*
Cost of sales	*D*	(2,508)	3	(5,481)	*118.5 %*
Gross profit (loss)	*E = C - D*	**(514)**		**(3,982)**	-
Gross margin	*E / C*	***(25.8)%***		***(265.6)%***	-
SG&A expenses - R&D	*F*	(2,757)	4	(8,352)	*202.8 %*
SG&A expenses - non-R&D	*G*	(4,405)	5	(6,063)	*37.6 %*
Other income	*H*	687		2,714	*295.1 %*
Government grant income	*B*	686		2,210	*222.0 %*
Operating profit (loss)	*I = E ~ H*	**(6,990)**		**(15,683)**	-
Operating margin	*I / C*	***(350.6)%***		***(1,046.0)%***	-
Profit before tax		(5,823)		(16,323)	-
Profit (loss)		(5,824)		(16,324)	-

$1.00 to JPY	144.61	152.74	*5.6 %*
£1.00 to JPY	181.59	195.33	*7.6 %*

1. Increased due to higher activity on grant projects such as APS-R and ISSA-J1.
2. Decreased due to nearing completion of 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 in Q1.
4. Higher expenses resulting from increased activity on grant projects (e.g. APS-R and ISSA-J1) and pre-contract development (e.g. LEXI-P).
5. Increased due to personnel and IPO-related activities. (Amount is lower than expected.)

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.

Income Statement (LTM Quarterly Trend)

Achieved gross profit breakeven in Q3. A constant quarterly improvement trend is an encouraging sign of our progress to profitability.

(¥ million)	FY2024 Q4	FY2025 Q1	FY2025 Q2		FY2025 Q3
Bookings	-	2,582	12,899		6,761
Project income	1,986	1,166	1,354		1,189
Government grant income	1,128	927	867	1	415
Revenue	858	239	486	2	773
Cost of sales	(2,589)	(3,740)	(1,326)	3	(414)
Gross profit (loss)	**(1,730)**	**(3,501)**	**(839)**	4	**359**
Gross margin	*(201.6)%*	*(1,464.9)%*	*(172.6)%*		*46.4 %*
SG&A expenses - R&D	(2,243)	(3,080)	(2,818)	5	(2,453)
SG&A expenses - non-R&D	(2,289)	(2,170)	(1,913)	6	(1,978)
Other income	1,698	1,154	1,048		511
Government grant income	1,128	927	867		415
Operating profit (loss)	**(4,564)**	**(7,597)**	**(4,523)**	7	**(3,561)**
Operating margin	*(531.9)%*	*(3,178.7)%*	*(930.7)%*		*(460.7)%*
Profit before tax	(3,396)	(8,579)	(4,366)		(3,377)
Profit (loss)	(3,357)	(8,579)	(4,367)		(3,377)

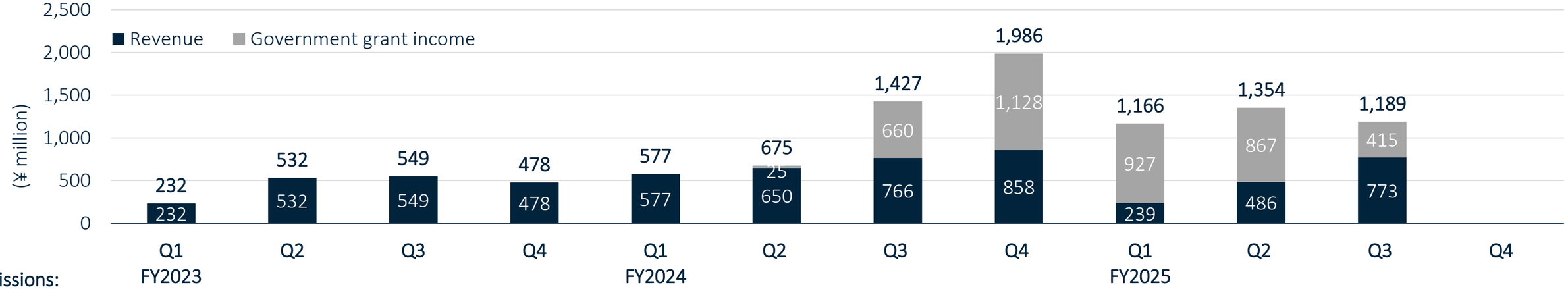
$1.00 to JPY	151.09	157.19	146.36	154.67
£1.00 to JPY	190.59	200.18	191.29	194.52

1. Decreased QoQ due to delay in cost recognition for grant projects.
2. Increasing revenue recognition on ADRAS-J2 and ELSA-M Phase 4 as expected.
3. Decreased QoQ due to reversal of provisions for order losses.
4. Achieved gross profit breakeven on a quarterly basis.
5. Decrease in expenses for grant projects (e.g. APS-R and ISSA-J1) and pre-contract development (e.g. LEXI-P).
6. Maintaining strict discipline in expense management.
7. Operating profit is on a stable improvement trend.

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

Robust revenue growth in Q3 driven by COSMIC Phase 2 and ADRAS-J2. Project income decreased QoQ due to timing shift of costs in APS-R and ISSA-J1 which is expected to pick up in Q4.



Missions:

ADRAS-J	¥1.9bn
ELSA-M	Phase 2: €2.9mm (¥435mm) / Phase 3: €14.8mm (¥2.2bn) / Phase 4: €13.95mm (¥2.0bn)
COSMIC	Phase 0/A: £0.3mm (¥53mm) / Phase B: £2.0mm (¥350mm) / Phase 2 (C1): £1.95mm (¥342mm)
ISSA-J1	Phase 1: ¥1.8bn / Phase 2: ¥6.3bn
APS-R	$29.4mm (¥4.1bn)
ADRAS-J2	Front-loading Study: ¥71mm / ¥12.0bn
LEXI-P	$121mm (¥16.9bn)
K Program	Max ¥12.0bn(1)
BAE Sys Pj	¥1.0bn
JMoD Project	¥6.6bn

Note: Project timelines and details of non-contracted projects such as amount are based on current expectations of the Company and are subject to change in the future. Please refer to page 31 and 32 for further information on pipeline.
(1) Maximum budget which includes consumption tax. Details of consumption tax will be promptly disclosed at the time of contract signing.

Breakdown of SG&A Expense and Other Income

R&D expenses and other income increased significantly year over year, driven by contributions from newly initiated grant projects. Other SG&A growth was below our business plan.

(¥ million)	FY2024 Q3 YTD		FY2025 Q3 YTD	YoY Change
SG&A expenses	(7,163)		(14,415)	*101.2 %*
R&D expenses	(2,757)		(8,352)	*202.8 %*
Pure R&D cost	(157)		(183)	*16.4 %*
Development costs for grant projects	(760)	1	(2,886)	*279.3 %*
Pre-contract development costs	(1,839)	2	(5,282)	*187.2 %*
Other SG&A expenses	(4,405)	3	(6,063)	*37.6 %*

(¥ million)	FY2024 Q3 YTD		FY2025 Q3 YTD	YoY Change
Other income	687		2,714	*295.1 %*
Government grant income	686	4	2,210	*222.0 %*
Others	-	5	504	*NM*

1. Increased YoY due to new grant projects such as APS-R and ISSA-J1. Q3 recognition lower than expected by approximately ¥1bn due to timing shift.
2. Increased mainly driven by pre-contract development for LEXI-P. Increase in Q3 moderated due to disciplined approach to development. Costs were reduced by approximately ¥1.7bn vs expectations.
3. Increase driven by personnel and IPO-related costs, lower than expected.
4. Growth supported by new grant projects such as APS-R and ISSA-J1.
5. Income from tax refunds, etc.

Balance Sheet

We continue to maintain a healthy balance sheet.

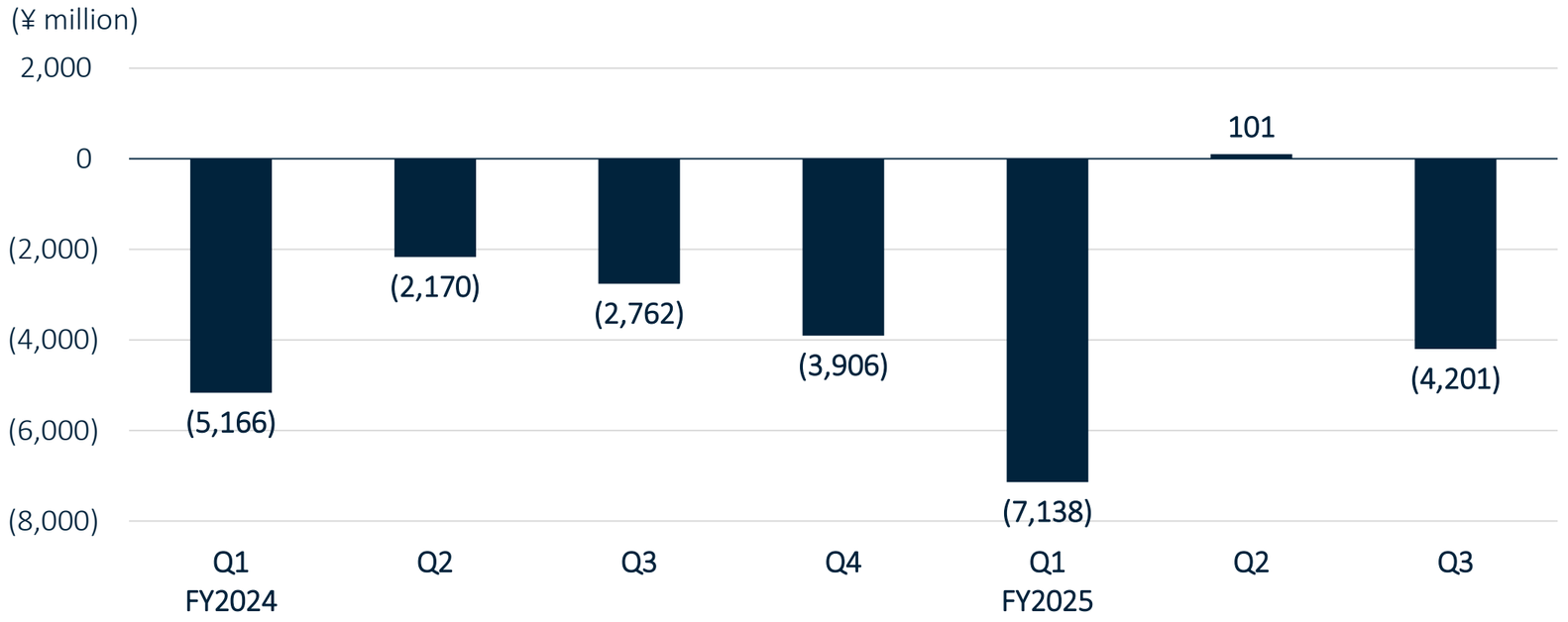
(¥ million)	Apr. 2024	Jan. 2025	*Change*
Total assets	24,990	35,852	*43.5 %*
Current assets	17,746	28,757	*62.0 %*
Cash and cash equivalents	14,196	1 23,664	*66.7 %*
Other assets	3,549	5,092	*43.5 %*
Non-current assets	7,244	7,094	*(2.1)%*
Property, plant and equipment	6,214	5,978	*(3.8)%*
Other assets	1,029	1,115	*8.4 %*
Liabilities	19,589	26,343	*34.5 %*
Current liabilities	8,864	14,072	*58.7 %*
Borrowings	2,487	2 3,567	*43.4 %*
Provisions	2,071	3 4 1,779	*(14.1)%*
Other liabilities	4,304	8,724	*102.7 %*
Non-current liabilities	10,725	12,271	*14.4 %*
Loans payable	7,375	7,258	*(1.6)%*
Provisions	271	4 2,116	*679.2 %*
Other liabilities	3,078	2,896	*(5.9)%*
Equity	5,401	5 9,508	*76.0 %*
Interest-bearing debt	13,180	6 13,980	*6.1 %*
$1.00 to JPY	157.19	154.73	*(1.6)%*
£1.00 to JPY	196.88	192.11	*(2.4)%*

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:
   - ¥10,826mm of borrowings
   - ¥3,153mm of lease obligations

Cash Flow and Cash/Debt Balance

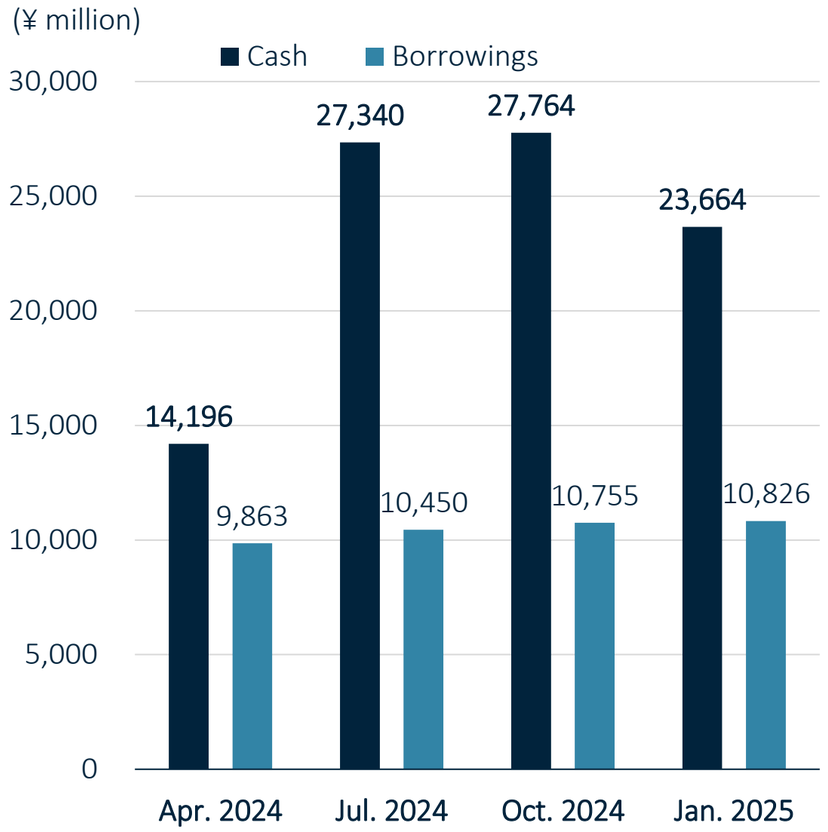
Better than expected cash outflow in Q3. Anticipate lower cash burn in Q4 if we are able to obtain significant advance payments on LEXI-P.

Quarterly Free Cash Flow(1)

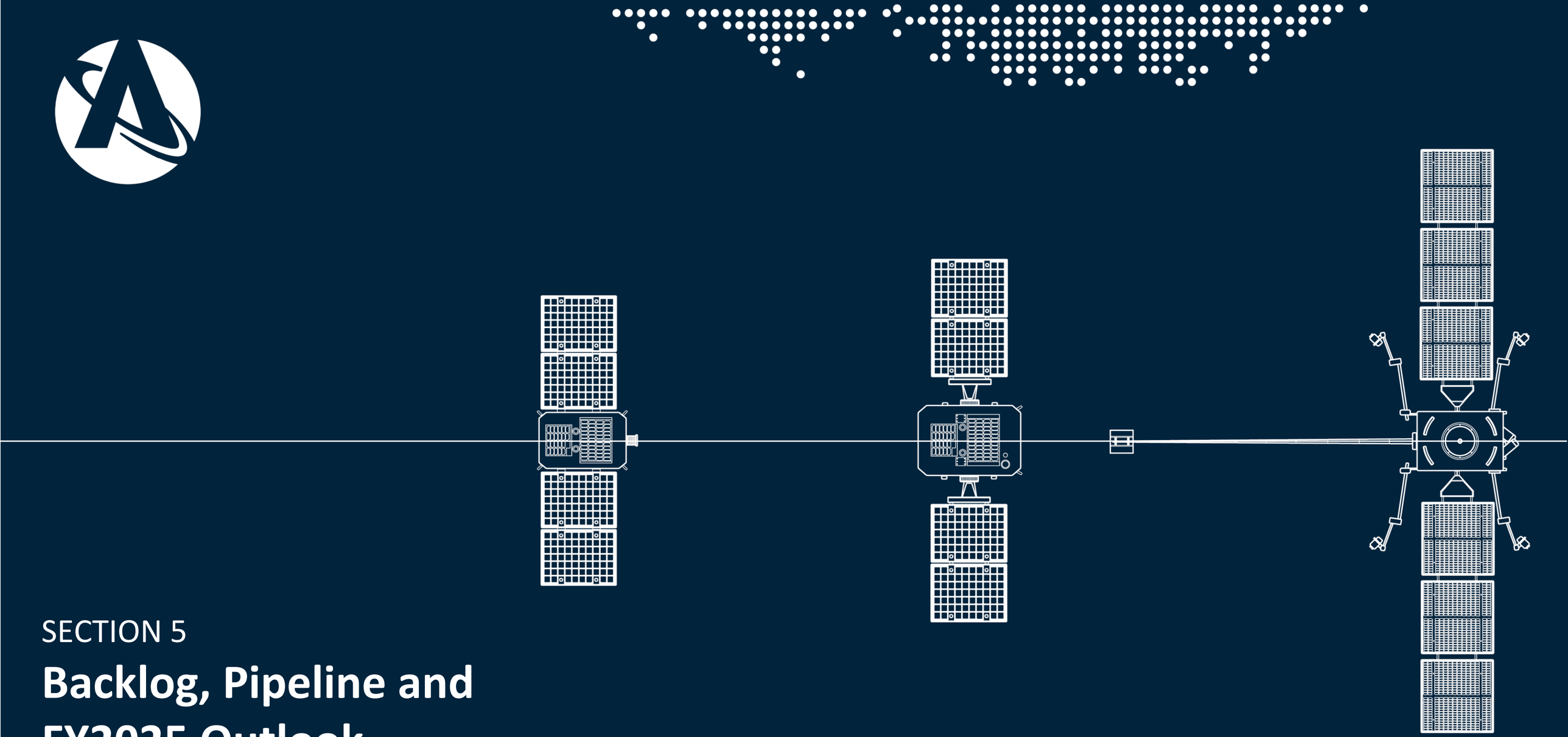


	Q1 FY2024	Q2	Q3	Q4	Q1 FY2025	Q2	Q3
Operating CF	(4,344)	(2,071)	(2,682)	(3,723)	(6,967)	268	(4,088)
Investing CF	(821)	(98)	(79)	(182)	(171)	(167)	(112)
Financing CF	569	1,612	190	1,773	20,465	288	90

Cash and Debt Balance



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



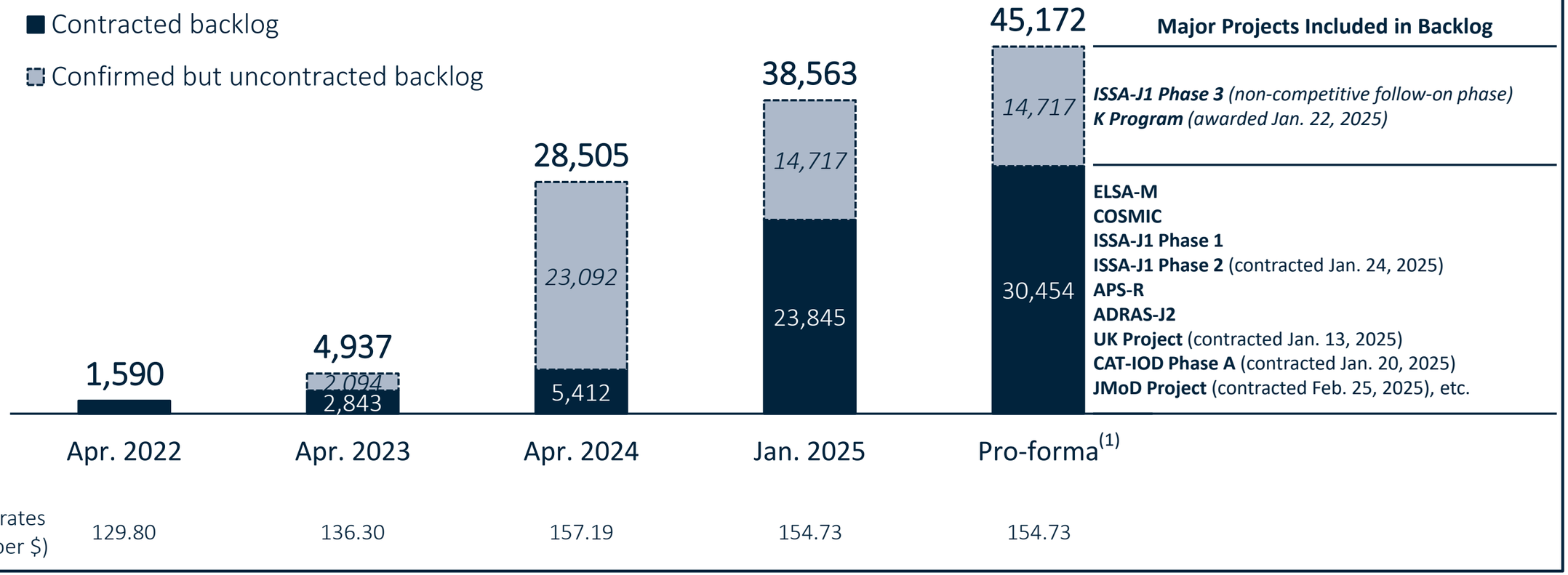
SECTION 5

Backlog, Pipeline and FY2025 Outlook

Backlog Status

Increasing amount of profitable backlog is the fundamental driver of our business and profitability.

Backlog (¥mm)



Major Projects Included in Backlog

ISSA-J1 Phase 3 *(non-competitive follow-on phase)*
K Program *(awarded Jan. 22, 2025)*

ELSA-M
COSMIC
ISSA-J1 Phase 1
ISSA-J1 Phase 2 (contracted Jan. 24, 2025)
APS-R
ADRAS-J2
UK Project (contracted Jan. 13, 2025)
CAT-IOD Phase A (contracted Jan. 20, 2025)
JMoD Project (contracted Feb. 25, 2025), etc.

Fully-funded Ratio(2)

0% ▶ **11%** ▶ **81%** ▶ **89%** ▶ **90%**

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) Pro-forma represents January 2025 backlog plus amounts for projects contracted or awarded after January 2025, converted at the FX rate as of January 2025 end. The pro-forma does not account for conversion of backlog into project income after January 2025. The maximum amount of K Program is ¥12 bn (including tax), and is calculated on the assumption that 10% consumption tax is included in the amount.

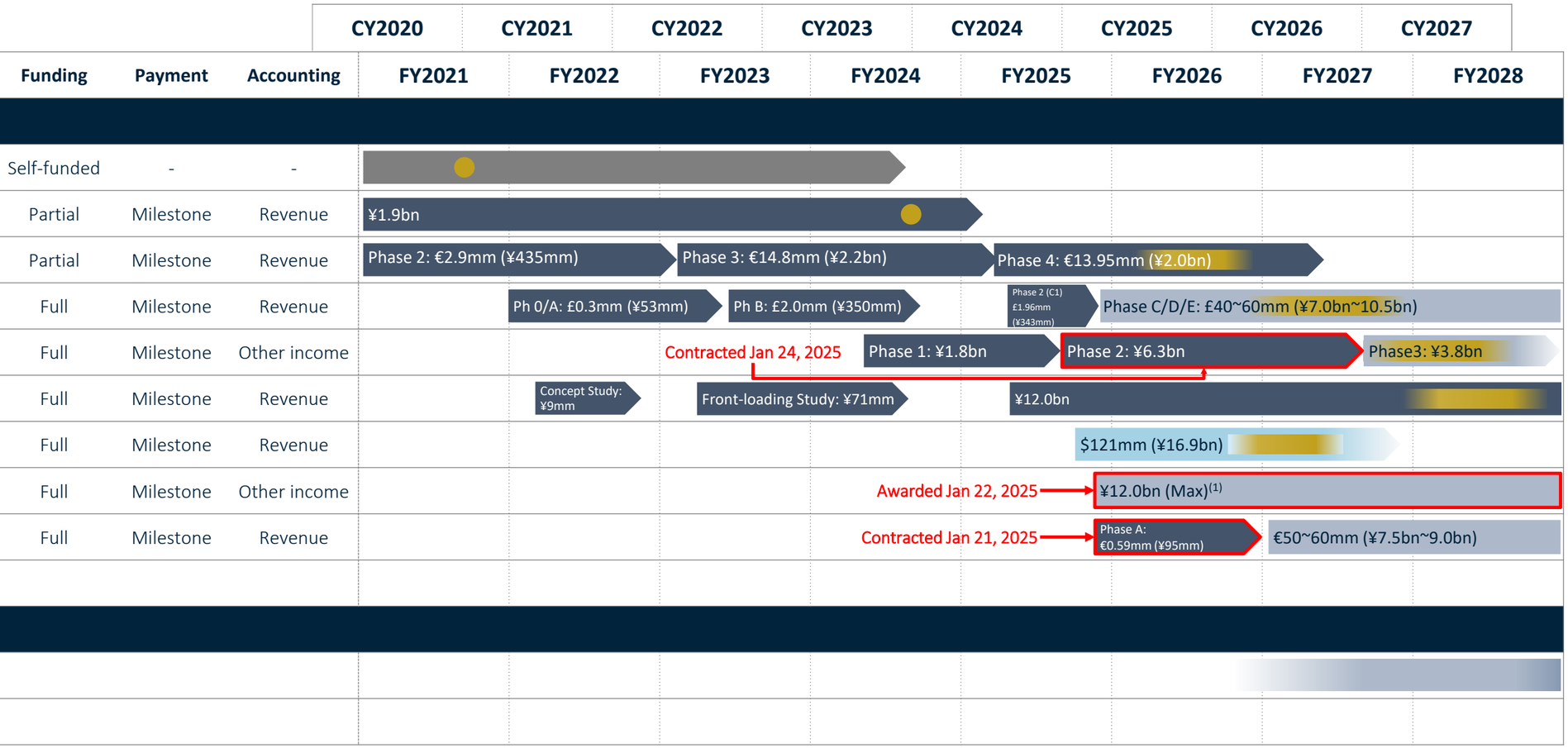
Civil/Commercial Pipeline Status

(As of Mar. 14, 2025)

Expected Project Timeline
- Self-funded
- Civil (Contracted)
- Commercial (Contracted)
- ● / ▬ Planned Launch
- Civil (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	Civil	Japan	Partial	Milestone	Revenue
3	ELSA-M	EOL	Civil	UK	Partial	Milestone	Revenue
4	COSMIC	ADR	Civil	UK	Full	Milestone	Revenue
5	ISSA-J1	ISSA	Civil	Japan	Full	Milestone	Other income
6	ADRAS-J2	ADR	Civil	Japan	Full	Milestone	Revenue
7	LEXI-P	LEX	Commercial	US	Full	Milestone	Revenue
8	K Program	LEX	Civil	Japan	Full	Milestone	Other income
9	CAT-IOD	ADR	Civil	UK	Full	Milestone	Revenue
Potential future missions under discussion							
i	Civil A	-	Civil	-			



(1) This is the maximum budget and includes consumption tax. Details of consumption tax will be promptly disclosed at the time of contract signing.
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 have 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.

Defense-related Pipeline Status

(As of Mar. 14, 2025)

Expected Project Timeline

- Self-funded
- Defense (Contracted)
- Commercial (Contracted)
- ● / ▬ Planned Launch
- Defense (Non-contracted)
- Commercial (Non-contracted)

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

#	Project	Service	Customer	Entity	Funding	Payment	Accounting	CY2020 / FY2021	CY2021 / FY2022	CY2022 / FY2023	CY2023 / FY2024	CY2024 / FY2025	CY2025 / FY2026	CY2026 / FY2027	CY2027 / FY2028
Projects contracted, awarded and under proposal															
1	APS-R	LEX	Defense	US	Partial	Milestone	Other income					$29.4mm (¥4.1bn)			
2	BAE Systems Pj	ISSA	Defense	UK	Full	Milestone	Revenue				Contracted Jan 13, 2025 →		£5.15 million (¥1.0 bn)		
3	JMoD Project	ISSA	Defense	Japan	Full	Milestone	Revenue				Contracted Feb 25, 2025 →		¥6.6bn		
Potential future missions under discussion															
i	MELCO (Bus)[1]	Others	Comm./Def.	Japan											
ii	Defense C	LEX	Defense	N/A											
iii	Defense D	Others	Defense	N/A											

(1) Collaboration with Mitsubishi Electric Corporation to develop and produce satellite buses for Japanese national security constellations announced on February 27, 2023. Link to press release here.
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 have 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.

FY2025 Full-year Earnings Forecast

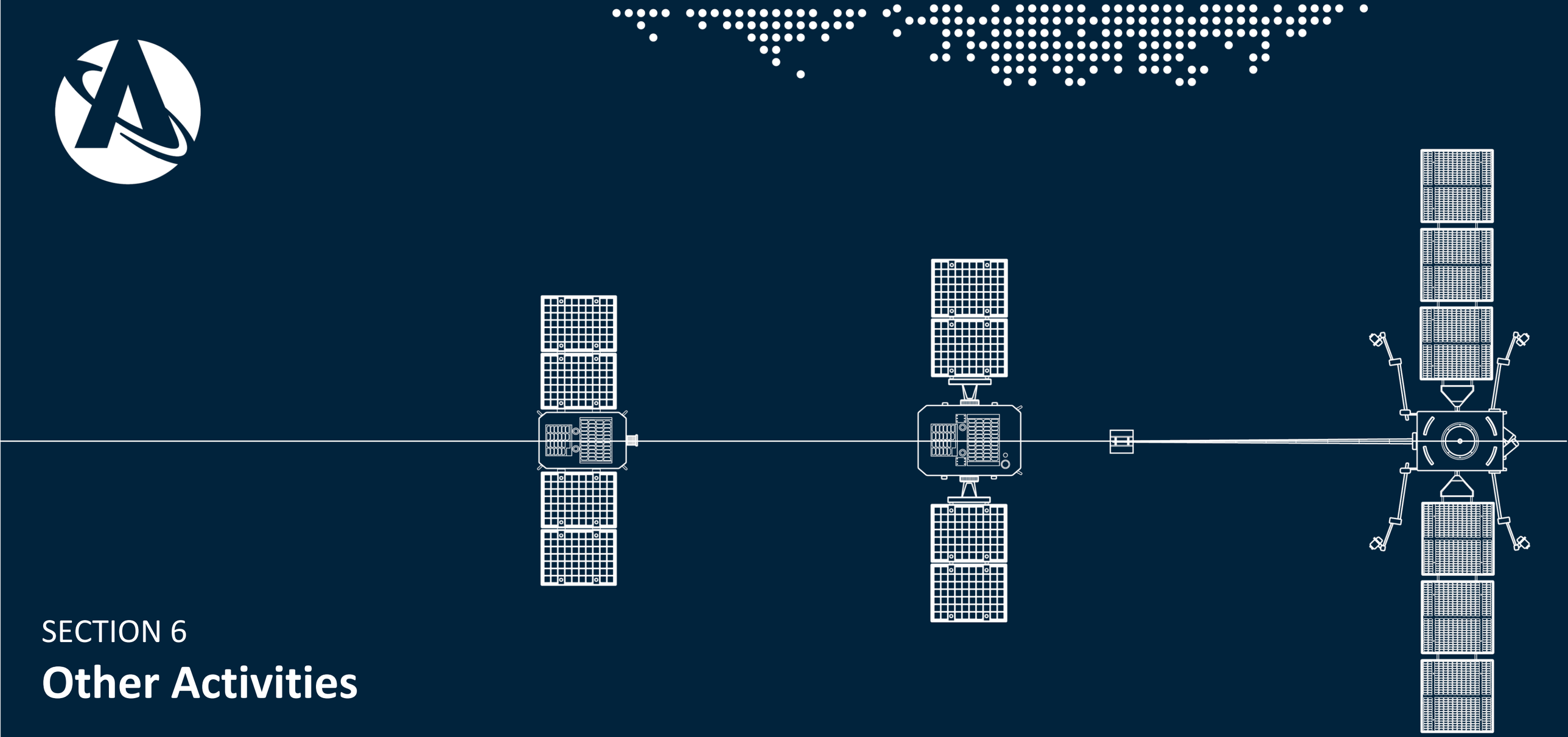
No revisions from forecasts announced at our second quarter results announcement on December 13, 2024.

FY2025 Full-year Earnings Forecast			
(¥ million)	**FY2025 Forecast**	**FY2024 Result**	**YoY**
Project income	12,000	4,667	157.1%
Revenue (IFRS)	8,000	2,852	180.4%
Government grant income	4,000	1,814	120.4%
Gross profit	0	(2,245)	+2,245
Gross margin (%)	0.0%	(78.7%)	+78.7ppt
Operating profit	(17,000)	(11,555)	(5,444)
Profit (loss) before tax	(18,500)	(9,219)	(9,238)
Profit (loss)	(18,500)	(9,181)	(9,199)

Foreign Exchange

- Forecast assumptions (FY2024 results):
  - $1.00 = ¥140.00 ($1.00 = ¥146.23)
  - €1.00 = ¥150.00 (€1.00 = ¥158.29)
  - £1.00 = ¥175.00 (£1.00 = ¥183.85)
- Project income sensitivity
  - +¥50 million for ¥1 depreciation vs $
  - +¥3 million for ¥1 depreciation vs £

Notes:
This forecast is a forward-looking statement that reflects the company's views at the time such statements were made with respect to future events and are not a guarantee of future performance or developments. The forecast by nature, is subject to significant risks and uncertainties.
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.



SECTION 6

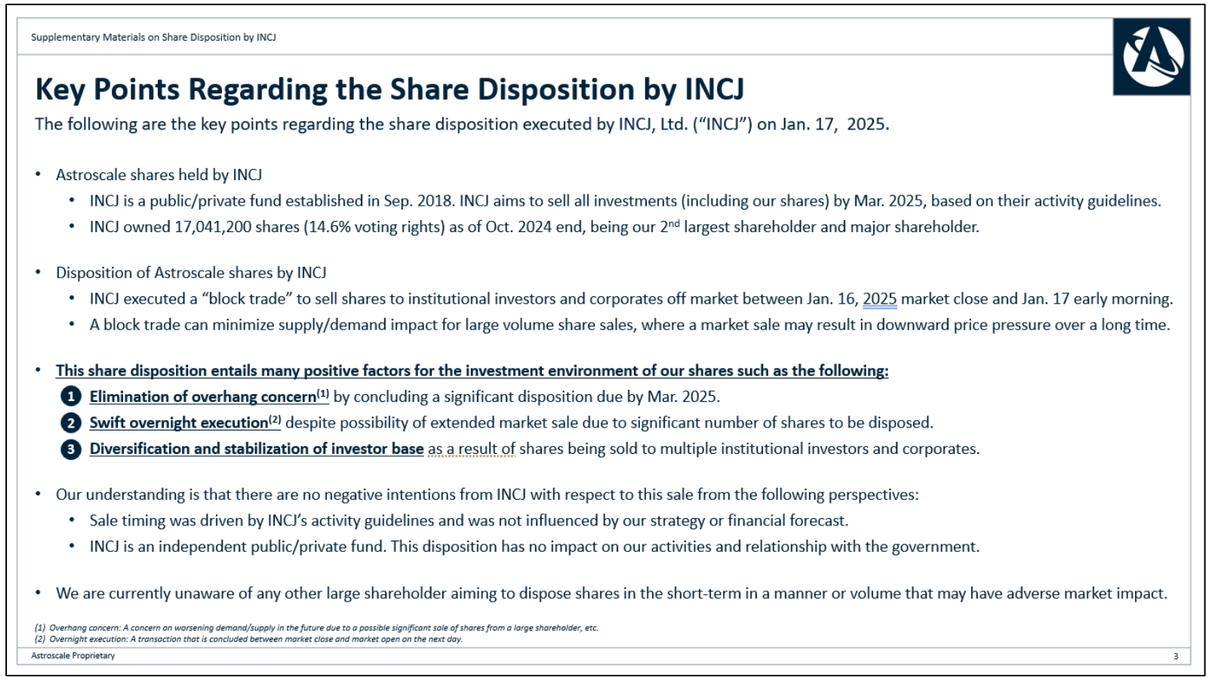
Other Activities

Other Activities (1)

The focus of our IR activities is to provide maximum clarity and information on our business strategies and ongoing developments in a timely manner to support investor understanding.

Supplementary Materials on Share Disposition by INCJ

On January 20, 2025, we issued a timely disclosure to clarify key points regarding the sale of our shares through a block trade by INCJ.



Supplementary Materials on Share Disposition by INCJ

Key Points Regarding the Share Disposition by INCJ

The following are the key points regarding the share disposition executed by INCJ, Ltd. ("INCJ") on Jan. 17, 2025.

- Astroscale shares held by INCJ
  - INCJ is a public/private fund established in Sep. 2018. INCJ aims to sell all investments (including our shares) by Mar. 2025, based on their activity guidelines.
  - INCJ owned 17,041,200 shares (14.6% voting rights) as of Oct. 2024 end, being our 2nd largest shareholder and major shareholder.
- Disposition of Astroscale shares by INCJ
  - INCJ executed a "block trade" to sell shares to institutional investors and corporates off market between Jan. 16, 2025 market close and Jan. 17 early morning.
  - A block trade can minimize supply/demand impact for large volume share sales, where a market sale may result in downward price pressure over a long time.
- **This share disposition entails many positive factors for the investment environment of our shares such as the following:**
  1. **Elimination of overhang concern(1)** by concluding a significant disposition due by Mar. 2025.
  2. **Swift overnight execution(2)** despite possibility of extended market sale due to significant number of shares to be disposed.
  3. **Diversification and stabilization of investor base** as a result of shares being sold to multiple institutional investors and corporates.
- Our understanding is that there are no negative intentions from INCJ with respect to this sale from the following perspectives:
  - Sale timing was driven by INCJ's activity guidelines and was not influenced by our strategy or financial forecast.
  - INCJ is an independent public/private fund. This disposition has no impact on our activities and relationship with the government.
- We are currently unaware of any other large shareholder aiming to dispose shares in the short-term in a manner or volume that may have adverse market impact.

(1) Overhang concern: A concern on worsening demand/supply in the future due to a possible significant sale of shares from a large shareholder, etc.
(2) Overnight execution: A transaction that is concluded between market close and market open on the next day.

Astroscale Proprietary 3

FY2025 Second Half Business Update

On January 27, 2025, we held a business briefing to discuss new mid- to long-term prospects; routine services by 2030, becoming a space infrastructure by 2035, and recent rise in defense-related demand.



** Click on slides to access document.*

Other Activities (2)

We continue to raise our profile through prestigious awards and proactive media exposure.

The 49th Keizaikai Award

On January 16, 2025, our Founder & CEO Nobu Okada received the Venture Entrepreneur Award at the 49th “Keizaikai Award” (Economic Industry Award) which is one of the most prestigious business awards in Japan.



Radio NIKKEI's "The Money"

On March 6, 2025, Nobu Okada appeared on “Hideaki Sakurai’s Kabutetsu” to explain about our business to the public including individual investors.



Nikkei CNBC

On March 5, 2025, Nobu Okada appeared on “Listen to a top management” of Nikkei CNBC, a Japanese business and financial news television channel, to explain our business strategy and recent contracts.

link

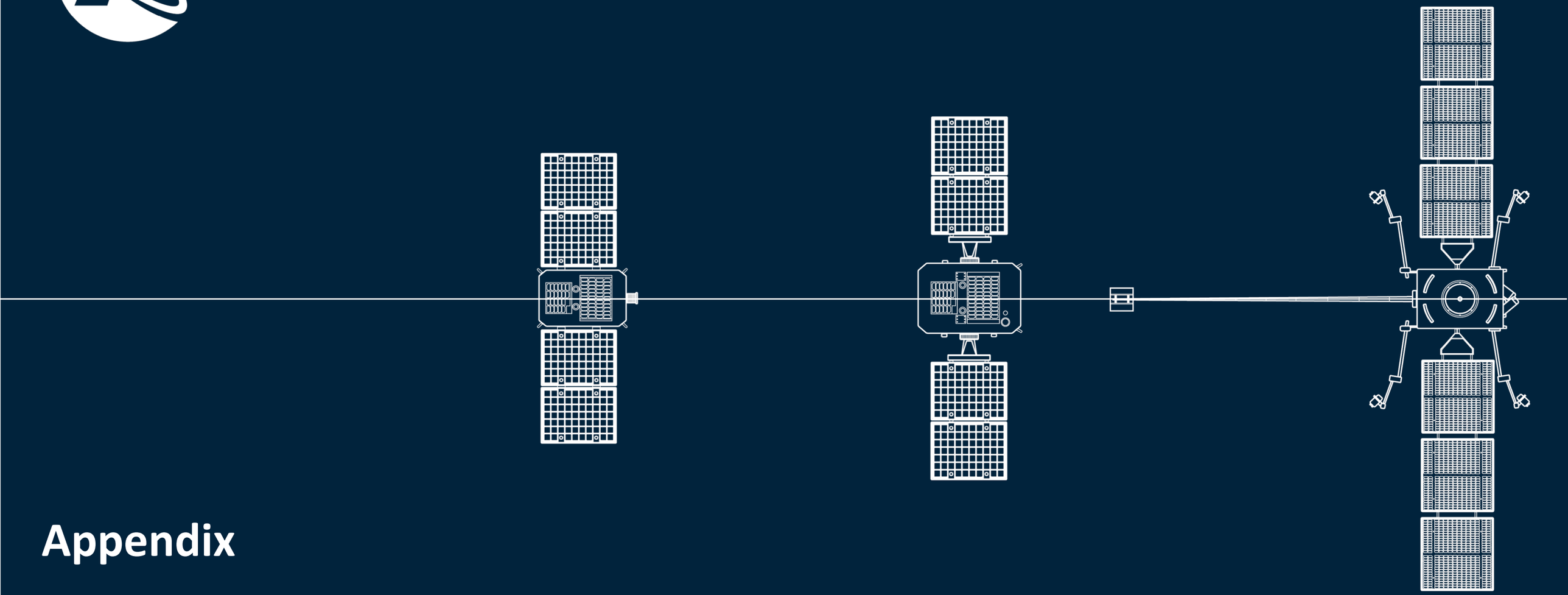


Financial Times

On February 4, 2025, Nick Shave, Astroscale UK Managing Director, was on Financial Times webcast to speak about the runaway debris threat to space technology.



Source: Keizaikai, Radio Nikkei, Nikkei CNBC, Financial Times.



Appendix

Historical Financial Information: Income Statement

(¥ million)	FY2022	FY2023	FY2024	FY2024 Q3 YTD	FY2025 Q3 YTD
Bookings	675	2,980	6,775	6,594	22,242
Project income (non-GAAP)	910	1,792	4,667	2,680	3,709
Revenue (IFRS)	910	1,792	2,852	1,994	1,499
Cost of sales	(2,742)	(6,988)	(5,097)	(2,508)	(5,481)
Gross profit (loss)	(1,832)	(5,195)	(2,245)	(514)	(3,982)
Gross margin	(201.3)%	(289.8)%	(78.7)%	(25.8)%	(265.6)%
SG&A expenses - R&D	(2,170)	(2,861)	(5,001)	(2,757)	(8,352)
SG&A expenses - non-R&D	(2,591)	(4,547)	(6,694)	(4,405)	(6,063)
Other income	190	2,938	2,386	687	2,714
Operating profit (loss)	(6,404)	(9,665)	(11,555)	(6,990)	(15,683)
Operating margin	(703.5)%	(539.1)%	(405.1)%	(350.6)%	(1,046.0)%
Finance income	853	507	2,824	1,528	33
Finance costs	(12)	(155)	(488)	(360)	(674)
Profit (loss) before tax	(5,563)	(9,314)	(9,219)	(5,823)	(16,323)
Income tax	79	49	38	(1)	(1)
Profit (loss)	(5,484)	(9,264)	(9,181)	(5,824)	(16,324)
Earnings per share (¥)	(73.66)	(111.16)	(101.45)	(64.43)	(144.33)

Historical Financial Information: Balance Sheet

(¥ million)	FY2022	FY2023	FY2024	FY2024 Q3	FY2025 Q3
Assets					
Current assets					
Cash and cash equivalents	16,869	22,678	14,196	15,248	23,664
Trade and other receivables	401	472	1,044	675	789
Contract assets	84	496	794	747	1,249
Other current assets	235	769	1,710	729	3,054
Total current assets	17,590	24,417	17,746	17,401	28,757
Non-current assets					
Property, plant and equipment	1,778	5,151	6,214	6,046	5,978
Intangible assets	143	138	220	178	296
Other non-current assets	613	730	809	762	819
Total non-current assets	2,535	6,020	7,244	6,986	7,094
Total assets	20,125	30,437	24,990	24,388	35,852

(¥ million)	FY2022	FY2023	FY2024	FY2024 Q3	FY2025 Q3
Liabilities					
Current liabilities					
Trade and other payables	774	1,674	2,945	1,215	1,501
Contract liabilities	109	253	-	-	5,460
Borrowings	943	988	2,487	602	3,567
Provision	1,899	3,726	2,071	1,176	1,779
Lease obligations	146	226	239	233	257
Other current liabilities	73	116	1,119	1,055	1,505
Total current liabilities	3,946	6,987	8,864	4,283	14,072
Non-current liabilities					
Borrowings	500	5,475	7,375	7,427	7,258
Provision	672	43	271	262	2,116
Lease obligations	914	3,041	3,078	2,989	2,896
Total non-current liabilities	2,087	8,559	10,725	10,678	12,271
Total liabilities	6,033	15,547	19,589	14,962	26,343
Equity					
Share capital	100	100	100	600	10,255
Capital surplus	14,881	19,643	7,858	20,139	9,794
Retained earnings	(487)	(4,287)	(679)	(10,111)	(8,998)
Other reserves	(402)	(564)	(1,878)	(1,202)	(1,543)
Equity attributable to owners of the parent	14,091	14,890	5,401	9,425	9,508
Total equity	14,091	14,890	5,401	9,425	9,508
Equity and liabilities	20,125	30,437	24,990	24,388	35,852
Borrowings	1,443	6,464	9,863	8,030	10,826

Historical Financial Information: Cash Flow Statement

(¥ million)	FY2022	FY2023	FY2024	FY2024 Q3 YTD	FY2025 Q3 YTD
Cash flow from operating activities					
(Loss) / profit before taxation	(5,563)	(9,314)	(9,219)	(5,823)	(16,323)
Depreciation / amortization	192	455	739	529	683
(Increase) / decrease in trade and other receivables	588	(894)	(1,738)	(179)	(1,811)
Increase / (decrease) in trade and other payables	451	1,045	881	(1,044)	4,289
Increase / (decrease) in provisions	(629)	1,067	(1,952)	(2,727)	1,553
Others	(712)	(2,864)	(3,988)	(1,260)	(1,297)
Subtotal	(5,673)	(10,505)	(15,277)	(10,506)	(12,906)
Others	172	2,568	2,455	1,406	2,118
Cash flow from operating activities	(5,501)	(7,937)	(12,822)	(9,099)	(10,787)
Cash flow from investing activities					
Purchase of property, plant and equipment	(480)	(1,528)	(1,082)	(940)	(339)
Purchase of intangible assets	(24)	(10)	(87)	(46)	(111)
Others	(157)	(95)	(12)	(12)	-
Cash flow from investing activities	(662)	(1,634)	(1,182)	(999)	(451)
Cash flow from financing activities					
Proceeds from issuance of shares	12,381	10,189	996	996	19,854
Net increase (decrease) in short-term borrowings	943	20	1,424	(461)	1,038
Proceeds and Repayments of long-term borrowings	500	5,000	1,975	2,027	-
Others	(30)	18	(250)	(189)	(47)
Cash flow from financing activities	13,794	15,227	4,145	2,372	20,844
Effects of changes in foreign exchange rates	295	154	1,377	296	(137)
Change in cash and cash equivalents	7,925	5,809	(8,482)	(7,430)	9,468
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	15,248	23,664
Free cash flow	(6,163)	(9,571)	(14,004)	(10,098)	(11,238)