Business Update (October 2026)



Astroscale Holdings Inc.
(Ticker: 186A)

October 16, 2026

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.

Today’s Speakers



Nobu Okada

Representative Director,
Founder and Group CEO

Nobu is a globally recognized leader in the start-up space ecosystem. He has a history of entrepreneurship and a visionary philosophy that has driven the advancement of the on-orbit servicing industry.



Nobuhiro Matsuyama

Director and Deputy President
Group CFO

Matsu comes with a wealth of experience in financial strategy, capital markets and risk management. He has advised numerous global companies on strategic capital raises and M&A, and led investments into multiple startup companies.

TABLE OF CONTENTS

Section 1: Executive Summary

Section 2: Pursuing Repeatable Business

Section 3: Financial Strategy

Appendix

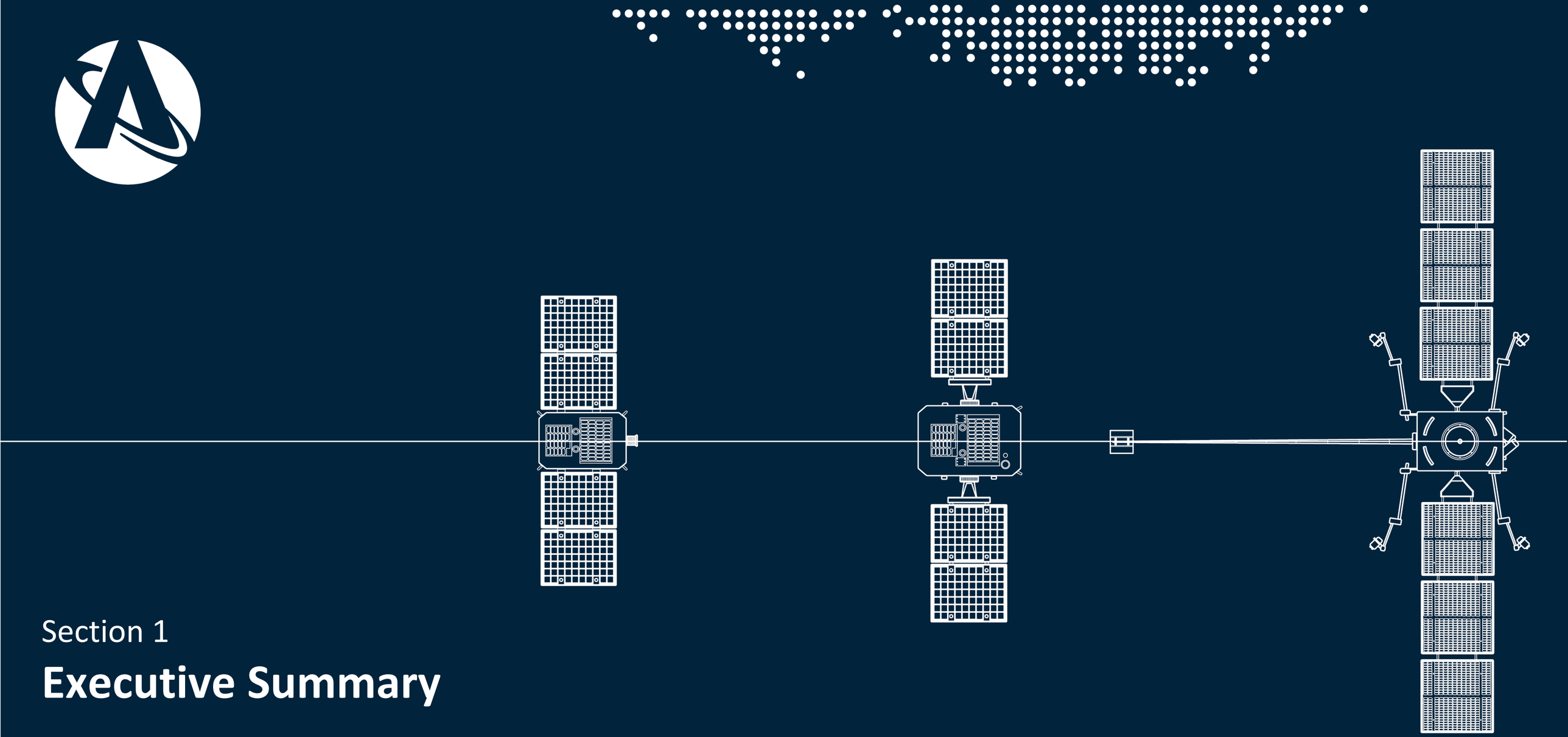
Notes:

Information is presented based on the following unless otherwise noted.

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

Full-year: The full fiscal year beginning from May 1 and ending on April 30.

FX rate assumptions: US$1 = ¥155, €1 = ¥180, £1 = ¥205



Section 1

Executive Summary

Executive Summary



Robust progress in our growth strategy through repeatable business outlined at the previous business update



Forging **local partnerships** outside of Japan



Selected for inclusion in the **TOPIX Index**

Astroscale Proprietary

Our Business Evolution and Future Strategy

2010s	Early 2020s	Late 2020s and Beyond
Securing study projects	**Securing operational missions and on-orbit demonstration**	**Securing repeatable business**
✓ Multiple study projects secured as a foundation for future operational missions ✓ Growing recognition among governments and space agencies on the importance of on-orbit servicing ✓ Expansion of regulatory discussions	✓ Successful on-orbit demonstration of non-cooperative RPO technologies, the first and only achievement by a private company ✓ Secured a diverse range of OOS projects ✓ Significant growth in backlog and revenue driven by global bookings	✓ Improved profitability by maximizing technology reuse through operating limited number of platforms ✓ Scalable business expansion through maturation of a repeatable business model
× Limited revenue × Limited opportunities for on-orbit technology demonstrations through satellite operations	× Low profitability, with many one-off, bespoke projects × New development required to meet diverse customer requirements	

Repeatable business is essential to achieving profitability.

Short- to Mid-Term Strategy Toward Profitability

Accelerate operating profitability through repeatable defense and commercial projects and strict cost control.

Defense

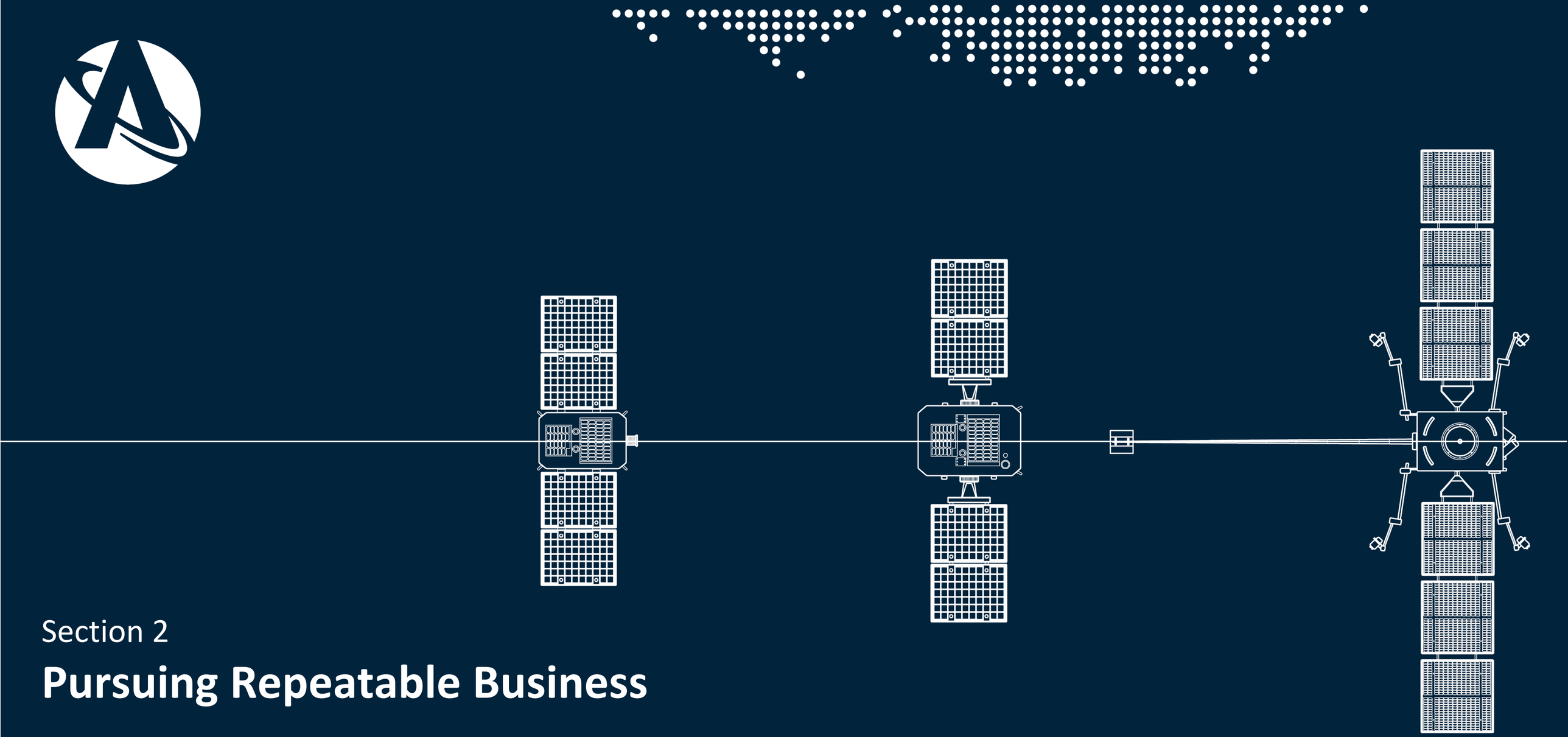
- Expanding space threats are **driving growing demand for autonomous space defense capabilities across major countries and regions.**
- Demonstrations of inspection and refueling services are **building platforms for repeatable defense business.**

Commercial

- Life extension services significantly improve GEO economics, offering **strong potential for multiple and repeatable business.**
- Successful on-orbit demonstration of dock-and-hold–based life extension with LEXI-P will support our **aim to secure repeatable business for subsequent units** from 20+ potential customers.

Cost Control

- **Expect subsidy projects to turn profitable from FY2028 onward**, following the completion of a partially funded project in FY2027.
- No further pre-contract development costs are expected.
- Other SG&A expenses targeted to be **maintained in the low ¥9.0 billion range.**



Section 2

Pursuing Repeatable Business

Initiatives to Drive Repeatable Business

Currently focused on securing opportunities that support repeatable business and platform reuse. Development of versatile platforms applicable for a wide range of future applications is progressing steadily.

Today

Advancing Repeatable Business Opportunities

- First defense prime contract in the UK
- Strengthening local partnerships in France
- US Space Force refueling demo launching soon

Developing Versatile Platforms

- Developing platforms tailored to country-specific needs
- Improving efficiency through platform reuse
- Platform development progressing steadily

Future

Expanding sustainable revenue base through repeatable business

UK: Secured First Defense Mission as Prime Contractor

The UK Space Strategy was driven by the UK government's focus on national security on orbit. Against this backdrop, we secured our first defense mission from the UK Ministry of Defence as a prime contractor

UK MoD Project

Disclosure date:	**September 30, 2026**
Customer:	**UK Ministry of Defence**
Contract Value:	**£15 million (¥3.12 billion)**
Contract period:	**Undisclosed**
Service:	**Undisclosed**

Highlights

- First direct contract award by UK MoD to Astroscale.
- May evolve into future repeatable business opportunities.

UK Space Strategy

- The UK government published the UK Space Strategy in September 2026, positioning space as a core pillar of national security and economic growth.
- Space Domain Awareness (SDA) and in-orbit services are identified as two of the four priority subsectors.
- The Royal Air Force established a dedicated space squadron to protect national space infrastructure, with **the ability not only to detect threats such as hostile satellite interference, but also to take active countermeasures by disrupting, degrading, and denying hostile activity.**
- The initiative supports the UK's "Control of Space" objective and **highlights growing defense and operational demand in the space domain.**



France: Secured a Deorbit Demo Mission, the First Mission for ASFR

Astroscale France (ASFR) was selected to participate in a deorbit demonstration mission for a Eutelsat OneWeb satellite as its first concrete joint project with Exotrail.

New: CNES Project

Disclosure date:	**September 11, 2026**
Customer:	**Exotrail**(1)
Contract Value:	**€13.2 million (¥2.36 billion)**
Contract period:	**Until 2030**
Service:	**EOL**

Highlights

- Potential pathway to future EOL (End-of-Life) services.
- First mission in France for Astroscale.

Project Overview



- End-of-life demonstration mission to approach, dock with, and deorbit a Eutelsat OneWeb satellite under the French government's France 2030 program. **The OneWeb satellite is equipped with an Astroscale-designed docking plate, enabling magnetic capture.**
- As a subcontractor to Exotrail, **Astroscale France will provide RPO expertise and docking mechanism technology.**

(1) Contract awarded to our French subsidiary by Exotrail. The end customer is CNES (Centre National d'Études Spatiales).
Note on photo: (From right) Jean-Hubert Lenotte Chief Strategy and Resources Officer, Eutelsat; Nobu Okada, Founder and Group CEO, Astroscale Holdings; Kimi Onoda, Minister for Economic Security; Jean Luc Maria, CEO, Exotrail; Philippe Baptiste, Directeur Général, CNES; Philippe Blatt, President & Managing Director, Astroscale France

France: Further Expanding Local Partnerships

A partnership was established with Hemeria, a participant in France's space surveillance program, Yoda[1].

Partnership with Hemeria

- **Overview of France's Yoda Space Defense Program**
  - Growing need to strengthen space defense capabilities as space becomes an increasingly important domain for military and national security activities.
  - Two satellites, a target and an inspector/tracker, will be deployed in GEO to simulate defense operations.
  - Hemeria is responsible for developing the satellite platform.

- **About Hemeria**
  - Established in 2019 and based in Toulouse, France.
  - Specialized in small satellite platforms for defense applications.

- **Partnership Overview**
  - Combining Astroscale's RPO technology with Hemeria's satellite platform technology to jointly develop a French GEO microsatellite and **develop localized defense solutions.**



(From right) Philippe Blatt, President & Managing Director, Astroscale France; Nicolas Multan, Chairman, HEMERIA

(1) Yoda: Yeux en Orbite pour un Démonstrateur Agile

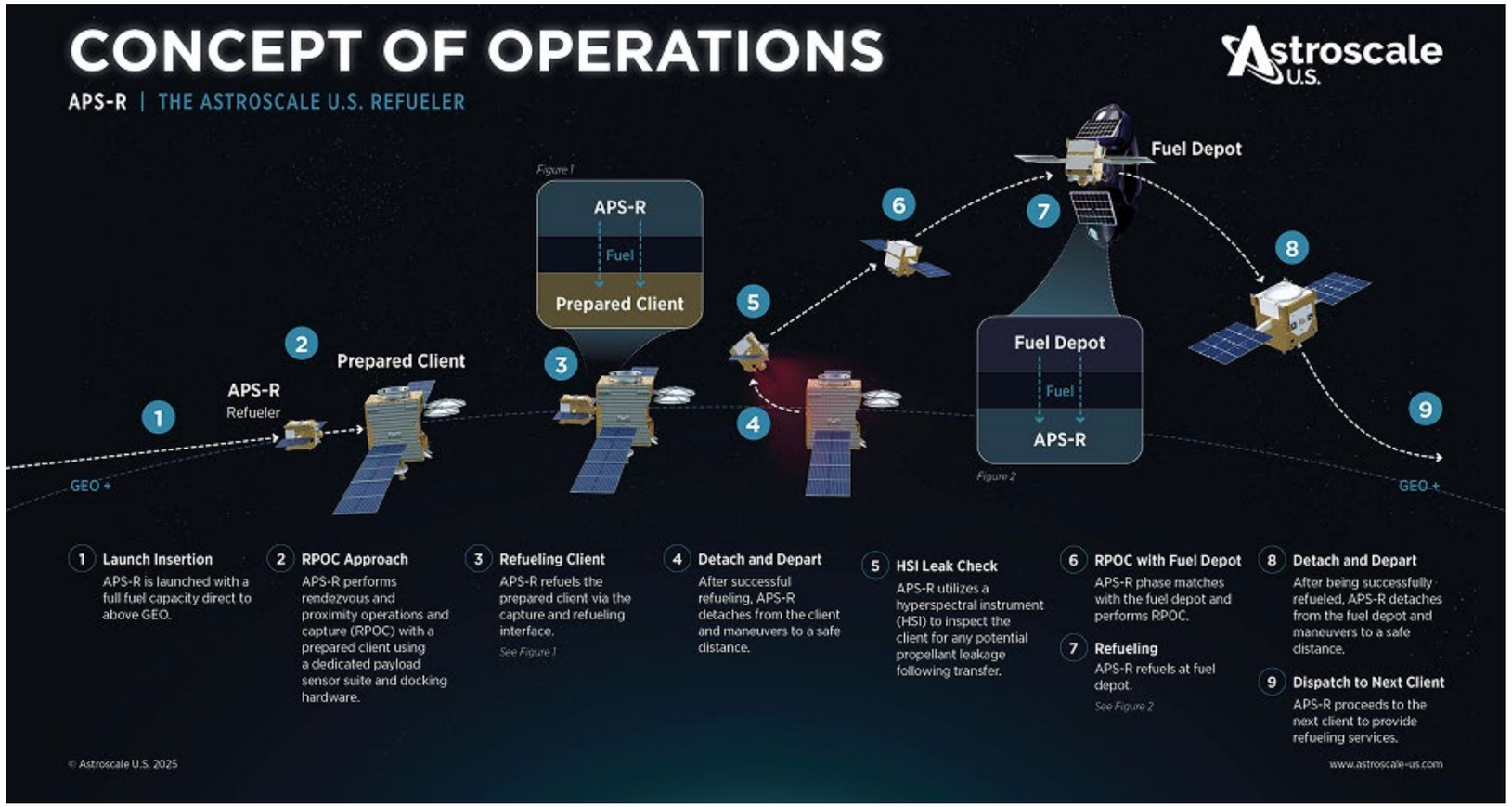
US: Expanding a Repeatable Refueling Business Through Demo Mission

Aim to establish a repeatable refueling business with the U.S. Space Force through a successful fuel transfer demo with the APS-R mission planned for this fiscal year.

U.S. Space Force Refueling Strategy

- In the RG-XX(1) program, which will replace the current GSSAP(2), the U.S. Space Force has announced plans **to require refueling capability for next-generation SDA satellites**, eliminating operational constraints caused by fuel limitations.
- **APS-R is expected to become the first on-orbit refueling demonstration mission for the U.S. Space Force** and is planned for launch in FY2027.
  - The mission is planned to transfer fuel between a client satellite equipped with a refueling interface and a fuel depot in orbit (shown right).
- Successful demonstration could pave the way for **a repeatable refueling business with the U.S. Space Force.**

Overview of the APS-R Mission



(1) RG-XX: Geosynchronous Reconnaissance & Surveillance Constellation
(2) GSSAP: Geosynchronous Space Situational Awareness Program

Japan: Advancing Space Infrastructure Defense

Expect discussions on bodyguard satellite deployment to advance further with defense budget allocations and revisions to the three National Security Documents underway. Development of the responsive space system prototype already awarded to Astroscale is advancing steadily.

Evolving Threat Environment in Space

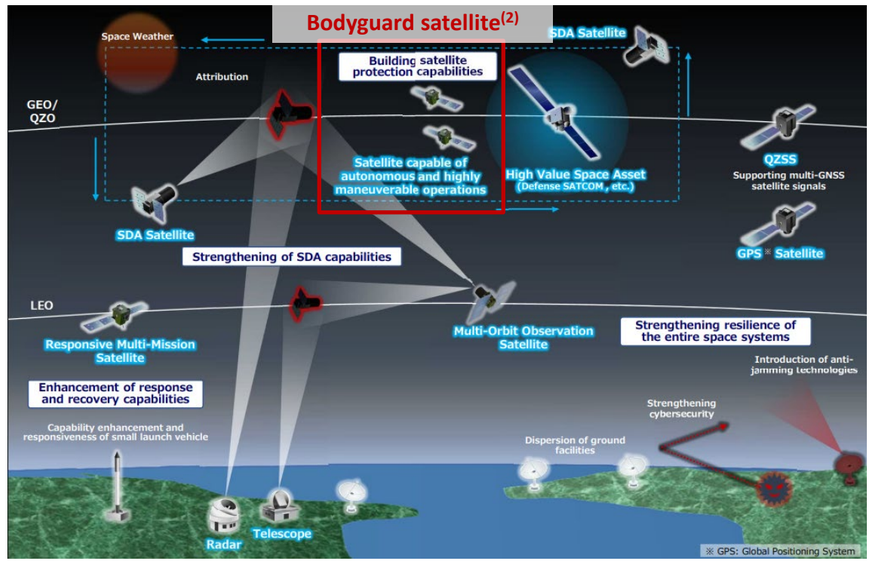
- **Growing concerns over the development and operation of "killer satellites"** capable of approaching target satellites and disrupting or disabling their functions using robotic arms, electromagnetic waves, and other means.

▼Illustration of a killer sattelite



Government Response

- **Considering the introduction of "bodyguard satellites"** designed to intercept and prevent killer satellites from approaching Japanese satellites through remote operations from the ground.
- **We have an existing JMoD contract to build a prototype spacecraft.** Expect multiple spacecraft orders after launch and demo in FY2028.

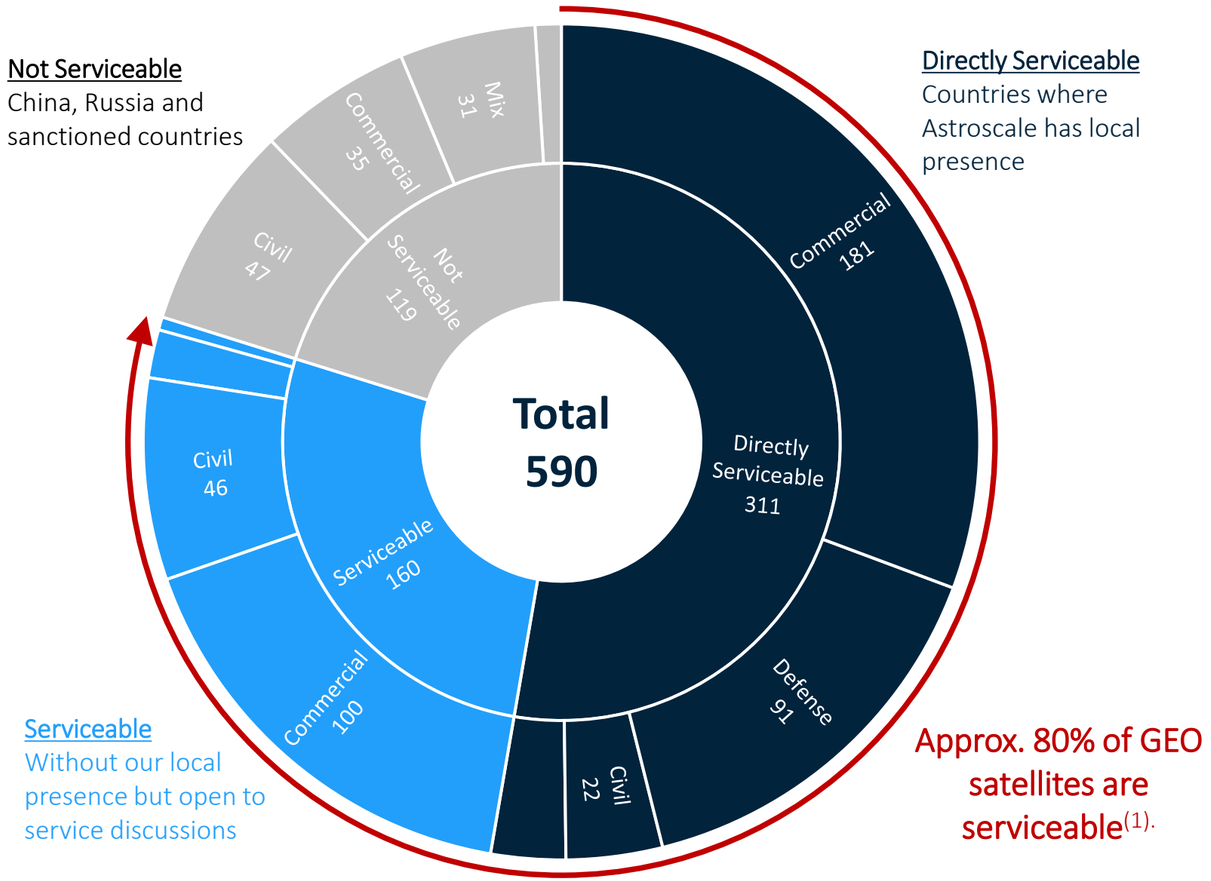


(1) Prepared by the Company based on Space Domain Defense Guidelines issued by the Ministry of Defense, Japan (July 2025).

Market Size for Life Extension Services

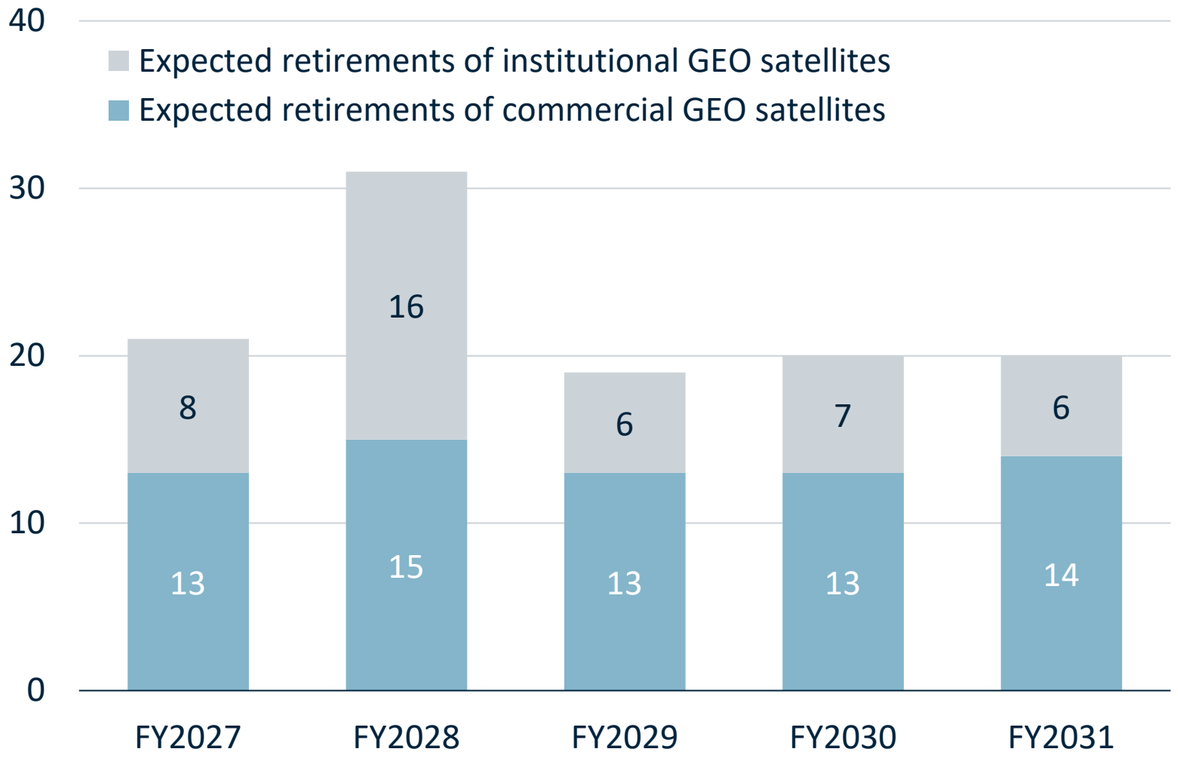
The GEO satellite business is large and stable, with approximately 20–30 satellites per year potentially serviceable with our life extension service.

Breakdown of Operational GEO Satellites



Expected GEO Satellite Retirements (Serviceable Satellites)

Target repeatable bookings from the expected retirements of approx. 20–30 GEO satellites per year.



Source: UCS Satellite Database, as of May 1, 2023.
(1) Figures are based on classifications by satellite nationality, and certain satellites may be excluded from the service scope depending on the results of technical assessments.

Existing Projects Driving Future Repeatable Business and Platform Reuse

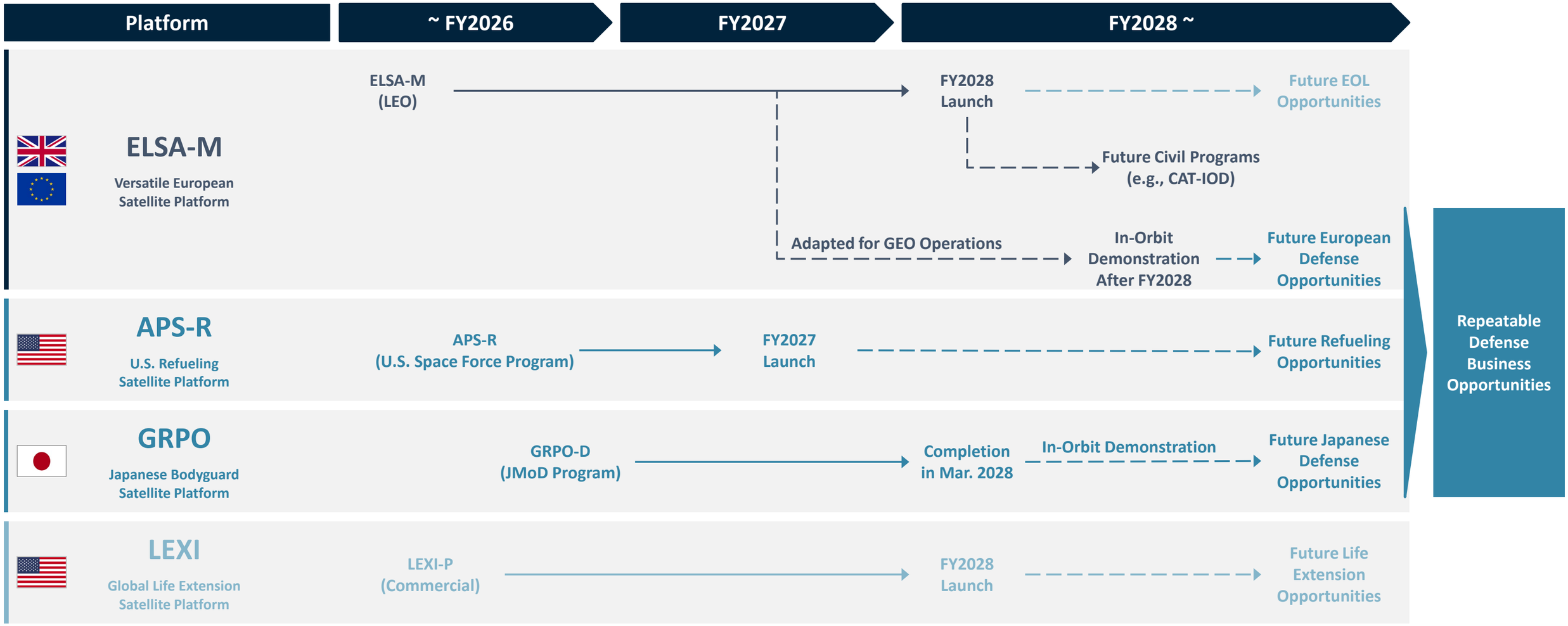
Secured multiple projects globally that can drive repeatable business, platform reuse, and improved profitability.

Entity	Project	Outline
	**ELSA-M**	• Magnetic debris capture demonstration mission for a OneWeb satellite, awarded by ESA. • Supports **development of a versatile satellite platform for Europe** while providing a valuable in-orbit demonstration to **drive future EOL opportunities**.
	 **UK MoD Project**	• **First contract awarded as a prime contractor for a UK Ministry of Defence project**. • Potential for repeatable business through customer procurement of multiple spacecrafts.
	 **CNES Project**	• Awarded a magnetic capture demonstrationmission as the first concrete joint project with Exotrail. • Drives French partnership and **development of European solution for EOL**.
	**JMoD Project**	• Awarded a prototype development of a responsive space system from JMoD. • **Advancing development of a platform that could support multiple future bodyguard satellite contracts**.
	**APS-R**	• A on-orbit refueling mission for the U.S. Space Force. Scheduled to launch in FY2027. • Potential for **repeatable refueling business** for the U.S. Space Force.
	LEXI-P	• First commercial life extension service mission. • **Contract negotiations with a prospective customer are advancing steadily**.

Satellite Platforms Under Development

Advancing platform development aligned with future repeatable business opportunities across US, Europe, and Japan.

Legend
- Developing
- Opportunity
- Gray: Civil
- Blue: Defense
- Sky blue: Commercial



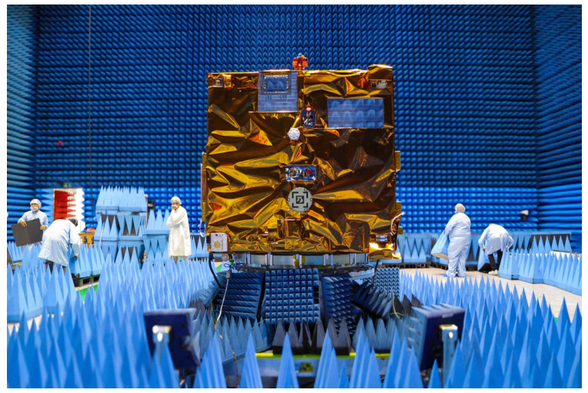
Platform Development Progress

All programs are progressing steadily toward launch, with launch services secured.

ELSA-M

Planned Launch: FY2028

- Spacecraft delivered to RAL Space for electromagnetic compatibility testing.
- Our launcher, Isar Aerospace's Spectrum rocket, successfully reached orbit on its second test flight.



APS-R

Planned Launch: FY2027

- Completed vibration and deployment tests.
- Advancing key system-level and ground control milestones.
- Launch vehicle selected; details undisclosed.



GRPO-D

Planned Completion: FY2028

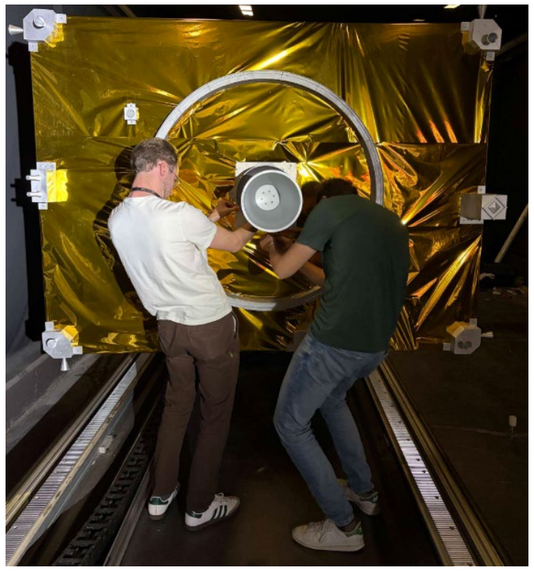
- Development of the responsive space system prototype is progressing steadily.
- Launch vehicle selected; details undisclosed.

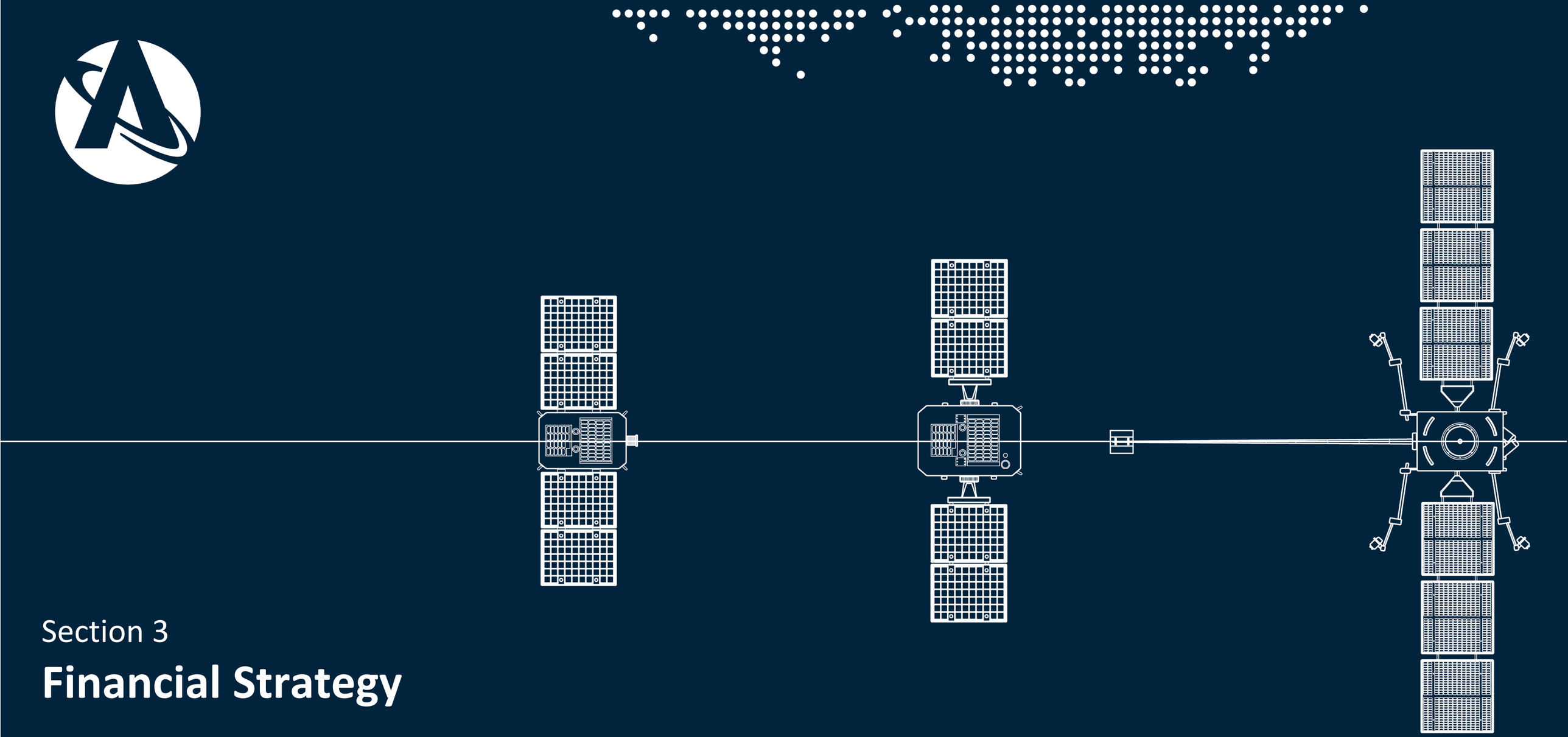


LEXI

Planned Launch: FY2028

- Overall development remains on track.
- Launch vehicle selected; details undisclosed.





Section 3

Financial Strategy

Illustrative Key Drivers of Operating Profit Breakeven

Executing initiatives to achieve operating profitability and enable a transition to progress-based revenue recognition where appropriate.

Backlog

- Build profitable backlog by leveraging global footprint and diversified services.

÷ (1)

Avg. Project Duration

- Aim to reduce average project duration through:
  - Enhanced project management
  - Expansion of recurring business

Shorten through repeatable business

Project Income

- Conversion of backlog into project income through steady project execution.

×

Gross Margin

- Aim to expand margins by:
  - More fully-funded missions
  - Increasing higher-margin recurring defense and commercial businesses

Expand through repeatable business and revenue recognition changes

Gross Profit

- Drive gross profit through drivers shown left and reliable project management.

−

R&D/SG&A

- Minimize costs through:
  - Leveraging customer-funded missions for R&D.
  - Maintaining strict SG&A cost discipline.

Increase control through cost discipline

Operating Profit

- Produce gross profits exceeding R&D/SG&A costs to achieve breakeven.

Revenue Recognition

Successful transition to percentage of completion revenue recognition will enable margin recognition during project execution (see p.24).

Note: The targets discussed here are the current aspirations of the company that may be subject to change in the future. These targets shall not be understood as guarantee of results.
(1) Actual project income recognition will be affected by various factors including but not limited to average project duration. Therefore, project income may differ from the quotient of backlog and average project duration.

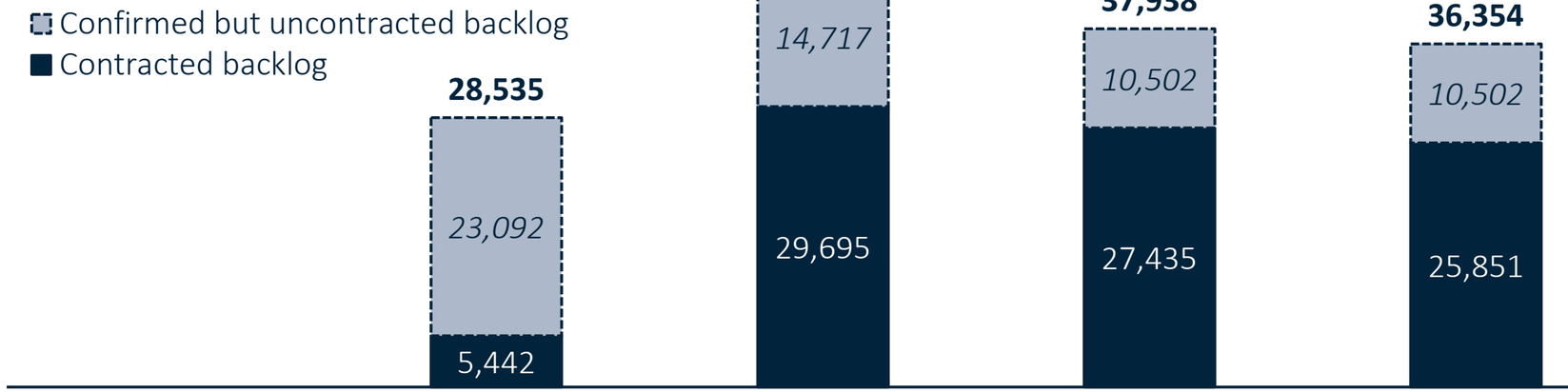
Backlog Status ("Contracted backlog" + "Confirmed but uncontracted backlog")[1]

The Q1 YTD bookings were ¥224 million. ¥5.4bn of bookings confirmed since Aug.

Awarded since Aug. 2026
CNES: ¥2.3bn
UK MoD: ¥3.1bn

Historical Backlog and Contract Status

(¥ million)



Major Projects in Backlog

Civil	Defense	Commercial
ISSA-J1 Phase 3 *REFLEX-J*[4]	*None*	*None*
ELSA-M Phase 3, 4 ISSA-J1 Phase 2 ADRAS-J2 CAT-IOD Phase A REFLEX-J (1st & 2nd year) [4] JAXA EP Refueling	APS-R (Provisioner) Orpheus Project JMoD Project AFRL Project	None

		Apr. 2024	Apr. 2025	Apr. 2026	Jul. 2026	
Backlog[1]	Commercial	205	10	99	391	Drive backlog growth through expansion of business in all customer segments.
	Defense	0	2,682	10,410	8,520	
	Civil	4,737	25,842	33,903	27,442	
Fully-funded ratio[2]		11%	80%	89%	94%	Increasing ratio drives profitability.
Weighted average project duration[3]		4.1 years	4.0 years	3.6 years	2.6 years	Accelerating conversion from backlog to project income by shortening project timeline.
FX rates (¥ per US$)		136.30	157.19	142.76	160.20	

(1) Backlog includes the estimated contract value for (i) SBIR Phase 3, which has not yet been awarded but is expected to be awarded to our group in a subsequent phase where no competition exists and (ii) REFLEX-J, which was selected in January 2025. For REFLEX-J, as announced in the press release dated September 1, 2025, the budget from the third year onward is reflected in the backlog.
(2) 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 backlog amount.
(3) Weighted average project duration represents the average project duration calculated by multiplying the actual or expected remaining contract period of each major project included in backlog by its backlog amount and then dividing by the total backlog amount for such projects.
(4) Only the amount for the first and second year of the contract is included in the contracted backlog.

Illustrative Global Pipeline Status (As of September 2026)

The defense opportunity in the bidding stage as of August 2026 was successfully contracted. The two opportunities currently under bid are both expected to have the potential to lead to future repeatable business.

Upper: Estimated # of projects
Lower: Estimated value

	Total Opportunities	Breakdown by Progress			Comments
		Prospecting	Preliminary Discussion	Bid / Negotiations	
Civil	**24** (~¥61bn)	**8** (~¥11bn)	**15** (~¥36bn)	**1** (~¥13bn)	• One significant new opportunity under bid in Europe. (Not identified in previous pipeline status report.) • Pipeline strong despite unsuccessful COSMIC bid. Total opportunity value unchanged at ~¥61bn. • Number of opportunities decreased due to elimination of small pipelines related to COSMIC.
Defense	**47** (~¥197bn)	**20** (~¥105bn)	**26** (~¥90bn)	**0** (¥0)	• August bid opportunity was successfully awarded. • Multiple opportunities heading into bid processes. Aiming to win contracts in the second half. • Overall pipeline health unchanged with some losses in the US offset by new opportunities globally.
Commercial	**30 to 40** (N/A)	**~20** (N/A)	**14** (N/A)	**1** (~¥7bn)	• Significant progress made on LEXI-P contract. • Continued engagement with other potential customers. • Expecting life extension fees of $10–15mm per satellite per year(1) from each operating LEXI satellite.

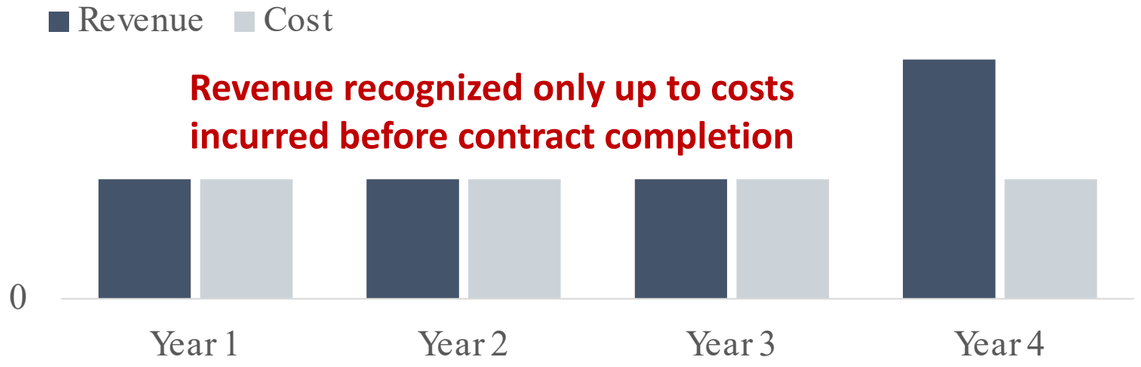
Prospecting: Potential projects that are likely to have meaningful customer interest in the mid-term. **Preliminary Discussions:** Potential projects that have evolved into customer dialogue specific to the planned activities. **Bid/Negotiations:** Potential projects that are in bidding or contract negotiations.
Note: The opportunities shown are those currently anticipated by the company. However, there is no guarantee of contracts at the value or within the expected timeframe or at all. The white boxes show breakdown of total opportunities by progress. Figures may not add due to rounding.
(1) Based on current negotiations and precedents.

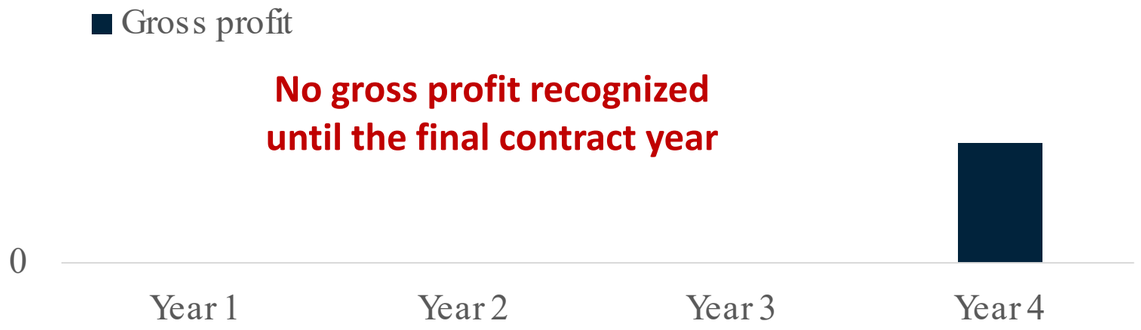
Impact of Revenue Recognition Methods on Financial Performance

Achieving profitability requires a transition to progress-based revenue recognition, in line with IFRS principles.

Current (Cost Recovery Basis)

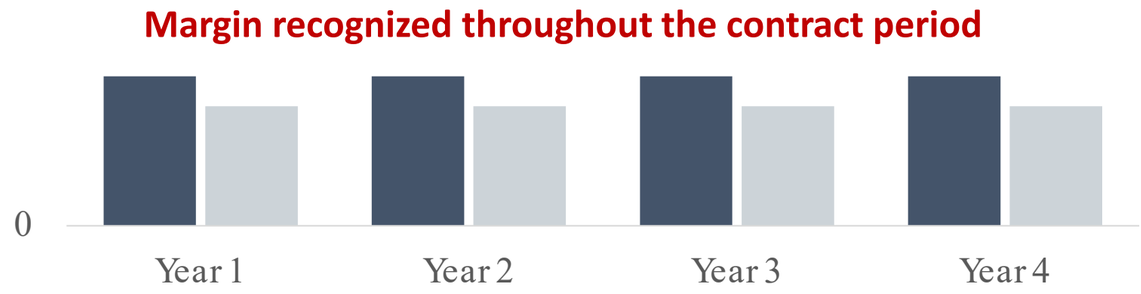
When project progress cannot be reasonably estimated.
(e.g., difficult to estimate total project costs or measure progress)

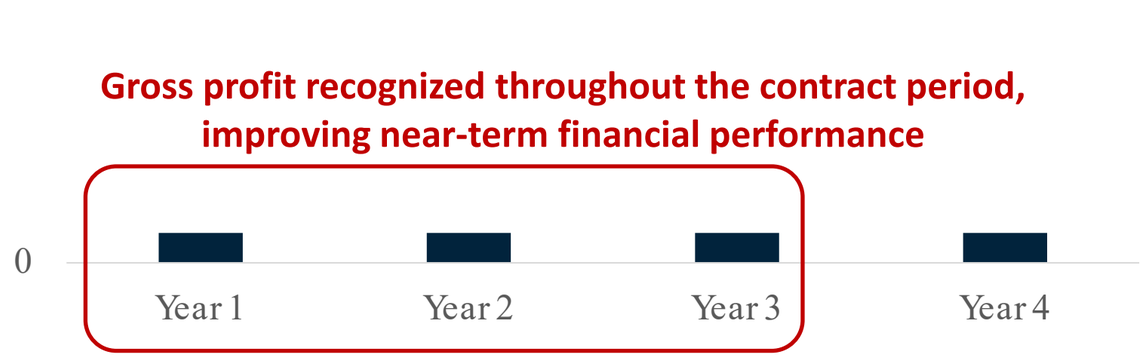




Target (Progress-Based Revenue Recognition)

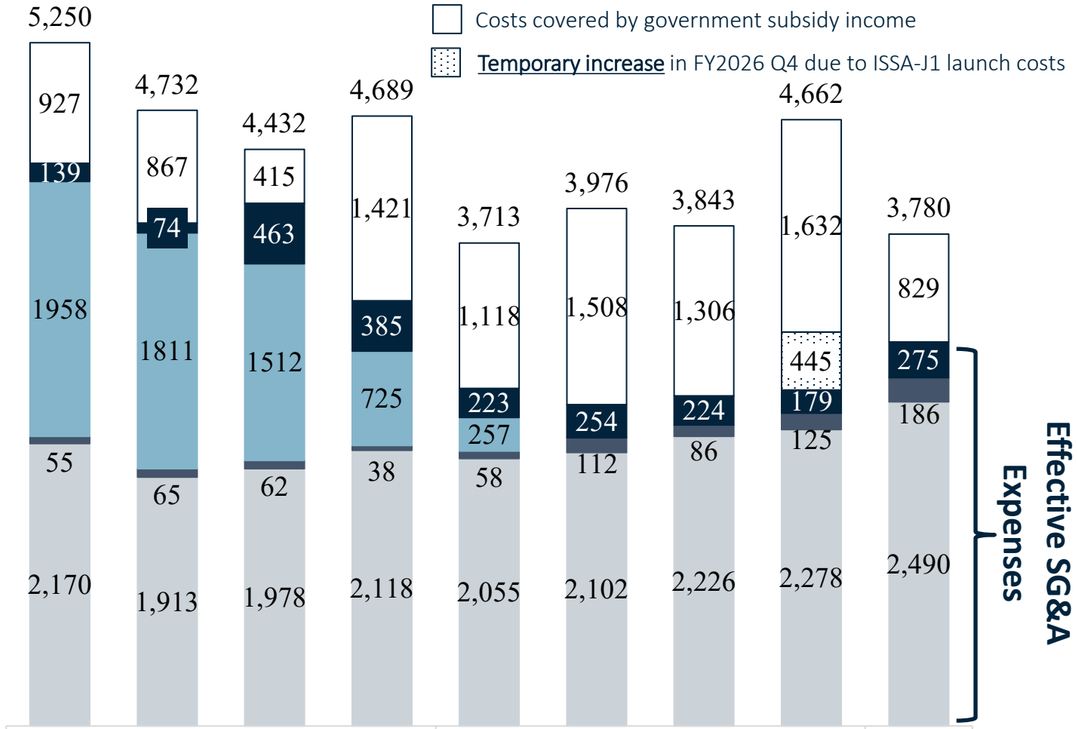
When project progress can be reasonably estimated.
(IFRS standard revenue recognition method)





Toward Profitability: SG&A Cost Discipline

With the partially-funded APS-R program scheduled to conclude in FY2027, development costs for subsidy projects are expected to be covered by government subsidy income thereafter, resulting in effectively only other SG&A expenses in the low ¥9.0 billion range. Cost discipline will remain a priority on the path to profitability.



USD/JPY	145.42	148.87	155.96	157.68	145.42	148.87	155.96	157.68	160.46

Profitability of Subsidy Projects[1]

- At present, development costs for subsidy projects exceed government subsidy income due to the partially funded APS-R program. APS-R is scheduled to conclude in FY2027.
- **From FY2028 onward**, all projects are expected to be fully funded and **covered by government subsidy income.**

Pre-contract Development Costs

- Satellite manufacturing costs for LEXI-P, which accounted for the majority of expenses through FY2025, are no longer recorded from FY2026 due to capitalization.
- **No further pre-contract development costs are expected going forward.**

Other R&D Expenses

- Expected to remain **at a minimal level** until breakeven.

Other SG&A Expenses

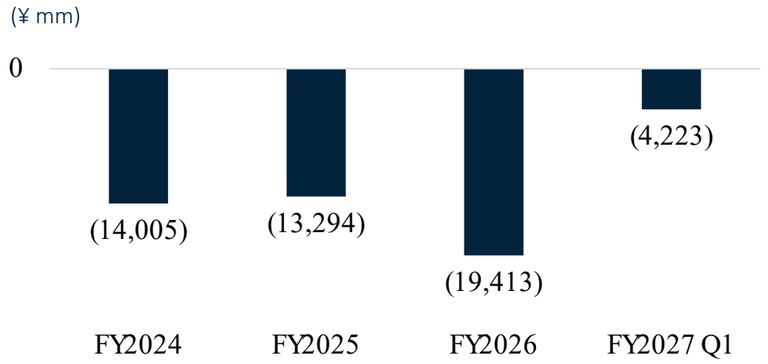
- Aim to maintain **in the low ¥9.0 billion range per annum,** while expecting some FX impact.
- **From FY2028 onward, SG&A expenses are expected to consist primarily of other SG&A expenses.**

(1) Development costs for grant projects, net of government subsidy income.

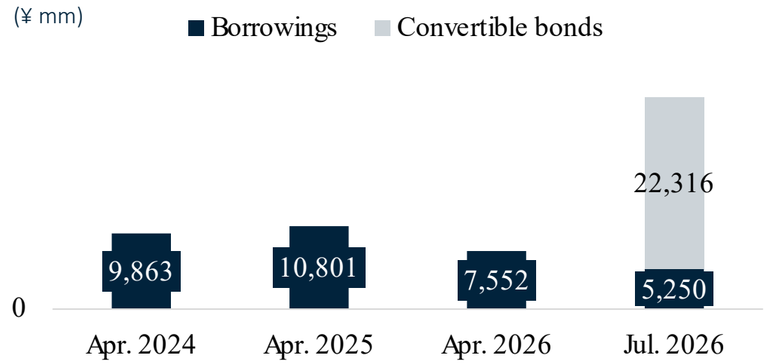
Cash Flow / Balance Sheet

Secured ¥30.6bn through a combination of convertible bonds and equity financing in June 2026, preserving the capacity and flexibility for strategic investment decisions.

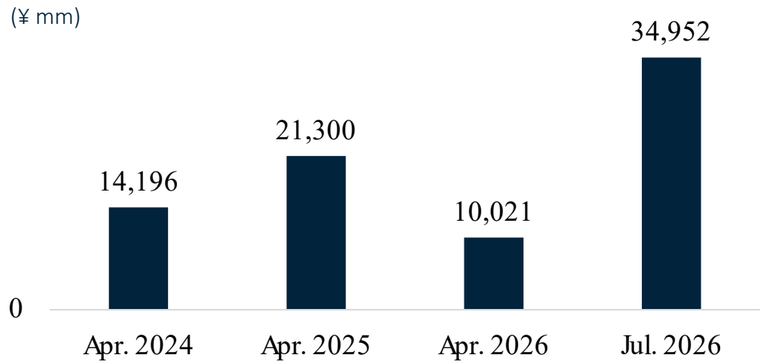
Free Cash Flow



Debt Balance



Cash Balance



Equity Balance



Future Fundraising Strategy

Debt

- Primary source of funding for significant working capital repayable through future customer revenue.
- Seek to continue using debt while closely monitoring leverage and cost.
- Active use of government guaranteed financing programs and similar facilities.

Equity

- Primary source of funding for at-risk investments and R&D.
- Will continue to seek equity raises if there are attractive growth or collaboration opportunities.

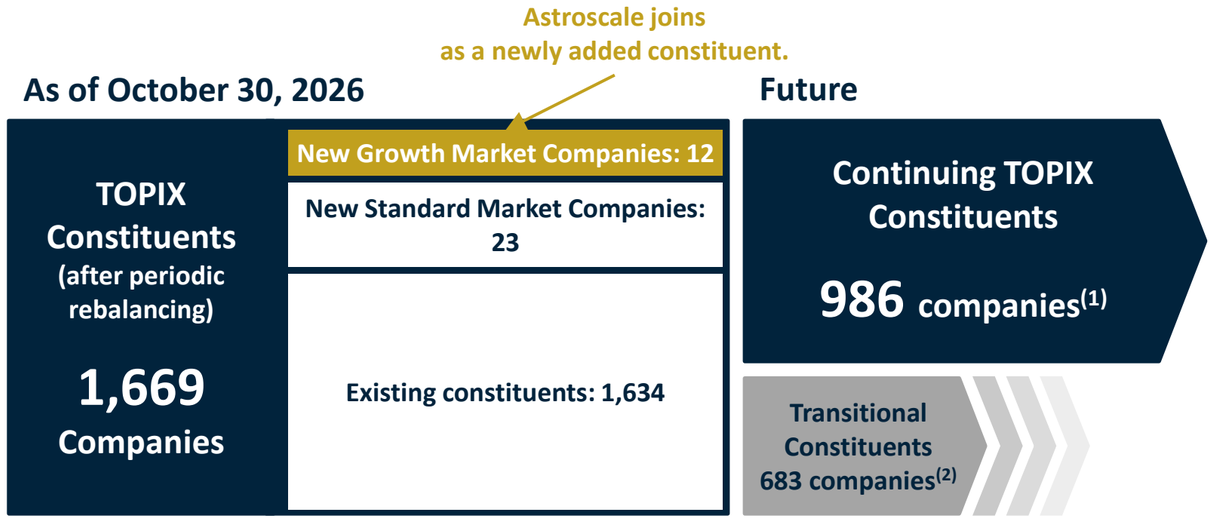
(*) Excluding transaction expenses.

Inclusion in the TOPIX Index

Selected for inclusion in the TOPIX Index (Tokyo Stock Price Index), effective October 30, 2026. Expected to enhance awareness of Astroscale shares and broaden our investor base.

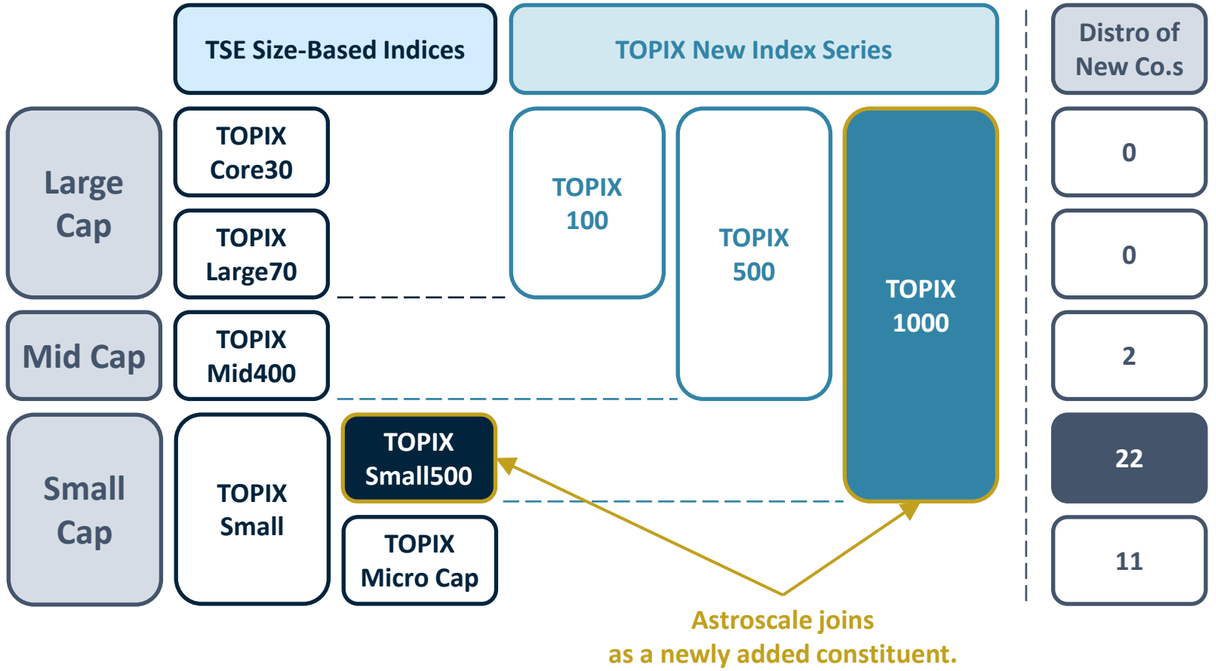
Overview of the TOPIX Periodic Rebalancing

- On October 7, 2026, JPX Market Innovation & Research announced the results of the TOPIX periodic rebalancing. **For the first time, selected companies from the Growth Market and Standard Market will be included in TOPIX** following the market restructuring.
- **Among 598 companies listed on the Growth Market(1), only 12 companies were selected for inclusion, including Astroscale.**



Inclusion in TSE Size-Based Indices

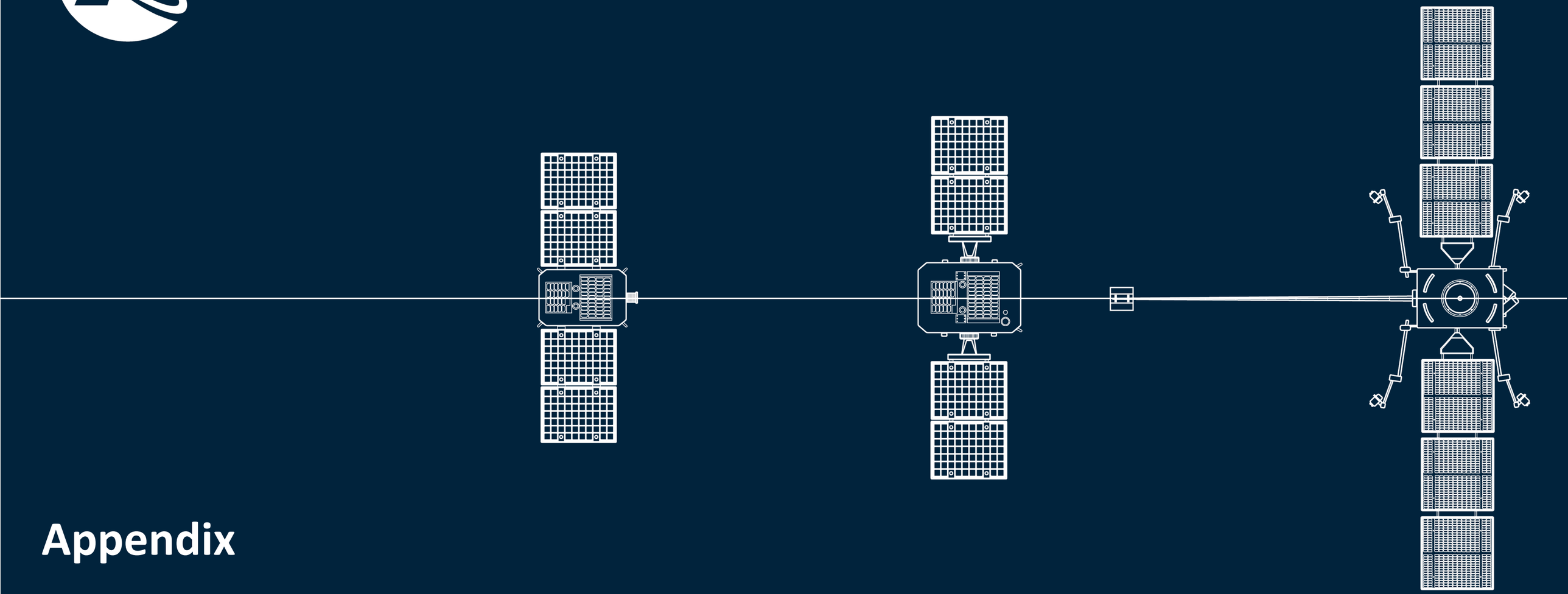
- Astroscale will be included in **TOPIX Small 500 Index** and **TOPIX 1000**.
- We aim to achieve further growth and advance to higher-tier indices over time.



Source: JPX Market Innovation & Research

(1) Number of Growth Market listed companies as of the end of August 2026.

(2) Transitional constituents remain eligible for TOPIX periodic rebalancing until October 2028. Constituents that do not meet the continuation criteria at the October 2027 review will be phased out through gradual weight reductions.



Appendix

Major Projects Contracted, Awarded and Under Proposal (Civil)

(As of October 16, 2026)

FX assumption:
US$1 = ¥155
€1 = ¥180
£1 = ¥205

Project	Service	Customer	Entity	Funding	Payment	Accounting	Total Pj Amount	Phase	Currency (Local)	Currency (JPY)	Project Duratio			Launch FY
ELSA-d	-	-	-	Self-funded	-	-		-	-	-	-	~	FY2024	FY2021
ADRAS-J	ISSA	Civil	Japan	Partial	Milestone	Revenue		-	¥1.9bn	¥1.9bn	FY2020	~	FY2025	FY2024
ELSA-M	EOL	Civil	UK	Partial	Milestone	Revenue	€31.6mm	Phase 2	€2.9mm	¥0.4bn	FY2021	~	FY2024	-
								Phase 3	€14.79mm	¥2.2bn	FY2023	~	FY2026	-
								Phase 4	€13.95mm	¥2bn	FY2025	~	FY2028	FY2028
ISSA-J1	ISSA	Civil	Japan	Full	Milestone	Other income	¥12.0bn	Phase 1	¥1.8bn	¥1.8bn	FY2024	~	FY2025	-
								Phase 2	¥6.5bn	¥6.5bn	FY2025	~	FY2027	-
								Phase 3	¥3.8bn	¥3.8bn	FY2027	~	FY2028	FY2027/28
ADRAS-J2	ADR	Civil	Japan	Full	Milestone	Revenue	¥12.0bn	Concept study	¥9mm	¥9mm	FY2022	~	FY2022	-
								FL study	¥71mm	¥71mm	FY2023	~	FY2024	-
								-	¥12.0bn	¥12.0bn	FY2025	~	FY2029	FY2028
REFLEX-J	LEX	Civil	Japan	Full	Milestone	Other income	¥10.8bn	-	¥4.13bn	¥4.13bn	FY2026	~	FY2027	
								-	¥6.69bn	¥6.69bn	FY2027	~	FY2031	FY2030
CAT-IOD	ADR	Civil	UK	Full	Milestone	Revenue	€50.5-60.5mm	Phase A	€0.59mm	¥89mm	FY2025	~	FY2026	-
								-	€50-60mm	¥7.5-9bn	FY2027	~		(TBD)
CNES project	EOL	Civil	France	Full	Milestone	Revenue	€13.2mm	-	€13.2mm	¥2.3bn	FY2027	~	FY2030	FY2029/30

(1) The cells shaded in gray represent projects that have not yet been awarded but are considered highly probable. Changes from the previous disclosure are indicated with underlines.
(2) "TBD" indicates that the launch date has not yet been determined.
(3) Contract amount of €50-60MM is Astroscale's estimation based on ESA's funding of €75mm, after redacting the estimated cost covered by ESA. There is no guarantee that the actual contract amount would fall under this range, and actual contract amount may differ from our estimation.

Major Projects Contracted, Awarded and Under Proposal (Defense-related)

(As of October 16, 2026)

FX assumption:
US$1 = ¥155
€1 = ¥180
£1 = ¥205

Project	Service	Customer	Entity	Funding	Payment	Accounting	Total Pj Amount	Phase	Currency (Local)	Currency (JPY)	Project Duration	Launch FY
APS-R	LEX	Defense	US	Partial	Milestone	Other income	US$41.2mm	-	US$41.2mm	¥5.7bn	FY2024 ~ FY2027	FY2027
Orpheus	ISSA	Defense	UK	Full	Milestone	Revenue	£5.15mm	-	£5.15mm	¥0.9bn	FY2025 ~ -	FY2027/28
JMoD Project	ISSA	Defense	Japan	Full	Milestone	Revenue	¥6.6bn	-	¥6.6bn	¥6.6bn	FY2025 ~ FY2028	(TBD)
Defense PJ	(ND)	Defense	(ND)	Full	Milestone	Revenue	-	-	-	¥30mm	FY2026 ~ FY2026	(ND)
AFRL Project	Study	Defense	US	Full	Milestone	Revenue	US$8.7mm	-	US$8.7mm	¥1.2bn	FY2026 ~ FY2027	-
UKMoD Project	(ND)	Defense	UK	Full	Milestone	Revenue	£15mm	-	£15mm	¥3.1bn	FY2027 ~	(ND)

(1) "TBD" indicates that the launch date has not yet been determined, and "ND" indicates that the information is not disclosed.

Historical Financial Information: Income Statement

(¥ million)	FY2024	FY2025	FY2026	FY2026 Q1 YTD	FY2027 Q1 YTD
Bookings	6,793	30,704	8,445	1,443	224
Project income (Non-GAAP)	4,667	6,088	11,506	2,368	2,024
Revenue (IFRS)	2,852	2,456	5,940	1,250	1,195
Cost of sales	(5,097)	(6,337)	(5,921)	(1,219)	(1,123)
Gross profit (loss)	(2,245)	(3,880)	19	30	72
Gross margin	*(78.7)%*	*(157.9)%*	*0.3 %*	*2.4 %*	*6.0 %*
SG&A expenses - R&D	(5,001)	(10,923)	(7,533)	(1,658)	(1,290)
SG&A expenses - non-R&D	(6,694)	(8,181)	(8,662)	(2,055)	(2,490)
Other income	2,386	4,230	6,201	1,306	958
Operating profit (loss)	(11,555)	(18,755)	(9,975)	(2,376)	(2,750)
Operating margin	*(405.1)%*	*(763.3)%*	*(167.9)%*	*(190.0)%*	*(230.0)%*
EBITDA	(10,721)	(17,505)	(8,720)	(2,064)	(2,477)
EBITDA margin	*(375.8)%*	*(712.5)%*	*(146.8)%*	*(165.1)%*	*(207.2)%*
Finance income	2,824	49	3,842	1,015	41
Finance costs	(488)	(2,844)	(562)	150	(296)
Profit (Loss) before tax	(9,219)	(21,550)	(6,695)	(1,210)	(3,005)
Income tax	38	(1)	(419)	(1)	(66)
Profit (Loss)	(9,181)	(21,551)	(7,114)	(1,211)	(3,071)
Earnings Per Share (¥)	(101.45)	(188.91)	(52.89)	(9.23)	(22.13)

Historical Financial Information: Balance Sheet

(¥ million)	FY2024	FY2025	FY2026	FY2027 Q1
Assets				
Current assets				
Cash and cash equivalents	14,196	21,300	10,021	34,952
Trade and other receivables	1,044	1,242	1,616	1,576
Contract assets	794	853	2,507	2,728
Other current assets	1,710	2,828	3,885	3,504
Total current assets	17,746	26,224	18,031	42,762
Non-current assets				
Property, plant and equipment	6,214	6,025	11,063	11,588
Intangible assets	220	273	1,822	2,353
Other non-current assets	809	1,101	1,204	1,203
Total non-current assets	7,244	7,400	14,090	15,145
Total assets	24,990	33,625	32,121	57,907

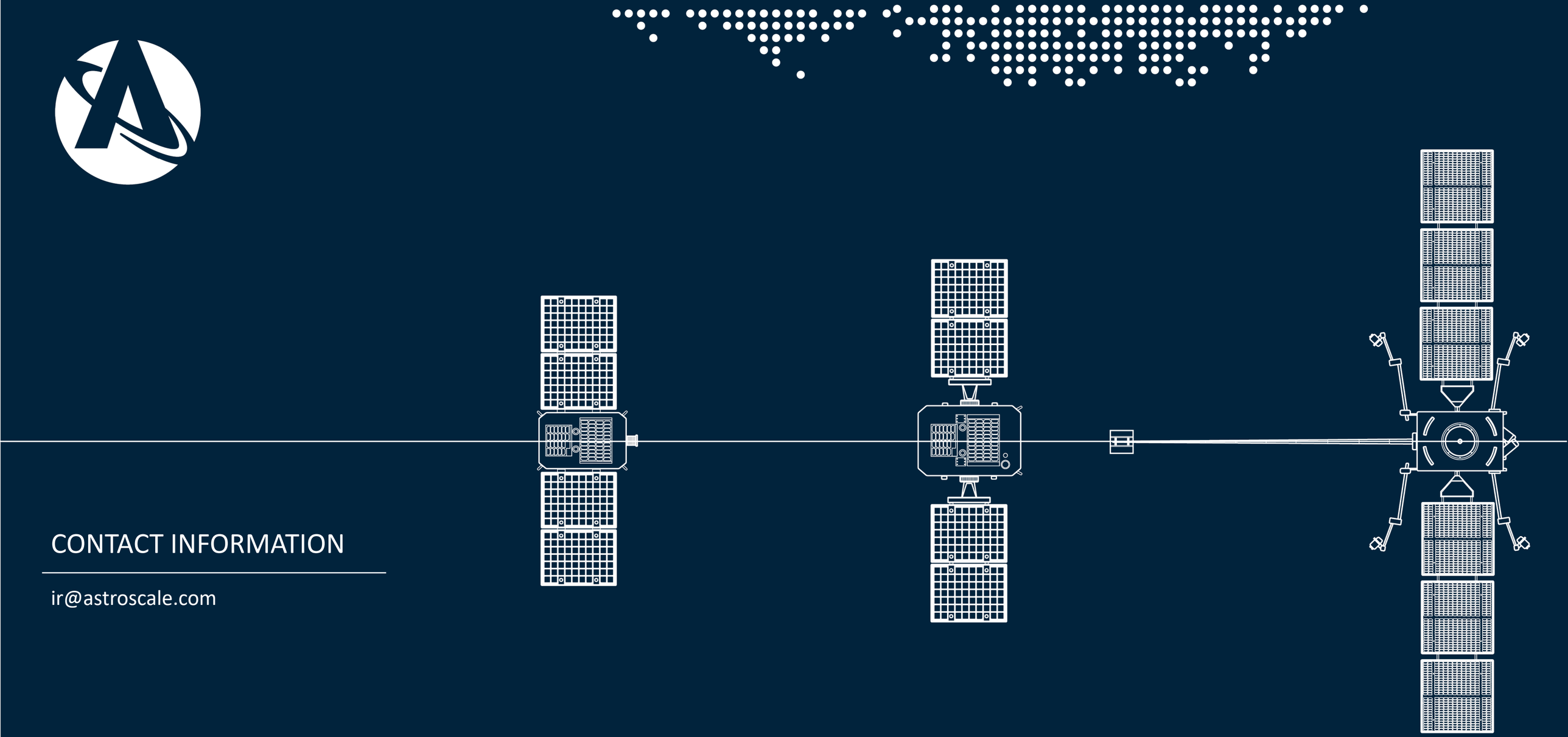
(¥ million)	FY2024	FY2025	FY2026	FY2027 Q1
Liabilities				
Current liabilities				
Trade and other payables	2,945	2,490	2,425	1,829
Contract liabilities	-	5,379	4,738	4,381
Borrowings	2,487	8,525	5,376	3,099
Provision	2,071	1,344	796	825
Lease obligations	239	279	365	377
Other current liabilities	1,119	2,487	3,404	3,747
Total current liabilities	8,864	20,507	17,107	14,263
Non-current liabilities				
Borrowings	7,375	2,275	2,175	2,150
Provision	271	1,866	2,111	2,123
Lease obligations	3,078	2,849	2,652	2,527
Total non-current liabilities	10,725	6,991	7,356	30,790
Total liabilities	19,589	27,498	24,464	45,053
Equity				
Share capital	100	10,297	9,217	12,144
Capital surplus	7,858	9,836	(1,664)	3,776
Retained earnings	(679)	(14,219)	2,133	(927)
Other reserves	(1,878)	211	(2,029)	(2,139)
Equity attributable to owners of the parent	5,401	6,126	7,657	12,853
Total equity	5,401	6,126	7,657	12,853
Equity and liabilities	24,990	33,625	32,121	57,907
Borrowings	9,863	10,801	7,552	27,566

Historical Financial Information: Cash Flow Statement

(¥ million)	FY2024	FY2025	FY2026	FY2026 Q1 YTD	FY2027 Q1 YTD
Cash flow from operating activities					
(Loss) / Profit before taxation	(9,219)	(21,550)	(6,695)	(1,210)	(3,005)
Depreciation / Amortization	739	940	1,025	242	273
(Increase) / Decrease in trade and other receivables	(1,738)	(1,695)	(2,118)	(695)	(152)
Increase / (Decrease) in trade and other payables	881	5,312	(580)	387	(1,455)
Increase / (Decrease) in provisions	(1,952)	832	(688)	(528)	39
Others	(3,988)	(1,086)	(9,104)	(2,385)	(664)
Subtotal	(15,277)	(17,246)	(18,162)	(4,189)	(4,965)
Others	2,455	4,996	5,676	(130)	2,069
Cash flow from operating activities	(12,822)	(12,250)	(12,485)	(4,319)	(2,896)
Cash flow from investing activities					
Purchase of property, plant and equipment	(1,082)	(582)	(5,358)	(1,852)	(777)
Purchase of intangible assets	(87)	(114)	(1,539)	(5)	(550)
Others	(12)	(347)	(29)	(29)	-
Cash flow from investing activities	(1,182)	(1,043)	(6,927)	(1,886)	(1,327)
Cash flow from financing activities					
Proceeds from issuarance of shares	996	19,854	10,621	10,621	4,295
Net increase (decrease) in short-term borrowings	1,424	4,038	(1,149)	(100)	(2,277)
Proceeds from long-term borrowings	2,000	-	-	-	-
Repayments of long-term borrowings	(24)	(3,099)	(2,099)	(24)	(24)
Others	(249)	26	(135)	(57)	27,180
Cash flow from financing activities	4,145	20,818	7,236	10,438	29,174
Effects of changes in foreign exchange rates	1,377	(419)	897	277	(19)
Change in cash and cash equivalents	(8,482)	7,104	(11,279)	4,510	24,930
Cash and cash equivalents at beginning of period	22,678	14,196	21,300	21,300	10,021
Cash and cash equivalents at end of period	14,196	21,300	10,021	25,810	34,952
Free cash flow	(14,005)	(13,294)	(19,413)	(6,206)	(4,223)

Historical Financial Information: Adjusted EBITDA

(¥ million)	FY2024	FY2025	FY2026	FY2026 Q1 YTD	FY2027 Q1 YTD
Profit (loss)	(9,181)	(21,551)	(6,712)	(1,211)	(3,071)
Add: Income tax expense (benefit)	(38)	1	1	1	66
Add: Finance costs - interest expenses	488	663	562	165	296
Deduct: Finance income - foreign exchange	(2,756)	2,180	(3,650)	(1,321)	(22)
Deduct: Finance income - interest income	(67)	(49)	(191)	(9)	(18)
Operating profit (loss)	(11,555)	(18,755)	(9,990)	(2,376)	(2,750)
Add: Depreciation - Leasehold Improvements	66	0	0	0	0
Add: Depreciation tangible & intangible	435	620	651	156	168
Add: Depreciation - Plant and Machinery	3	0	0	0	0
Add: Amortization of long-term prepaid expenses	0	0	0	0	0
Add: Depreciation and amortization of intangible assets - COS	229	319	373	85	103
Add: Share-based compensation expenses	99	309	245	69	0
Adjusted EBITDA	(10,721)	(17,505)	(8,720)	(2,064)	(2,477)



CONTACT INFORMATION

ir@astroscale.com

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

Astroscale Proprietary