astrocast
Taking IoT Further

Annual REPORT

20
22

astrocast.com

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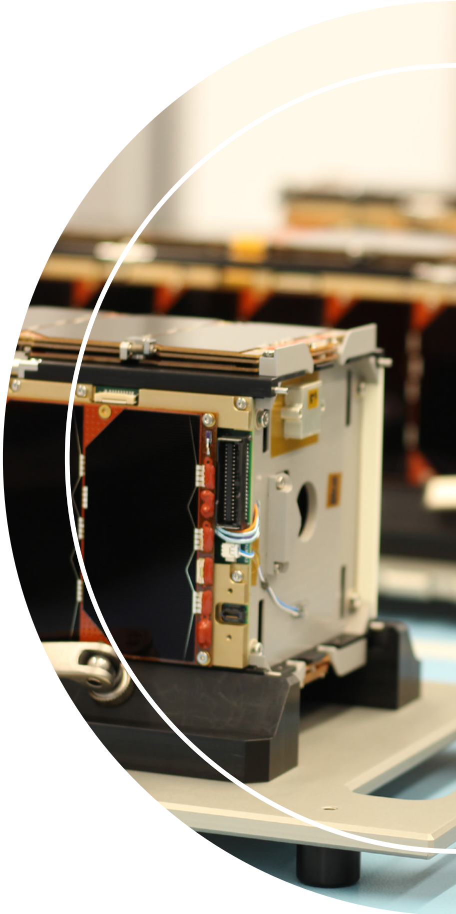

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ABOUT ASTROCAST

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

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

Founded in 2014 by a renowned team of experts, Astrocast develops and tests all its products in-house, from the satellites to the modules. Astrocast is listed on Euronext Growth Oslo.

2022 Events and Highlights

14 satellites constellation

Read more on page 23

IoT devices developed in 3 key industries

Market access

70

Countries comercially available

Industry recognition

5 awards

from IoT, satellite and finance organisations

Global deployments

25

Countries with devices deployed

3 strong partnerships

ArrowSpot

MOUSER ELECTRONICS

SORACOM

Message from our CEO

Dear valued investors,

I am pleased to present Astrocast's Annual Report for the year 2022. This year has been both remarkable and challenging. Remarkable as we ratified our technology and pushed Satellite IoT adoption, positioning Astrocast as the leader in Satellite IoT connectivity. We proudly stand as the only Satellite constellation optimized for IoT offering commercial operations. Challenging as we had to cancel our planned IPO and dual listing on the Euronext exchange in Paris and the proposed acquisition of Hiber. Throughout the entire year our team remained resilient, focused, and dedicated and we are truly fortunate to have such a strong group of employees at Astrocast.

One of the most significant highlights of 2022 was the launch of Astrocast's cost-effective, bidirectional Satellite IoT service commercially. This service allowed us to sign multi-year contracts with Wyld Networks and ArrowSpot, potentially valued at multi-million dollars, demonstrating our growing presence, capabilities and upside.

Furthermore, we have partnered with Avirtech to enable data-driven smart farming in remote areas; and with Soracom to make Satellite IoT connectivity more accessible to developers. Our Satellite IoT network has grown to 14 commercial satellites in space. In addition, we have extended our satellite launch multi-year contract with D-Orbit, which enables us to continue increasing our capacity and capabilities to serve our customers going forward.
Astrocast has also joined the IMC to spread the word about bidirectional Satellite IoT and the 'Net Zero Space' initiative set up by the Paris Peace Forum, which aligns with our commitment to promoting sustainability in space.
Finally, Astrocast received industry recognition for our innovative work in Satellite IoT connectivity. We were nominated "IoT product of the year" at the Computing's Technology Product Awards 2022 and awarded "Most innovative IoT-Satellite Communications Company" by the World Finance Magazine's Innovation Awards 2022. In addition, our Astronode S has also been recognized by Electronics for You's "Truly Innovative Electronics."

We are thrilled to share these accomplishments and express our gratitude for your continued support and investment in Astrocast.
As we look to 2023, we are excited to consolidate Satellite IoT adoption and to support multiple industrialization processes from IoT device makers, system integrators, and device manufacturers. In addition, we are committed to continuing our efforts to provide reliable, cost-effective, bidirectional and low-power satellite connectivity to our customers, pushing the boundaries of Satellite IoT technology further.

Sincerely,

Fabien Jordan
Founder & CEO of Astrocast

Management Team

Fabien Jordan

Founder and CEO

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

Federico Belloni

Co-Founder and CTO

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

Kjell Karlsen

Chief Finance Officer

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

Eric Menard

VP of Strategy and Business

20+ year experience in the Aviation, Aerospace and Telecommunication industries, developing infrastructure and services of telecommunications around the globe. Former Director of product portfolio and Head of Worldwide VHF Telecoms infrastructure at SITA.

Board of Directors

José Achache

Chairman

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

Fabien Jordan

CEO/Founder & Board member

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

Federico Belloni

CTO/Founder & Board member

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

Yves Pillonel

Board member

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

Jan Eyvin Wang

Board member

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

Roland Loss

Board member

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

Jon Cholak

Board member

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

Shareholders

Astrocast SA - 10 largest VPS shareholders

VPS shareholder register at 31.12.2022

RANK	SHAREHOLDER	HOLDING	STAKE**	TYPE
1	SIX SIS AG	11,369,249	28,67%	Nominee
2	Deutsche Bank Aktiengesellschaft	8,217,794	20,72%	Nominee
3	JPMorgan Chase Bank, N.A., London	4,494,952	11,33%	Nominee
4	J.P. Morgan Securities LLC	2,603,778	6,57%	Nominee
5	BNP Paribas	1,896,073	4,78%	Nominee
6	UBS Switzerland AG	1,581,867	3,99%	Nominee
7	Citibank, N.A.	1,430,793	3,61%	Nominee
8	Banque Pictet & Cie SA	799,111	2,01%	Nominee
9	Banque Cantonale Vaudoise	798,588	2,01%	Nominee
10	CACEIS Bank	666,666	1,68%	Nominee
TOTAL TOP 10 in VPS		**33,858,871**	**85,37%**	
N° of shareholders registered in the VPS		396		
N° of shares registered in the VPS		38,836,791	97,92%	
TOTAL ISSUED		**39,660,908**	**100,00%**	

**% of total number of outstanding shares

The VPS shareholders hold “VPS shares” which are book-entry securities based on the Swiss registered shares as underlying. The Swiss registered shares which are represented by VPS shares are held by the Norwegian Registrar (DNB Bank ASA) or a custodian acting on its behalf. As a result, the holders of VPS shares are as a rule considered as beneficial owners and not registered as shareholders in the share register held by the Company, subject to certain exceptions for investors holding their shares through SIS Nominee service. The VPS shares may be held directly or through a nominee (i.e. generally, a bank). It is possible that a nominee regroups the holding of several investors. VPS shareholders may only exercise their voting rights through DNB Bank ASA.

Our **Market**

Maritime and Land transport

The maritime and land transport industries have been rapidly adopting IoT solutions in recent years to improve operations and provide better visibility of goods. The market value for IoT solutions in this field is estimated to reach €2.9 billion by 2026. However, maintaining connectivity can be challenging in oceans, deserts, and mountains. Satellite IoT solutions have emerged as a perfect option to provide preventive data affordably and address visibility constraints in the industry.

Astrocast, with its partnership with Arrowspot, is well-positioned to address these connectivity gaps. Arrowspot has solid experience in providing container tracking solutions; with the support of Astrocats, they developed a hybrid device in record time. In addition, some of the world's most significant and crucial container and cargo companies have already shown interest in the device

IoT solutions are set to play a pivotal role in transforming the industry. Astrocast and Arrowspot's partnership is well-positioned to address connectivity gaps in cargo monitoring to improve visibility across the entire supply chain.

Mining, Oil&Gas

The global IoT in the oil and gas market size is projected to reach USD 31.4 billion by 2026, at a CAGR of 14.8% from 2021 to 2026. Similarly, the global IoT in mining market size is projected to reach USD 14.8 billion by 2026, at a CAGR of 18.1% from 2021 to 2026. The increasing demand for automation and monitoring of operations, coupled with the need for predictive maintenance, asset tracking, and worker safety, are some of the key factors driving the growth of the IoT market in these industries. In addition, the adoption of IoT technologies in these industries has been driven by the need to improve operational efficiency, reduce costs, and enhance safety.

Satellite IoT technology is particularly suited for predictive maintenance and asset tracking in the Mining, Oil & Gas industries due to several factors. First, these industries are often located in remote areas, making the use of cellular and terrestrial networks challenging.

On the contrary, with Satellite IoT connectivity, data can be transmitted from these remote locations, enabling companies to monitor their assets and predict potential issues. Furthermore, real-time data is only sometimes necessary for these industries, and satellite IoT offers a cost-effective solution for collecting and transmitting. As a result, satellite IoT has significant potential among solution providers in the mining, oil, and gas industry looking to develop solutions to improve asset management and reduce downtime.

Environmental and utilities

The global IoT utilities market size was valued at USD 41.22 billion in 2020 and is expected to grow at a compound annual growth rate (CAGR) of 16.9% from 2021 to 2028. This includes applications such as smart grid management, water and waste management, and environmental monitoring, among others. Other sources estimate the global IoT environmental monitoring market size to grow from USD 13.7 billion in 2020 to USD 24.2 billion by 2025, at a CAGR of 12.0% during the forecast period.

Smart grid management, water and waste management, and environmental monitoring are ideal use cases for satellite IoT due to several practical factors. These applications often involve assets located in remote areas, such as pipelines, power grids, or water treatment plants, making it challenging to establish reliable connectivity with cellular or terrestrial networks. Moreover, the data collected for these use cases is often used for long-term study or to identify trends. Satellite IoT solutions can provide a cost-effective way to monitor these static assets, particularly in areas where traditional connectivity solutions are unavailable or too expensive to deploy. Therefore, satellite IoT has emerged as a promising option to address these challenges and provide an affordable, reliable, and efficient solution for the remote monitoring of critical infrastructure.

Agriculture and Livestock

The precision farming market is expected to grow significantly in the next decade, with a projected market size of over USD 12 billion by 2030. With a significant percentage of agricultural land worldwide located where cellular and terrestrial networks are unavailable or unreliable, Satellite IoT devices are well-positioned to help farmers meet the challenges of a growing population and a changing climate.

Astrocast's partnership with Avirtceh provides satellite IoT connectivity for the Avirlink S1. It enhances the solution's capabilities, enabling farmers to collect data in even the most remote areas where cellular and terrestrial networks are unavailable. With a significant percentage of agricultural land worldwide located in these areas, the

Astrocast **Inside**

In 2022, Astrocast's cutting-edge technology was widely adopted by developers who integrated it into their existing or new devices for various purposes. Astrocast's technology found its way into a diverse range of industries, from container tracking to livestock monitoring. The precision farming sector benefited from its accurate data collection capabilities, while environmental data loggers leveraged its low-cost and low-power consumption attributes. Additionally, drone recovery trackers integrated this technology to enable reliable and efficient location tracking. With Astrocast's technology, developers could build innovative and intelligent devices that helped businesses optimize operations, improve efficiency, and save costs.

Partner products

ArrowTrackSAT

A hybrid tracking solution combining cellular and satellite connectivity

Avirlink S1

A SatIoT connectivity-based device for remote agriculture monitoring and control

Evo GPS Collar

Tracking device providing highly accurate livestock and heard cintrol

Customer products

Precision Agr

Globally connected solution for Olive Groves, Vineyards and Green Houses

Permafrost OBS

SatIoT system for remote snow, glacier, and permafrost monitoring stations

Chester

Industrial and hardware platform with multiple sensor options

Leman

Real-Time drone tracker for complete traffic awareness and positioning info

Meratch

Easy installation and customisable IoT sensor for water monitoring

Success **through strong partnerships**

Astrocast believes in the power of strong partnerships to develop its business and accelerate the adoption of its technology. Astrocast has announced three key blocks that align with this philosophy in the past year. First, in January 2022, Astrocast partnered with ArrowSpot, combining their expertise in satellite network technology and supply chain solutions to offer end-to-end solutions to the logistics and transportation industries. In May 2022, Astrocast partnered with Soracom, providing customers with reliable, low-latency, and secure connectivity solutions. The partnership benefited Astrocast and contributed significantly to its technology adoption by providing access to new markets and customers. Finally, in December 2022, Astrocast joined forces with Mouser Electronics, a leading global distributor of electronic components, to expand its global reach and accelerate the adoption of its products and services, making them more accessible to a broader range of industries. Through these partnerships, Astrocast demonstrates its commitment to creating innovative solutions that meet the evolving needs of businesses worldwide.

ArrowSpot

Astrocast's partnership with ArrowSpot combines Astrocast's expertise in satellite network technology with ArrowSpot's experience in supply chain solutions, allowing both companies to offer end-to-end solutions to customers in the logistics and transportation industries. This partnership leverages IoT devices and satellite connectivity to improve asset monitoring and supply chain efficiency and reduce costs. In addition, the company signed a multi-million dollar deal that further demonstrates ArrowSpot's confidence in Astrocast's satellite network services, which will provide a stable and reliable connectivity solution for ArrowSpot's IoT devices.

Soracom

The partnership between Astrocast and Soracom is a strong one, as it brings together two companies with complementary expertise. Astrocast offers advanced satellite IoT connectivity solutions, while Soracom provides cloud-native connectivity services. By combining their capabilities, the two companies can provide customers with reliable, low-latency, and secure connectivity solutions, which are critical for IoT devices. In addition, this partnership will contribute significantly to Astrocast's technology adoption, as Soracom's extensive customer base and global presence can provide Astrocast with access to new markets and customers.

Mouser

Astrocast and Mouser Electronics have formed a strong partnership that will contribute significantly to Astrocast's technology adoption. Mouser is a leading global distributor of electronic components, and through this partnership, it will provide Astrocast with the necessary resources to expand its global reach.
Additionally, with Mouser's resources, Astrocast will be able to accelerate the adoption of its products and services, making them more accessible to a wider range of industries, including transportation, logistics, and agriculture. This partnership will not only benefit Astrocast and Mouser but will also have a positive impact on the IoT industry, providing reliable and cost-effective communication solutions to businesses worldwide.

Our **2022 Roadmap**

31 Jan 2022

Astrocast's Cost-effective, Bidirectional Satellite IoT service launches commercially.

20 Apr 2022

Astrocast joins the 'Net Zero Space' initiative set up by the Paris Peace Forum

18 May 2022

Astrocast Joins IMC to Spread Word of Bidirectional Satellite IoT

27 Jul 2022

Astrocast provides Soracom customers access to global Satellite IoT connectivity

9 Aug 2

Extended s launches mu contract with

2022

satellite
ulti-year
n D-Orbit

28 Nov 2022

The Astrocast Satellite IoT Network Grows to 14 Commercial Satellites in Space

1 Dec 2022

Astrocast partners with Avirtech to enable data-driven smart farming in remote areas.

8 Dec 2022

ArrowSpot signs multi-million-dollar deal with Astrocast

14 Dec 2022

Astrocast and Wyld Networks sign a multi-year contract.

Board of Directors' Report

Astrocast SA operates a leading global nanosatellite IoT network, offering services in industries such as Agriculture & Livestock, Maritime, Environment & Utilities to name a few. The Astrocast network enables companies to monitor, track, and communicate with remote assets from anywhere in the world. It relies on superior L-band spectrum through a strategic alliance with Thuraya. In partnership with Airbus, CEA/LETI and ESA, Astrocast developed Astronode S, an ultra-low power and miniaturised module compatible with inexpensive L-band patch antennas. Founded in 2014 by a renowned team of experts, Astrocast develops and tests all its products in-house, from the satellites to the modules.

Executive Summary

This annual report presents a comprehensive review of our company's financial performance and current standing to our esteemed investors. Despite encountering challenges, we have achieved noteworthy milestones over the past year.

Although our income experienced a 50% decline compared to the previous year, it is essential to note that a significant portion of our revenue came from successful participation in lucrative governmental programs. Meanwhile, salaries remained the primary expense on the expenditure side.

Our nanosatellite constellation in orbit remains our most valuable tangible asset, representing a substantial achievement and a strong foundation for future growth. During 2022, we successfully launched an additional 4 satellites in November, and then followed that with another successful launch of 4 satellites in early January 2023.

While we faced negative cash flow in 2022, which was expected, we demonstrated our ability to attract strategic partners and investors, we secured investments through Convertible Notes to cover the cash needs of the company.

As a company in the ramp-up phase, achieving a positive operating result remains a pending goal. We recognize the inherent risks in operating in this dynamic industry and have taken steps to reduce capital expenditure for the remainder of 2023.
Although we faced challenges in fundraising during 2022 with the cancelled proposed IPO on Euronext Growth Paris leading to difficulties in meeting financial obligations, we are actively seeking additional funding to address this situation as disclosed in our press release on 15th February 2023.

We acknowledge that our current situation is not unusual for a startup in the space industry. However, we have surpassed expectations by successfully operating a commercial satellite IoT constellation, establishing ourselves as a leading operator in the satellite IOT field. We focus on securing further funds to expedite technology adoption and attain profitability by 2026. We have already secured several customers in key industries and possess a robust business plan to achieve our profitability objective.

In conclusion, despite acknowledging the difficulties and uncertainties, we are confident in our ability to navigate these challenges and steer our company towards a profitable and sustainable future. We thank our investors for their unwavering support and belief in our vision. Together, we will continue pushing the boundaries of innovation in the satellite IoT sector.

Strategy and Business Activities

In 2022, our company successfully launched its commercial operations, marking a significant milestone for us bringing to the market an alternative to existing legacy satellite based IoT solutions, and delivering low consumption, cost affordable, bi-directional and easy-to integrate Astrocast satellite IoT service. Customers worldwide had the opportunity to test our connectivity solution in real-life scenarios, leading to the deployment of Astrocast-powered devices in over 25 countries. This exceptional response earned 2022 the title “The Year the IoT world tested and Approved Astrocast’s Technology.”

One of the key drivers of our success was the establishment of strong partnerships with prominent players in strategic verticals such as Maritime, Agriculture, and Livestock. These partnerships laid a solid foundation for future collaborations in the Environment, Mining and Oil & Gas industries, promising further growth and diversification in the coming years.

During 2022, we also identified a growing demand for our technology in the APAC region. This region exhibited a particular urgency for adopting our solutions, highlighting the potential for significant expansion and market penetration. As we move forward, we will prioritize catering to this demand while continuing to innovate and improve our offerings to meet customers’ evolving needs worldwide. Our achievements in 2022 have set the stage for Astrocast’s exciting and promising future.

Research and Development

In 2022, our Research and Development (R&D) division made remarkable strides in advancing our technological prowess and expanding our market presence. In February, we celebrated the successful launch of our highly anticipated bi-directional service and products, revolutionizing how our customers interact with our offerings. The dedication of our R&D team was evident in the meticulous design, construction, and testing of eight new state-of-the-art satellites, ensuring their optimal performance in the challenging space environment. By the end of November, we achieved a significant milestone by launching and commissioning four satellites, strengthening our satellite constellation and coverage. We further demonstrated our commitment to precision and efficiency through the timely delivery of four satellites to the launch pad.

Additionally, we took great strides in enhancing our data services, with ten significant releases of the Astrocast data platform throughout the year. These updates have empowered our customers with access to high-quality satellite connectivity, providing invaluable insights and opportunities for growth. We implemented continuous satellite and service operation automation deployment to optimize our operations further, streamlining processes and ensuring seamless functionality. These R&D achievements reflect our company’s dedication to innovation and customer satisfaction, setting the stage for continued success and increased value for our esteemed investors.

Board of Directors' Report

Financial review

Income statement

Full-year revenue amounted to CHF 458 thousand for 2022 in comparison to CHF 1.1 million for 2021. In 2022, ESA Artes and other projects accounted for CHF 386 thousands of these revenues, whereas the Astropreneur program revenue accounted for CHF 72 thousand, the remaining revenues coming from sales of hardware outside the Astropreneur program.

- Net loss was CHF 21.1 million for the full year 2022.
- The total cost for goods sold amounted to CHF 7.2 million, mostly consisting of operations licensing.
- Total net operating expenses in 2022 were CHF 9.1 million. Salaries and personnel expenses amounted to CHF 6.1 million and all other operational expenses were CHF 3 million.
- EBITDA for 2022 came to negative CHF 15.8 million.
- The ordinary operating profit (EBIT) amounted to negative CHF 20.8 million for 2022 after CHF 5 million in depreciations and amortizations.
- The net result for the period amounted to negative CHF 21.1 million in 2022.

Financial position

As of 31 December 2022, total assets were CHF 31.5 million (2021: CHF 35.7 million).

Intangible assets account for CHF 18.3 million (2021: CHF 17 million). Intangible assets include capitalized internal development of CHF 3.7 million (2021: CHF 3 million) and third-party R&D of CHF 1.3 million (2021: CHF 3.3 million).

Total tangible assets were CHF 7.4 million as of 31 December 2022 (2021: CHF 6.8 million) including CHF 4.7 million (2021: CHF 4.1 million) in satellites in orbit, CHF 1.6 million (2021: CHF 1.5 million) of satellites under constructions and CHF 1.1 million (2021: CHF 1.2 million) in facility installations, equipment and fixtures.

Total receivables were CHF 0.5 million as of 31 December 2022 (2021: CHF 0.8 million).

Total equity at the end of 2022 was CHF 3.4 million (2021: CHF 24.5 million), corresponding to an equity ratio of 10.8% (2021: 68.7%).

Non-current liabilities amount to CHF 750 thousand (2021: CHF 600 thousand) and consists of the long-term part of the COVID loan.

Current liabilities of CHF 27.4 million as at 31 December 2022 (2021: CHF 10.6 million) mainly include trade payables of CHF 16.8 million (2021: CHF 3.5 million), short term COVID and other loan of CHF 8.2 million (2021: CHF 0.7 million), accrued expenses of CHF 0.9 million (2021: CHF 6 million) and other current liabilities of CHF 1.5 million (2021: CHF 0.4 million).
Total interest-bearing debt was CHF 8.9 million at the end of 2022 (2021: CHF 1.3 million).

Cash flow

Astrocast had an operational cash flow of CHF -7.7 million for 2022 (2021: CHF -14.4 million). In addition to the negative results from the operations, the cash flow is impacted by investments in fixed assets, tangible (satellites manufacturing and launches) and intangible (internal and external R&D) of CHF -7.0 million (2021: CHF -10.4 million). These cash needs were covered by investments secured through CLAs.

Net cash flow from financing activities was CHF 7.6 million in 2022 (2021: CHF 31.6 million). This includes convertible loan agreements of CHF 6.1 million (2021: CHF 11.8 million), repayment of bank loans for CHF -0.1 million (2021: CHF -1.4 million), increase of bank loans of CHF 1.8 (2021: CHF 0 million) and other financing net changes of CHF -0.2 million (2021: CHF 0 million). There were no net proceeds in 2022 from capital increase (2021: CHF 21.2 million).

Cash and cash equivalents decreased by CHF -7 million during 2022 (2021: increased by CHF 6.8 million), to CHF 0.2 million at the end of the year (2021: CHF 7.2 million).

Going concern

Please refer to section Note 3.10 of the 2022 financial statements.

Financial risk and risk management

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

Liquidity risk arises from the necessity to raise additional capital while managing working capital and the finance charges and principal repayments on debt instruments.

The company's goal is to ensure that it will again have sufficient cash to allow it to meet its liabilities when they become due. The Finance department monitors liquidity flows in short-term and long-term reporting.
Market risk is the risk that the future cash flows will fluctuate because of changes in market prices. Market risk includes interest risk and currency risk. Financial instruments affected by market risk include deposits and debt.

Transactions with related parties

Fabien Jordan, CEO and member of the Board of Astrocast SA also owns the company Astrocast US LLC, a payroll company in the USA. Trade between Astrocast and Astrocast US LLC is disclosed in Note 3.9 of the 2022 statutory financial statements. There were no other material transactions with related parties during the period.

Outlook

Astrocast, its employees, partners, and investors continue to focus on executing the company's plan for 2023. These operations include, on the technological side, the enhancement of our technology's capabilities, technical support to our customers to ensure latency decreases in key areas of the world, and co-development projects with strategic partners in key verticals; research and development of the next-generation satellites.

From an operational and commercial standpoint, it includes securing market access in strategic regions on top of the more than 70 countries already opened by the end of 2022, focusing on building solid relationships with system integrators and solution providers in the APAC region, continuing building on the success of our technology in that part of the world. Lastly, we will continue working on extending our existing spectrum agreement to the Americas by identifying strategic partners in the region.

To achieve all the mentioned, our core team remains as motivated and engaged as it has during the last years, primarily through challenging situations such as the times we faced during 2022. We pride ourselves on being the leading Swiss satellite operator with global reach and solutions. As such, we are confident that Astrocast will continue to grow and become a market leader in an inspiring IoT sector.

Shareholder information

As of 31 December 2022, Astrocast had 39,660,908 shares outstanding, the same number of shares in comparison to one year earlier.
At the end of 2022, Astrocast held 2,037,946 of its own shares.
The shares have a par value of CHF 0.01.

The final price on Euronext Growth Oslo at the close of the year was NOK 12 per share. For detailed shareholder information, see section Shareholders of this annual report.

Compensation Report 2022

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

Compensation governance

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

Board of Directors

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

Compensation Committee

The Compensation Committee consists of two or three members of the Board, the majority of which must be independent and non-executive. The members of the Compensation Committee are elected annually and individually by the AGM for a one-year term which ends at completion of the next AGM. Members of the Compensation Committee whose term of office has expired are immediately eligible for re-election. The chairman of the Compensation Committee is appointed by the Board.
The Compensation Committee is currently composed of José Jérôme Achache - Chairman and Jonathan Francis Cholak - Board Member (2021: idem).
The Compensation Committee meets as often as business requires. The Compensation Committee was elected on the AGM held on 28.06.2022 and held 1 meeting in 2022.
The Compensation Committee assists the Board in the establishment and periodic review of the compensation strategy and guidelines as well as in the preparation of the proposals of the Board to the AGM regarding the compensation of the Board and the Senior Management.
It has notably the following powers and duties:

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

The Compensation Committee reports regularly to the Board on its findings and propose appropriate actions. The Board may assign additional duties in nomination and compensation matters to the Compensation Committee.
The Compensation Committee acts in an advisory capacity while the Board retains the decision authority on compensation matters, except for the maximum aggregate compensation amounts of the Board and of the Senior Management, which are subject to the approval of shareholders at the AGM.

Annual General Meeting

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

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

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

In the event the AGM does not approve a proposal of the Board, the Board may immediately submit one or more amended proposals until approval is obtained or convene a new general meeting.
Notwithstanding the previously stated information, the Company or its subsidiary(ies) can pay compensations prior to the approval of the AGM, subject to the approval by the AGM.

Board of Directors Compensation

Principles

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

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

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

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

The payments in cash are executed quarterly and grant of options yearly before the end of the term of office. From the date of exercising of the options, the shares have both voting and dividend rights.
In addition, the Company reimburses members of the Board for out-of-pocket expenses incurred in relation to their services on an on-going basis upon presentation of the corresponding receipts.

Compensation Report

Compensation of the Board in 2022

The total compensation of the Board for the financial year 2022 amounts to CHF 429k (2021: 72k). The 2022 compensation of the Board consists in a fixed compensation paid in cash or accrued and related social insurances (where applicable) and the grant of options to one board member. Jan Eyvin Wang was granted 100,000 options during the fiscal year 2022 in accordance with his director agreement.
The following table reflects the total compensation of the Board for the financial year 2022 (in thousands of CHF):

In thousand CHF		2022	2022	2022	2022	2021	2021	2021	2021
Name	Position	Total	Options	Fixed salary	Social Insurance Contribu-tion **	Total	Options	Fixed salary	Social Insurance Contribu-tion **
José Achache	Chairman	80	-	80	-	40	-	40	-
Federico Belloni*	Member	-	-	-	-	-	-	-	-
Jon Cholak	Member	20	-	20	-	5	-	5	-
Fabien Jordan*	Member	-	-	-	-	-	-	-	-
Roland Loos	Member	20	-	20	-	10	-	10	-
Yves Jean Marc Pillonel	Member	24	-	20	4	12	-	12	2
Jan Eyvin Wang***	Member	265	265	20	-	5	-	5	-
Total		**429**	**265**	**160**	**4**	**72**	**-**	**70**	**2**

* Fabien Jordan and Federico Belloni do not receive any Board Member compensation. Their compensation is detailed in Section Senior Management
** Social insurance contribution will be settled in the following fiscal year.
*** 50,000 granted on the 26.01.2022, closing value 40.2 NOK at an exchange rate of 10.39 100NOK/CHF, 50,000 granted on the 31.12.2022, closing value 12 NOK at an exchange rate of 9.43214 100NOK/CHF.

Shareholding

The following table shows the shareholding of the Board members as of 31.12.2022 including information of the prior financial period. This table includes registered shares purchased privately as well as shares allocated in connection with the Company's incentive plan.

Name	Position	2022 Number of shares held	2021 Number of shares held
José Achache	Chairman	700,100	700,100
Federico Belloni**	Member	see 3.3	-
Jon Cholak	Member	-	-
Fabien Jordan**	Member	see 3.3	-
Roland Loos	Member	712,000	712,000
Yves Jean Marc Pillonel *	Member	110,000	110,000
Jan Eyvin Wang	Member	50,000	-

* Yves Jean-Marc Pillonel holds indirectly 50,000 Astrocast shares through Schroder & CO Banque SA.
** Fabien Jordan and Federico Belloni are employed by a group company. Their shares are detailed in Section 3 of the Compensation Report.

Other audited information regarding the Board

Loans and credit facilities

There were no outstanding loans and credit facilities granted by the Company or any of its group companies to members of the Board in 2022 (2021: idem).

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

There is no compensation conferred during 2022 neither loan nor credit facilities outstanding to former members of the Board on conditions other than the customary market conditions (2021: idem).

Compensation, loans and credits to close associates
There is no compensation conferred during 2022 neither loan nor credit facilities outstanding to close associates to members of the Board and former members of the Board which on conditions other than the customary market conditions (2021: idem).

No other compensation, loans or credit facilities
There were no other compensation, loans or credit facilities paid by the Company or any of its group companies to members of the Board in 2022 other than those disclosed in this Compensation Report.

Senior Management Compensation

Principles

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

The compensation may be paid, by the Company and/or its subsidiaries, in cash, in shares, options and/or other comparable instruments. The Board (or, if delegated, the Compensation Committee) determines the conditions of grant, vesting, exercise and forfeiture conditions of such options, shares, or comparable instruments, as well as the restrictions of transfers and repurchase rights. Social security contributions, to the extent required by Swiss law, are accrued on the fixed and variable compensation of the members of the Senior Management.

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

According to Article 36 of the Articles, an additional amount of 40% of the total amount of compensation payable to the Senior Management that was last approved by the AGM for the relevant period is available for the member(s) of the Senior Management appointed after the AGM that voted on the total amount of compensation.

Compensation of the Senior Management in 2022

The total compensation of the Senior Management (including stock options, social insurance, pension contributions and others) for the financial year 2022 amounts to CHF 1.9 million (2021: 1.4 million). 145,000 stock options were granted to the Senior Management in 2022 (2021: 39,200). The highest compensation of active members of the senior management in 2022 was conferred to Fabien Jordan, CEO and Board member (2021: Fabien Jordan, CEO and Board member).

	2022	2022	2022	2022	2021	2021	2021
(In thousands of CHF)	**Highest Compensation**	**Other Members**	**Non-active members***	**Total Senior Management**	**Highest Compensa-tion**	**Other Members**	**Total Senior Management**
Annual base salary	222	414	468	1,104	223	748	971
Variable cash compensation	-	-	-	-	-	15	15
Stock options	-	-	644	644	86	210	296
Social Insurance, pension, contributions and others	29	63	45	45	22	101	123
	251	**477**	**1,157**	**1,885**	**331**	**1,074**	**1,405**

In 2022, the Senior Management received variable compensation of 0% in relation to the fixed compensation (2021: 2%).

Compensation Report

Shareholding

The following table shows the shareholding of the members of the Senior Management as of 31.12.2022 including information of the prior financial period. This table includes registered shares purchased privately as well as fully vested options and shares allocated in connection with the Company's employee stock option plan.

Name	Position	2022 Number of Shares Held	2022 Number of Options Held	2021 Number of Shares Held	2021 Number of Options Held *
Fabien Jordan*	Chief Executive Office	1,933,366	9,770	1,933,366	6,420
Federico Belloni*	Chief Technical Officer	1,720,200	6,312	1,721,700	5,462
Kjell Karlsen*	Chief Financial Officer	512,087	1,425	505,200	5,462
Eric Ménard	VP Strategy & Business	6,650	395	6,600	-
Total		4,172,303	17,902	4,166,866	17,344

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

Other audited information regarding the Senior Management

Loans and credit facilities
There were no outstanding loans and credit facilities granted by the Company or any of its group companies to members of the Senior Management in 2022 (2021: idem).

Compensation, loans and credit facilities for former members of the Senior Management
There is no compensation conferred during 2022 neither loan nor credit facilities outstanding to former members of the Senior Management on conditions other than the customary market conditions (2021: idem).

Compensation, loans and credits to close associates
There is no compensation conferred during 2022 neither loan nor credit facilities outstanding to close associates to members of the Senior Management and former members of the Senior Management on conditions other than the customary market conditions (2021: idem).

No other compensation, loans or credit facilities
There were no other compensation, loans or credit facilities paid by the Company or any of its group companies to members of the Board in 2022 other than those disclosed in this Compensation Report.

Employee stock option plans (ESOP)

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

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

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

The 2018 ESOP has been fully distributed and exercised. In 2021, a new stock option plan was implemented, and 267,500 options were granted that year. In 2022, an additional 245,000 options were granted of the 2021 ESOP.

The details of the ESOP is as follows:

Plan	Beneficiary / Grant Date	Number of Instruments / Exercise Price	Vesting Conditions	Exercise Date	Expiry Date
2018	Man./Emp./Cons. / 01.08.2018	884,900 * / 0.01 CHF	Direct vesting	Q3-4 2018	01.08.2028
2018	Management / 01.07.2019	360,000 * / 0.01 CHF	Direct vesting	Sep.-Oct.2019	01.07.2029
2018	Management / Q4 2019	100,000 * / 0.01 CHF	4 years/1 year cliff	Not exercised	10 years
2021	Man./Emp./Cons. 28.08.2021, 01.01.2022 and 26.01.2022	1,552,500 / 0.01 CHF	4 years/1 year cliff **	12.2021, 01.2022. 06 .2022, 01.2023	10 years

* The figures are adapted to the numbers after the share split (1/100) that took place on 30.07.2021.
** Vesting date starting at the date of the engagement agreement for employees that have not beneficiated from the 2018 ESOP and starting on the 01.01.2020 for those who have

The movements of share-based plans during 2021 and 2022 are the following:

	Plan 2021
Outstanding options at 01.01.2021 *	50,000
Exercised during the year	24,558
Granted during the year	267,500
Forfeited options during the year*	100,000
Outstanding options at 01.01.2022	242,912
Exercised during the year	208,327
Granted during the year **	245,000
Options terminated during the year	25,680
Outstanding options at 31.12.2022	253,905

* 2018 options that were granted but not exercised were cancelled in 2021 due to the listing considering the 1/100 split of share nominal value, in favour of a new grant that occurred in 2022.
** 100,000 of these options were granted in order to compensate for 2018 options that were cancelled in 2021 (see comment above).

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REPORT OF THE STATUTORY AUDITOR

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

Report on the Audit of the Compensation Report

Opinion

We have audited the Compensation Report of Astrocast SA (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares of the Compensation Report.

In our opinion, the information on remuneration, loans and advances in the Compensation Report (pages 22 to 27) complies with Swiss law and Art. 14-16 ORAb.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the *Auditor's Responsibilities for the Audit of the Compensation Report* section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

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

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

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Auditor's Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 ORAb is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Lausanne, 28 November 2023

BDO Ltd

Nigel Le Masurier
Licensed audit expert
Auditor in Charge

Jürg Gehring
Licensed audit expert

Astrocast SA Statutory Financial Statements

Income Statement for the year ended 31st December 2022

in thousand CHF	Note	Statutory income statement 2022 AUDITED	2021 AUDITED
Revenue		390	1,068
Total operating income		390	1,068
Cost for material, goods, services, and energy			
Operations licensing		(6,475)	(12,835)
M2M modules		(152)	(136)
Charges for ground segments		(461)	(438)
Laboratory and projects material		(25)	(41)
Others		(53)	-
Total cost of goods sold		(7,166)	(13,450)
Gross margin		**(6,776)**	**(12,382)**
Personnel expenses	2.17	(6,056)	(4,384)
Operating expenses	2.18	(2,986)	(1,459)
Depreciation and amortization		(4,977)	(1,848)
Total operational expenditure		(14,019)	(7,691)
Operating loss		**(20,795)**	**(20,073)**
Financial result	2.19	(377)	(131)
Extraordinay expenses		-	(1,188)
Earnings before taxes		**(21,172)**	**(21,392)**
-Income taxes		-	-
Net result for the period		**(21,172)**	**(21,392)**

Balance Sheet as of 31 December 2022

in thousand CHF	Note	Statutory balance sheet 12/31/2022 Audited	12/31/2021 Audited
Cash and cash equivalents	2.1	146	7,170
Trade receivables	2.2	45	24
Other receivables	2.3	526	821
Inventories and non-invoiced services	2.4	301	19
Prepaid expenses	2.5	1155	572
Prepaid launches and insurance	2.6	3,652	3,350
Total current assets		5,825	11,956
Financial assets	2.7	5	5
Investment in subsidiary	-	39	39
Tangible assets	2.8	7,445	6,774
Intangible assets	2.9	18,261	16,957
Total non-current assets		25,750	23,775
Total Assets		**31,575**	**35,731**
Trade payables	2.10	16,892	3,449
Short-term interest-bearing liabilities	2.11	8,191	733
Other short-term liabilities	2.12	1,475	393
Deffered income and accrued expenses	2.13	887	6,007
Total short-term liabilities		27,445	10,582
Long-term interest-bearing liabilities	2.14	750	600
Total long-term liabilities		750	600
Total liabilities		28,195	11,182
Share capital	2.15	397	397
Additional paid-in capital	2.16	53,180	53,180
Treasury shares		(20)	(23)
Net result for the period		(21,172)	(21,392)
Accumulated losses		(29,005)	(7,613)
Total equity		3,380	24,549
Total Liabilities and Equity		**31,575**	**35,731**

Cash Flow Statements for the year ended 31st December 2022

in thousand CHF	Note	Statutory cash flow statement 2022	2021
Cash flow from operating activities			
Loss before tax		(21,172)	(21,392)
Depreciation, amortization	2.8/2.9	4,997	1,848
Extraordinary depreciation related to prior years		-	132
Change in account receivables and other eceivables		274	(767)
Change in inventories and non-invoiced services		(282)	-
Change in accounts payables and other payables		14,525	(4,131)
Change in other accruals and prepayments		(6,005)	9,955
Net cash flow from operating activities		**(7,683)**	**(14,355)**
Cash flow from investing activities			
Investment in tangible and intangible assets	2.8/2.9	(6952)	(10,414)
Investment in subsidiary		-	(39)
Net cash flow from investing activities		**(6952)**	**(10,453)**
Cash flow from financing activities			
Increase in short-term interest-bearing liabilities		-	14
Decrease in short-term interest-bearing liabilities		(111)	(112)
Increase bank loans		1,750	-
Reimbursement bank loans		(100)	(1,400)
Convertible loan agreement*		6,070	11,808
Net proceeds from capital increase		-	21,248
Net proceeds from treasury shares		2	
Net cash flow from financing activities		7,611	**31,558**
Net change in cash and cash equivalents		**(7,024)**	**6,750**
Cash and cash equivalents at beginning of period		7,170	420
Cash and cash equivalents at end of period		146	7,170

* The convertible loans were converted during the capital increase.

Astrocast SA Statutory Financial Statements

Notes to the financial statements for the year ended 31 December 2022

1. General information

1.1. Information about the company

Name	Chairman	Directors	Registered office
Astrocast SA	José Achache	Federico Belloni, Jon Cholak, Fabien Jordan, Roland Loos, Yves Pillonel & Jan Eyvin Wang	Chavannes-près-Renens, Switzerland

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

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

1.2. Accounting principles

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

1.3. Accounting policies for balance sheet items

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

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

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

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

Tangible assets
Tangible assets are initially stated at acquisition cost. After initial recognition, the item is carried at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the gross amount over the useful life of the asset using the straight-line method. Normal annual use is reflected in the scheduled depreciation (see note 2.8).

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

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

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

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

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

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

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

Trade accounts payable
Short-term and long-term interest-bearing liabilities are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Short-term and long-term interest-bearing liabilities
Short-term and long-term interest-bearing liabilities are initially recognised at fair value, and subsequently carried at amortised cost.

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

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

Astrocast SA Statutory Financial Statements

2. Notes to the financial statements

2.1. Cash and cash equivalents

in thousand CHF	Statutory 12/31/2022	12/31/2021
Post account	3	7
Bank accounts	143	7.163
Cash and cash equivalents	146	7,170

2.2. Trade receivables

in thousand CHF	Statutory 12/31/2022	12/31/2021
Receivables towards third parties	2	18
Receivables from Group company	43	6
Trade receivables	45	24

2.3. Other receivables

in thousand CHF	Statutory 12/31/2022	12/31/2021
Advance to suppliers	480	709
VAT receivables	33	80
Other receivables from employees	4	32
Other short-term receivables	9	-
Other receivables	526	821

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

2.4. Inventories and non-invoiced services

in thousand CHF	Statutory 12/31/2022	12/31/2021
Finished goods	212	-
Service rendered not invoiced	89	19
Inventories and non-invoiced services	301	19

2.5. Prepaid expenses and accrued income

in thousand CHF	Statutory 12/31/2022	12/31/2021
Prepaid expenses	1,155	572
Prepaid expenses	1,155	572

The balance at 31st of December 2022 consists mainly of two suppliers whose services have been invoiced in advance and will continue occurring during the 1st semester 2023.

2.6. Prepaid launches and insurance

in thousand CHF	Statutory 12/31/2022	12/31/2021
3rd Orbital Plan	-	1,659
4th Orbital Plan	742	5
5th Orbital Plan	324	1,475
6th Orbital Plan	809	211
7th Orbital Plan	1,395	-
11th Orbital Plan	382	-
Prepaid launches and insurance	3,652	3,350

There is one account (Orbital plan) for each reservation of launch capacity for our satellites on a specific launch vehicle. The amounts can change over the years as the number of satellites per orbital plan can vary from the original launch agreement or the launch itself can shift in time, resulting in a change of orbital plan.

2.7 Financial assets and investment

in thousand CHF	Statutory 12/31/2022	12/31/2021
Rent deposit	5	5
Financial assets	5	5

in thousand CHF	Statutory 12/31/2022	12/31/2021
Investment in subsidiary	39	39
Investment	39	39

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

2.8 Tangible assets

in thousand CHF	Equipment	Facility installations	Satellites on ground and under construction	Demonstration satellites in orbit	Commercial satellites in orbit	Total
Cost						
Balance at 1st January 2021	423	1,306	2,366	1,664	-	5,759
Additions	146	54	1,008	-	2,900	4,108
Reclassification	-	-	465	282	-	747
Balance at 1st January 2022	569	1,360	1,460	1,664	4,814	9,867
Additions	36	96	1,864	-	-	1,996
Reclassification	-	-	(1,773)	-	1,773	-
Balance at 31st December 2022	605	1,456	1,551	1,664	6,587	11,863
Accumulated depreciation						
Balance at 1st January 2021	171	253	-	689	-	1,113
Depreciation for the year	104	174	-	417	727	1,422
Impairment for the year	-	-	-	426	-	426
Extraordinary depreciation related	-	-	-	132	-	132
Balance at 1st January 2022	275	427	-	1,664	727	3,093
Depreciation for the year	98	205	-	-	1,022	1,325
Balance at 31st December 2022	373	632	-	1,664	1,749	4,418
Carrying amount - in thousand CHF						
As at 31st December 2021	294	933	1,460	-	4,087	6,774
As at 31st December 2022	232	824	1,551	-	4,838	7,445

The company carried out the depreciation of the satellites in respect with the useful life of the satellites. Commercial satellites have a 5-year life expectancy, and the depreciation starts from the month of the launch and represents and expense of CHF 1 million for 2022 (2021: CHF 0.7 million).

Astrocast SA Statutory Financial Statements

2.9. Intangible assets

in thousand CHF	Communication protocol	Chips and technology	Data	Modules	Satellites	Network and ground segment	Total
Cost							
Balance at 1st January 2021	654	2,092	1,227	2,085	2,804	1,789	10,651
Additions	2,912	892	780	669	455	598	6,306
Balance at 1st January 2022	3,566	2,984	2,007	2,754	3,259	2,387	16,957
Additions	8	278	1,713	668	1,207	1,082	4,956
Balance at 31st December 2022	3,574	3,262	3,720	3,422	4,466	3,469	21,913
Accumulated amortization							
Balance at 1st January 2022	-	-	-	-	-	-	-
Amortization for the year	656	575	562	574	731	554	3,652
Balance at 31st December 2022	656	575	562	574	731	554	3,652
Carrying amount - in thousand							
As at 31st December 2021	3,566	2,984	2,007	2,754	3,259	2,387	16,957
As at 31st December 2022	2,918	2,687	3,158	2,848	3,735	2,915	18,261

Intangible assets increased mainly based on internal developments with capitalized personnel costs of CHF 3.4 million (2021: CHF 3 million) and other intangible assets acquired from third parties during the development of Astrocast's business.

2.10. Trade payables

	Statutory	
	12/31/2022	12/31/2021
Payables towards third parties	16,807	3,405
Advance from customers	5	44
Payables from related parties	80	-
Trade payables	16,892	3,449

10.3 million of the Payables towards third parties are open invoices towards Thuraya, these have been converted into a convertible loan agreement after the balance sheet date (see Note 3.11).
As the company was in a tight cash situation during the year, payment plans have been discussed with suppliers. financing round.

2.11. Short-term interest-bearing liabilities

	Statutory	
in thousand CHF	12/31/2022	12/31/2021
Short-term interest-bearing to third parties	1,956	433
Short-term interest-bearing to Shareholders	6,235	300
Short-term interest-bearing liabilities	8,191	733

Short-term interest-bearing liabilities increased as the company took up bank loans of CHF 1.75 million and raised financing through convertible loan agreements of CHF 5.7 million.

2.12. Other short-term liabilities

	Statutory	
in thousand CHF	12/31/2022	12/31/2021
Other short-term liabilities towards employees and social charges	1,475	373
Other short-term liabilities towards Shareholders	-	20
Other short-term liabilities	1,475	393

The liability at the end of December 2022 is mainly due to social organisations.

2.13. Accrued expenses

in thousand CHF	Statutory 12/31/2022	12/31/2021
Spectrum leasing accrual	-	4,792
Deferred income	402	1,215
Other accrued expenses	485	-
Deferred income and accrued expenses	887	6,007

Other accrued expenses mainly consist of non-realized exchange gain and accruals for holidays and overtime. The decrease in the spectrum leasing accrual during the fiscal year 2022 is due to a higher amount of service invoiced compared to the service rendered.

2.14. Long-term interest-bearing liabilities

in thousand CHF	Statutory 12/31/2022	12/31/2021
Covid loan	750	600
Long-term interest-bearing liabilities	750	600

To guarantee a sufficient level of cash and cash equivalents, Astrocast SA has taken a COVID-19 guaranteed loan for a total amount of CHF 1 million. The total amount of the loan was granted at an interest rate of 0.5%. Based on decisions of the Swiss Federal finance department, the interest conditions can be adapted to market developments on 31 March once a year. The contract has been renewed in summer 2022 with the following new conditions, the duration of the loan is 78 months in total with a quarterly limit reduction of CHF 50,000 beginning on 30 June 2025.

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

2.15. Share capital

The share capital of Astrocast SA as of 31 December 2022 was divided into 39,660,908 registered shares with a nominal value of CHF 0.01 each. The share capital is fully paid up.

In accordance with the articles of association, the Board of Directors is authorised to increase the share capital as follows as per 31 December 2022 and until 8 September 2024:

- Authorized share capital of 19,830,454 registered shares.

Further, the share capital may be increased as follows:

- Conditional share capital for the ESOP of 5,400,000 registered shares, and
- Conditional share capital for loans with conversion rights or option rights and other financial instruments of 14,430,454 registered shares.

2.16 Additional paid-in capital

The company has not yet received from the administration fédérale des contributions AFC the confirmation of the balance of the additional paid in capital as of 12/31/2022, because of an open amount of stamp tax in favour of the AFC.

Astrocast SA Statutory Financial Statements

2.17. Personnel expenses

in thousand CHF	Statutory 2022	2021
Personnel expenses	7,536	5,622
Social charges	1,058	808
Third party expenses	1,005	829
Other personnel expenses	172	158
Capitalization of internally generated cost	(3,715)	(3,033)
Personnel expenses	6,056	4,384

2.18. Operating expenses

in thousand CHF	Statutory 2022	2021
Administration and IT expenses*	1,640	538
Travel and advertising	496	322
Rental and facility expenses	387	352
Insurance	116	142
Energy and waste disposal	52	39
Other operational costs	295	66
Operating expenses	2,986	1,459

* Administration and IT expenses increased due to the costs of the secondary listing on EuroNext Growth Paris and the Hiber transaction, both of which did not occur due to market conditions. These include service fees from the audit firm as stated in Note 3.7.

2.19. Financial result

in thousand CHF	Statutory 2022	2021
Net foreign exchange gain	123	411
Interest expenses	(478)	(530)
Bank fees	(21)	(11)
Others	(1)	(1)
Financial result	(377)	(131)

3. Other disclosures

3.1. Number of employees

	2022	2021
Average of full-time employees over period	69.7	53.0

3.2. Pension fund

in thousand CHF	12/31/2022	12/31/2021
Liabilities relating to pension fund (included in the recognized liabilities)	322	128

3.3. Significant shareholders

There were no beneficiary owners that have informed the company that they hold more than 5% of the voting rights.

Please also see "Shareholder information" in the annual report 2022.

3.4. Treasury shares

	Number of shares	Price per share in CHF	Value of treasury shares in CHF
Balance at 1st January 2021	-	-	-
Acquisition	2,270,861	0.01	22,708.61
Balance at 1st January 2022	2,270,861		22,708.61
Sales (ESOP)	(232,915)	0.01	(2,329.15)
Balance at 31st December 2022	2,037,946		20,379.46

The balance on the Company's share custody account at 31.12.2022 was 2,111,887 as not all ESOP had been transferred to the beneficiaries.

3.5. Lease obligations

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

in thousand CHF	12/31/2022	12/31/2021
Up to 1 year	296	269
1-5 years	1,100	990
More than 5 years	2,902	3,148
Total	4,298	4,407

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

3.6. Shares allocated to the Board of Directors, Senior Management and Employees

In the year 2022, participation rights were allocated to members of the Board of Directors and employees as follows:

ESOP 2022	Number of options	Price per option in CHF	Value of options in CHF
Allocated to the Board of Directors*	100,000	2.65	265,432
Allocated to the Senior Mamagement**	45,000	5.03	226,207
Allocated to the Senior Management***	100,00	4.18	417,678
Total	245,000		909,316

* 50,000 granted on the 1/26/2022, closing value 40.2 NOK at an exchange rate of 10.39 100NOK/CHF, 50,000 granted on the 12/31/2022, closing value 12 NOK at an exchange rate of 9.43214 100NOK/CHF.
** 45,000 granted on the 1/1/2022, closing value 48 NOK at an exchange rate of 10.47253 100NOK/CHF,
*** Two times 50,000 granted on the 1/26/2022, closing value 40.2 NOK at an exchange rate of 10.39 100NOK/CHF. These options allocated to Executive Board replaced previous grants that were deleted due to the listing and split of shares in 2021.

Astrocast SA Statutory Financial Statements

The following table shows the shareholding of the Board members as of 31.12.2022. This table includes registered shares purchased privately as well as shares allocated in connection with the Company's incentive plan.

Name	Position	2022 Number of shares held	2021 Number of shares held **
José Achache	Chairman	700,100	700,100
Federico Belloni**	Member	-	-
Jon Cholak	Member	-	-
Fabien Jordan**	Member	-	-
Roland Loos	Member	712,000	712,000
Yves Pillonel*	Member	110,000	110,000
Jan Eyvin Wang	Member	50,000	-

* Yves Pillonel holds indirectly 50,000 Astrocast shares through Schroder & CO Banque SA included in the 110,000.
** Fabien Jordan and Federico Belloni are employed by a group company. Their shares are detailed in Section Senior Management.

The following table shows the shareholding of the members of the Senior Management as of 31.12.2022. This table includes registered shares purchased privately as well as fully vested options and shares allocated in connection with the Company's employee incentive plan.

		2022	2022	2021	2021
Name	Position	Number of Shares Held	Number of Options Held	Number of Shares Held	Number of Options Held *
Fabien Jordan*	Chief Executive Office	1,933,366	9,770	1,933,366	6,420
Federico Belloni*	Chief Technical Officer	1,720,200	6,312	1,721,700	5,462
Kjell Karlsen*	Chief Financial Officer	512,087	1,425	505,200	5,462
Eric Ménard	VP Strategy & Business	6,650	395	6,600	-
Total		4,172,303	17,902	4,166,866	17,344

3.7 Services rendered by the audit firm

	Statutory	
in thousand CHF	2022	2021
Audit services (stand-alone financial statements, consolidated financial statements and compensation report)	152	54
Other services	115	1
Total audit fees	267	55

3.8. Pending litigation

On 30 May 2022, Astrocast SA ("Astrocast") announced an agreement for the contemplated acquisition of Hiber B.V. ("Hiber"), a Netherland-based, IoT-as-a-Service provider (the "Agreement"). Under the Agreement, Astrocast agreed to acquire all of Hiber's shares in exchange for the issuance of new Astrocast shares. The acquisition was conditioned on the completion of Astrocast's proposed public offering on Euronext Growth Paris and other customary closing conditions. The Agreement was subject to a long stop date on 30 November 2022 (the "Long Stop Date"). Astrocast received in November 2022 a notification from Hiber and certain of its shareholders that they terminated the Agreement with effect from the Long Stop Date.

On 14 December 2022, Hiber B.V. and other persons related to Hiber B.V. (the "Requesting Parties") referred the matter to mediation followed by arbitration. The Requesting Parties seek damages in an amount of USD 2.5 million in relation to alleged breaches of contract. This amount is based on an estimate provided by the Requesting Parties and is subject to revision.

Astrocast disputes that there is a basis for the claim against the Company as made by the Requesting Parties and is assessing all legal remedies to support its position, therefore no provision was made in the 2022 accounts.

3.9. Related parties

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

In 2022, Astrocast SA conducted business with Astrocast US LLC. The company is under control of a Board member and serves as a payroll company for Astrocast in the USA. As per 31 December 2022, Astrocast SA has a short-term debt of CHF 170k (2021: CHF 0k) towards Astrocast US LLC.

As of 31 December 2022, no other material transactions were conducted, and no receivables or liabilities were outstanding towards other related parties or associated companies. All business relations with related parties are conducted at arm's length. No unusual transactions were affected with either the main shareholders or other related parties.

3.10. Going concern

Astrocast incurred a net loss of CHF 21.1 million for 2022, which led to a total equity of CHF 3.4 million as per 31 December 2022. The company is still in a ramp-up phase and accordingly has not reached a positive operating result yet. It is exposed to all the risks inherent in establishing and growing a business.

The placement of shares followed by an admission on Euronext Growth Paris did not occur as planned in 2022 due to adverse market conditions. The company has since relied on debt financing through convertible loan agreements and bank loans to continue to operate. Between January and August 2023, the company has converted existing debt into convertible loans and raised additional CHF 3.72M in convertible loans and has extended existing bank loans. In August and November 2023, additional funding for a total amount of CHF 5M has been promised by existing investors.

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

The future viability of the group is dependent on its ability to raise additional capital and/or debt or sign collaboration agreements to finance its operations. The raise of additional capital may dilute existing shareholders. Should the Company not succeed in attracting additional funding in the future or raise the necessary financing through collaborations with third parties related to the development and/or commercialisation of its products, it may be unable to realize its assets and discharge its liabilities in the normal course of business. Consequently, the liquidity of the Company over the next twelve months might be negatively impacted. Thus, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

3.11. Significant events after the balance sheet date

The Company launched four Astrocast 3U spacecraft into space on Tuesday, 3rd January. This launch was a significant milestone for Astrocast's nanosatellite IoT network; and enabled the company to increase its commercial constellation to 18 satellites – making Astrocast one of the top 3 LEO satellite operators in Europe, based on the number of commercial satellites currently in low Earth orbit.

On April 3, 2023, the Company announced to the market that it had concluded Heads of Terms for an investment agreement with Thuraya Telecommunications Company, the mobile satellite services subsidiary of the UAE's flagship satellite solutions provider, Al Yah Satellite Communications Company PJSC ("Yahsat" or "the Group"), the UAE's flagship satellite solutions provider listed on the Abu Dhabi Securities Exchange ("ADX"; under the symbol: YAHSAT, ISIN: AEA007501017). The transaction will be in the form of a convertible loan valued at US$17.5 million and marks Thuraya's first investment

Proposed carry forward of accumulated loss

in CHF	Statutory 2022
Accumulated losses as at 1st January 2022	(29,005,220)
Loss for the year 2022	(21,171,588)
Accumulated losses as at 31st December 2022	(50,176,808)

The Board of Directors proposes to the Annual General Meeting that the accumulated losses of CHF 50,176,808 be carried forward, without being compensated with the reserves from capital contribution of CHF 53,179,801.

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STATUTORY AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Astrocast SA (the Company), which comprise the statement of financial position as at 31 December 2022, and the income statement and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 30 to 41) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter

We draw attention to Note 3.10 to the financial statements, in which the Board of Directors mentions the importance of attracting additional funding in order to be able to continue as a going concern. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Key Audit Matters

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

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Key Audit Matter	How the Key Audit Matter was addressed in the audit
Accounting and valuation for capitalised expenditure of satellites	
The Company capitalised significant internal labour costs and external costs in respect of the construction of its satellite constellation.	We evaluated the design and implementation of controls in respect of the capitalisation of external costs and internal labour costs.
This is a significant focus point of our audit to ascertain whether costs which do not meet the criteria for capitalisation, in accordance with the requirements of Swiss law and the Company's accounting policy, are inappropriately recorded on the balance sheet rather than expensed or that costs continue to be held on the balance sheet despite no longer meeting the relevant capitalisation criteria.	We have met the project manager to corroborate the project status and feasibility of completion. Further, we confirmed on the basis of the weekly report from the Swiss Government that the satellites are effectively in orbit.
The satellites are presented at cost less accumulated depreciation and impairment losses. The existence of a potential value adjustment indicator would require the recognition of an impairment loss in addition to the actual depreciation plan.	We have carried out sample-based testing in relation to each element of capitalised costs including inspecting supporting evidence for a sample of the costs capitalised, understanding the nature of these costs, and considering whether they meet the capitalisation requirements of Swiss law and the Company's accounting policy.
The Company's policy on the capitalisation of tangible assets is included in note 1.3 to the financial statements.	For a sample of assets which entered service in the period we inspected supporting evidence to determine whether depreciation commenced appropriately in accordance with Swiss law and the Company's accounting policy.
As shown in note 2.8 to the financial statements, the satellites represent a total amount of CHF 6.4m (2021: CHF 5.5m) in the balance sheet of which CHF 1.6m (2021: CHF 1.5m) relates to assets under construction. This represents 20% (2021: 16%) of the assets of the Company.	We assessed if any value adjustment indicator has occurred that would have required a revision of the depreciation plan or the recognition of an impairment loss.
	We have also assessed the adequacy of disclosures and classification in relation with the satellites.

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Key Audit Matter	How the Key Audit Matter was addressed in the audit
Accounting and valuation for capitalised expenditure of intangible assets	
The Company capitalised significant internal labour costs and external costs in respect of the developments of its intangible assets. This is a significant focus point of our audit to ascertain whether costs which do not meet the criteria for capitalisation, in accordance with the requirements of Swiss law and the Company's accounting policy, are inappropriately recorded on the balance sheet rather than expensed or that costs continue to be held on the balance sheet despite no longer meeting the relevant capitalisation criteria. The intangible assets are presented at cost less accumulated amortisation and impairment losses. The existence of a potential value adjustment indicator would require the recognition of an impairment loss in addition to the actual amortisation plan. The Company's policy on the capitalisation of intangible assets is included in note 1.3 to the financial statements. As shown in note 2.9 to the financial statements, the intangible assets represent a total amount of CHF 18.3m (2021: CHF 17m) in the balance sheet. This represents 58% (2021: 47%) of the assets of the Company.	We evaluated the design and implementation of controls in respect of the capitalisation of acquired intangible assets and internal development costs. We have met the project managers to corroborate the project status and feasibility of completion. We have carried out sample-based testing in relation to each element of capitalised costs including inspecting supporting evidence for a sample of the costs capitalised, understanding the nature of these costs, and considering whether they meet the capitalisation requirements of Swiss law and the Company's accounting policy. We inspected supporting evidence to determine whether depreciation commenced appropriately in accordance with Swiss law and the Company's accounting policy. We assessed if any value adjustment indicator has occurred that would have required a revision of the amortisation plan or the recognition of an impairment loss. We have also assessed the adequacy of disclosures and classification in relation with the intangible assets.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

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

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

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Responsibilities of the Board of Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located at EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

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

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

We further confirm that the proposed carry forward of the accumulated losses complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

We draw your attention to the fact that the shareholder's annual general meeting has not taken place within six months after the balance sheet date as required by article 699 para. 2 Swiss CO.

Lausanne, 28 November 2023

BDO Ltd

Nigel Le Masurier
Licensed Audit Expert
Auditor in Charge

Jürg Gehring
Licensed Audit Expert

Astrocast SA Consolidated Financial Statements

Consolidated Income Statement for the year ended 31 December 2022

in thousand CHF	Note	Consolidated income statement 2022 AUDITED	2021 AUDITED
Revenue		458	1,068
Total operating income		458	1,068
Cost for material, goods, services, and energy			
Operations licensing		(6,474)	(12,835)
M2M Modules		(172)	(136)
Charges for ground segments		(461)	(438)
Laboratory and projects material		(26)	(41)
Others		(61)	-
Total cost of goods sold		(7,194)	(13,450)
Gross margin		**(6,736)**	**(12,382)**
Personnel expenses	2.17	(6,056)	(4,384)
Operating expenses	2.18	(2,993)	(1,459)
Depreciation and amortization		(4,977)	(1,848)
Total operational expenditure		(14,026)	(7,691)
Operating loss		**(20,762)**	**(20,073)**
Financial result	2.19	(378)	(131)
Extraordinay expenses		-	(1,188)
Earnings before taxes		**(21,140)**	**(21,392)**
Income taxes		(3)	-
Net result for the period		**(21,143)**	**(21,392)**

Consolidated Balance Sheet as of 31 December 2022

in thousand CHF	Note	Consolidated balance sheet 12/31/2022 Audited	12/31/2021 Audited
Cash and cash equivalents	2.1	180	7,206
Trade receivables	2.2	2	22
Other receivables	2.3	528	821
Inventories and non-invoiced services	2.4	301	27
Prepaid expenses	2.5	1,155	572
Prepaid launches and insurance	2.6	3,652	3,350
Total current assets		5,818	11,998
Financial assets	2.7	5	5
Tangible assets	2.8	7,445	6,774
Intangible assets	2.9	18,261	16,957
Total non-current assets		25,711	23,736
Total Assets		**31,529**	**35,734**
Trade payables	2.10	16,818	3,453
Short-term interest-bearing liabilities	2.11	8,191	733
Other short-term liabilities	2.12	1,475	393
Deferred income and accrued expenses	2.13	891	6,009
Total short-term liabilities		27,375	10,588
Long-term interest-bearing liabilities	2.14	750	600
Total long-term liabilities		750	600
Total liabilities		28,125	11,188
Share capital	2.15	397	397
Additional paid-in capital	2.16	53,180	53,180
Other reserves		(5)	(3)
Treasury shares		(20)	(23)
Net result for the period		(21,143)	(21,392)
Accumulated losses		(29,005)	(7,613)
Total equity		3,404	24,546
Total Liabilities and Equity		**31,529**	**35,734**

Consolidated Cash Flow Statements for the year ended 31st December 2022

		Consolidated cash flow statement	
in thousand CHF	Note	2022 AUDITED	2021 AUDITED
Cash flow from operating activities			
Net result for the period		(21,143)	(21,392)
Depreciation and amortization	2.8/2.9	4,977	1,848
Extraordinary depreciation related to prior years		-	132
Change in account receivables and other receivables		313	(774)
Change in inventories		(274)	-
Change in account payables and other payables		14,447	(4,126)
Change in other accruals and prepayments		(6,003)	9,956
Net cash flow from operating activities		**(7,685)**	**(14,356)**
Cash flow from investing activities			
Investment in tangible and intangible assets	2.8/2.9	(6,952)	(10,413)
Net cash flow from investing activities		**(6,952)**	**(10,413)**
Cash flow from financing activities			
Increase in short-term interest-bearing liabilities		-	14
Decrease in short-term interest-bearing liabilities		(111)	(112)
Increase bank loans		1,750	-
Reimbursement bank loans		(100)	(1,400)
Convertible loan agreement*		6,070	11,808
Net proceeds from capital increase		-	21,248
Net proceeds from treasury shares		2	-
Net cash flow from financing activities		**7,611**	**31,558**
Net change in cash and cash equivalents		**(7,024)**	**6,789**
Cash and cash equivalents at beginning of period		7,206	420
Effect of exchange rate fluctuations on cash held		(2)	(3)
Cash and cash equivalents at end of period		180	7,206

Astrocast SA Consolidated Financial Statements

Notes to the financial statements for the year ended 31 December 2022

1. General information

1.1. Information about the company

Name	Chairman	Directors	Registered office
Astrocast SA	José Achache	Federico Belloni, Jon Cholak, Fabien Jordan, Roland Loos, Yves Pillonel & Jan Eyvin Wang	Chavannes-près-Renens, Switzerland

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

Company objective

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

1.2. Accounting principles

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

The consolidated financial statements include the figures of the fully owned subsidiary Astrocast Austria GmbH, Vienna, Austria, incorporated on 30 July 2021. The income statement, the cash flow statement and notes presented in the consolidated financial statements comprise the operations of the parent company for the full calendar year and the subsidiary since incorporation.

1.3. Principles and scope of consolidation

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

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

Company name	Registered office	Currency	Share capital	Participation 31.12.2022	Participation 31.12.2021
Astrocast SA	Chavannes-près-Renens, Switzerland	CHF	396,609	n/a	n/a
Astrocast GmbH	Vienna, Austria	EUR	35,000	100%	-

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

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

1.4. Foreign currency translation

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

Currency	Closing rate	Average rate
1 EUR	0.99384	1.02095

1.5. Accounting policies for balance sheet items

Cash and cash equivalents

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

Trade receivables, other receivables and non-invoiced services

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

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

Prepaid expenses and prepaid launches

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

Tangible assets

Tangible assets are initially stated at acquisition cost. After initial recognition, the item is carried at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the gross amount over the useful life of the asset using the straight-line method. Normal annual use is reflected in the scheduled depreciation (see note 2.8).

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

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

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

Astrocast SA Consolidated Financial Statements

Intangible assets

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

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

Category	Useful life
Communication protocol	5 years
Technology and chips	5 years
Data	5 years
Modules	5 years
Satellites	5 years
Network and ground segment	5 years

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

Trade accounts payable

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

Short - term and long-term interest-bearing liabilities

Short-term and long-term interest-bearing liabilities are initially recognised at fair value, and subsequently carried at amortised cost.

Treasury shares

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

Leases

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

Astrocast SA Consolidated Financial Statements

2. Notes to the consolidated financial statements

2.1. Cash and cash equivalents

	Consolidated	
in thousand CHF	12/31/2022	12/31/2021
Post account	3	7
Bank accounts	177	7,199
Cash and cash equivalents	180	7,206

2.2. Trade receivables

	Consolidated	
in thousand CHF	12/31/2022	12/31/2021
Receivables towards third parties	2	22
Trade receivables	2	22

2.3. Other receivables

	Consolidated	
in thousand CHF	12/31/2022	12/31/2021
Advance to suppliers	480	709
VAT receivables	33	80
Other receivables from employees	4	32
Other short-term receivables	11	-
Other receivables	528	821

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

2.4. Inventories and non-invoiced services

	Consolidated	
in thousand CHF	12/31/2022	12/31/2021
Finished goods	212	-
Service rendered not invoiced	89	27
Inventories and non-invoiced services	301	27

2.5. Prepaid expenses and accrued income

	Consolidated	
in thousand CHF	12/31/2022	12/31/2021
Prepaid expenses	1,155	572
Prepaid expenses	1,155	572

The balance at 31st of December 2022 consists mainly of two suppliers whose services have been invoiced in advance and will continue occurring during the 1st semester 2023.

2.6. Prepaid launches and insurance

	Consolidated	
in thousand CHF	12/31/2022	12/31/2021
3rd Orbital Plan	-	1,659
4th Orbital Plan	742	5
5th Orbital Plan	324	1,475
6th Orbital Plan	809	211
7th Orbital Plan	1,395	-
11th Orbital Plan	382	-
Prepaid launches and insurance	3,652	3,350

There is one account (Orbital plan) for each reservation of launch capacity for our satellites on a specific launch vehicle. The amounts can change over the years as the number of satellites per orbital plan can vary from the original launch agreement or the launch itself can shift in time, resulting in a change of orbital plan.

Astrocast SA Consolidated Financial Statements

2.7 Financial assets and investment

in thousand CHF	Consolidated 12/31/2022	12/31/2021
Rent deposit	5	5
Financial assets	5	5

2.8 Tangible assets

in thousand CHF	Equipment	Facility installations	Satellites on ground and under construction	Demonstration satellites in orbit	Commercial satellites in orbit	Total
Cost						
Balance at 1st January 2021	423	1,306	2,366	1,664	-	5,759
Additions	146	54	1,008	-	2,900	4,108
Reclassification	-	-	(1,914)	-	1,914	-
Balance at 1st January 2022	569	1,360	1,460	1,664	4,814	9,867
Additions	36	96	1,864	-	-	1,996
Reclassification	-	-	(1,773)	-	1,773	-
Balance at 31st December 2022	605	1,456	1,551	1,664	6,587	11,863
Accumulated depreciation						
Balance at 1st January 2021	171	253	-	689	-	1,113
Depreciation for the year	104	174	-	417	727	1,422
Impairment for the year	-	-	-	426	-	426
Extraordinary depreciation related to prior years	-	-	-	132	-	132
Balance at 1st January 2022	275	427	-	1,664	727	3,093
Depreciation for the year	98	205	-	-	1,022	1,325
Balance at 31st December 2022	373	632	-	1,664	1,749	4,418
Carrying amount - in thousand CHF						
As at 31st December 2021	294	933	1,460	-	4,087	6,774
As at 31st December 2022	232	824	1,551	-	4,838	7,445

The company carried out the depreciation of the satellites in respect with the useful life of the satellites. Commercial satellites have a 5-year life expectancy, and the depreciation starts from the month of the launch and represents and expense of CHF 1 million for 2022 (2021: CHF 0.7 million).

2.9. Intangible assets

in thousand CHF	Communication protocol	Chips and technology	Data	Modules	Satellites	Network and ground segment	Total
Cost							
Balance at 1st January 2021	654	2,092	1,227	2,085	2,804	1,789	10,651
Additions	2,912	892	780	669	455	598	6,306
Balance at 1st January 2022	3,566	2,984	2,007	2,754	3,259	2,387	16,957
Additions	8	278	1,713	668	1,207	1,082	4,956
Balance at 31st December 2022	3,574	3,262	3,720	3,422	4,466	3,469	21,913
Accumulated amortization							
Balance at 1st January 2022	-	-	-	-	-	-	-
Amortization for the year	656	575	562	574	731	554	3,652
Balance at 31st December 2022	656	575	562	574	731	554	3,652
Carrying amount CHF							
As at 31st December 2021	3,566	2,984	2,007	2,754	3,259	2,387	16,957
As at 31st December 2022	2,918	2,687	3,158	2,848	3,735	2,915	18,261

Intangible assets increased mainly based on internal developments with capitalized personnel costs of CHF 3.4 million (2021: CHF 3 million) and other intangible assets acquired from third parties during the development of Astrocast's business.

2.10. Trade payables

in thousand CHF	Consolidated 12/31/2022	12/31/2021
Payables towards third parties	16,813	3,409
Advance from customers	5	44
Trade payables	16,818	3,453

10.3 million of the Payables towards third parties are open invoices towards Thuraya, these have been converted into a convertible loan agreement after the balance sheet date (see Note 3.10).
As the company was in a tight cash situation during the year, payment plans have been discussed with suppliers.

2.11. Short-term interest-bearing liabilities

in thousand CHF	Consolidated 12/31/2022	12/31/2021
Short-term interest-bearing to third parties	1,956	433
Short-term interest-bearing to Shareholders	6,235	300
Short-term interest-bearing liabilities	8,191	733

Short-term interest-bearing liabilities increased as the company took up bank loans of CHF 1.75 million and raised financing through convertible loan agreements of CHF 5.7 million.

2.12. Other short-term liabilities

in thousand CHF	Consolidated 12/31/2022	12/31/2021
Other short-term liabilities to employees and social charges	1,475	373
Other short-term liabilities to Shareholders	-	20
Other short-term liabilities	1,475	393

The liability at the end of December 2022 is mainly due to social organisations.

2.13. Deferred income and accrued expenses

in thousand CHF	Consolidated 12/31/2022	12/31/2021
Spectrum leasing accrual	-	4,792
Deferred income	402	-
Other accrued expenses	489	1,217
Deferred income and accrued expenses	891	6,009

Other accrued expenses mainly consist of non-realized exchange gain and accruals for holidays and overtime. The decrease in the spectrum leasing accrual during the fiscal year 2022 is due to a higher amount of service invoiced compared to the service rendered.

2.14. Long-term interest-bearing liabilities

in thousand CHF	Consolidated 12/31/2022	12/31/2021
Covid loan	750	600
Long-term interest-bearing liabilities	750	600

To guarantee a sufficient level of cash and cash equivalents, Astrocast SA has taken a COVID-19 guaranteed loan for a total amount of CHF 1 million. The total amount of the loan was granted at an interest rate of 0.5%. Based on decisions of the Swiss Federal finance department, the interest conditions can be adapted to market developments on 31 March once a year. The contract has been renewed in summer 2022 with the following new conditions, the duration of the loan is 78 months in total with a quarterly limit reduction of CHF 50,000 beginning on 30 June 2025.

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

Astrocast SA Consolidated Financial Statements

2.15. Share capital

The share capital of Astrocast SA as of 31 December 2022 was divided into 39,660,908 registered shares with a nominal value of CHF 0.01 each. The share capital is fully paid up.

In accordance with the articles of association, the Board of Directors is authorised to increase the share capital as follows as per 31 December 2022 and until 8 September 2022:

- Authorized share capital of 19,830,454 registered shares.

Further, the share capital may be increased as follows:

- Conditional share capital for the ESOP of 5,400,000 registered shares, and
- Conditional share capital for loans with conversion rights or option rights and other financial instruments of 14,430,454 registered shares.

2.16. Additional paid-in capital

The company has not yet received from the administration fédérale des contributions AFC the confirmation of the balance of the additional paid in capital as of 12/31/2022, because of an open amount of stamp tax in favour of the AFC.

2.17. Personnel expenses

	Consolidated	
in thousand CHF	**2022**	**2021**
Personnel expenses	7,536	5,622
Social charges	1,058	808
Third party expenses	1,005	829
Other personnel expenses	172	158
Capitalization of internally generated cost	(3,715)	(3,033)
Personnel expenses	6,056	4,384

2.18. Operating expenses

	Consolidated	
in thousand CHF	**2022**	**2021**
Administration and IT expenses*	1,648	544
Travel and advertising	496	322
Rental and facility expenses	387	352
Insurance	116	142
Energy and waste disposal	52	39
Other operational costs	294	60
Operating expenses	2,993	1,459

* Administration and IT expenses increased due to the costs of the secondary listing on EuroNext Growth Paris and the Hiber transaction, both of which did not occur due to market conditions. These include service fees from the audit firm as stated in Note 3.7.

2.19. Financial result

	Consolidated	
in thousand CHF	**2022**	**2021**
Net foreign exchange gain	123	411
Interest expenses	(479)	(530)
Bank fees	(21)	(11)
Others	(1)	(1)
Financial result	(378)	(131)

3. Other disclosures

3.1. Number of employees

	2022	2021
Average of full-time employees over period	69.7	53.0

3.2. Pension fund

in thousand CHF	12/31/2022	12/31/2021
Liabilities relating to pension fund (included in the recognized liabilities)	322	128

3.3. Significant shareholders

There were no beneficiary owners that have informed the company that they hold more than 5% of the voting rights.

Please also see "Shareholder information" in the annual report 2022.

3.4. Treasury shares

Treasury shares held by the company:

	Number of shares	Price per share in CHF	Value of treasury shares in CHF
Balance at 1st January 2021	-	-	-
Acquisition	2,270,861	0.01	22,708.61
Balance at 1st January 2022	2,270,861		22,708.61
Sales (ESOP)	(232,915)	0.01	(2,329.15)
Balance at 31st December 2022	2,037,946		20,379.46

The balance on the Company's share custody account at 31.12.2022 was 2,111,887 as not all ESOP shares had been transferred to the beneficiaries.

3.5. Lease obligations

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

in thousand CHF	12/31/2022	12/31/2021
Up to 1 year	296	269
1-5 years	1,100	990
More than 5 years	2,902	3,148
Total	4,298	4,407

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

3.6. Shares allocated to the Board of Directors, Senior Management and Employees

In the year 2022, participation rights were allocated to members of the Board of Directors and employees as follows:

ESOP 2022	Number of options	Price per option in CHF	Value of options in CHF
Allocated to the Board of Directors*	100,000	2.65	265,432
Allocated to the Senior Management**	45,000	5.03	226,207
Allocated to the Senior Management***	100,00	4.18	417,678
Total	245,000		909,316

* 50,000 granted on the 1/26/2022, closing value 40.2 NOK at an exchange rate of 10.39 100NOK/CHF, 50,000 granted on the 12/31/2022, closing value 12 NOK at an exchange rate of 9.43214 100NOK/CHF.
** 45,000 granted on the 1/1/2022, closing value 48 NOK at an exchange rate of 10.47253 100NOK/CHF,
*** Two times 50,000 granted on the 1/26/2022, closing value 40.2 NOK at an exchange rate of 10.39 100NOK/CHF. These options allocated to Executive Board replaced previous grants that were deleted due to the listing and split of shares in 2021.

Astrocast SA Consolidated Financial Statements

The following table shows the shareholding of the Board members as of 31.12.2022. This table includes registered shares purchased privately as well as shares allocated in connection with the Company's incentive plan.

Name	Position	2022 Number of shares held	2021 Number of shares held **
José Achache	Chairman	700,100	700,100
Federico Belloni**	Member	-	-
Jon Cholak	Member	-	-
Fabien Jordan**	Member	-	-
Roland Loos	Member	712,000	712,000
Yves Pillonel*	Member	110,000	110,000
Jan Eyvin Wang	Member	50,000	-

* Yves Pillonel holds indirectly 50,000 Astrocast shares through Schroder & CO Banque SA included in the 110,000.
** Fabien Jordan and Federico Belloni are employed by a group company. Their shares are detailed in Section Senior Management.

The following table shows the shareholding of the members of the Senior Management as of 31.12.2022. This table includes registered shares purchased privately as well as fully vested options and shares allocated in connection with the Company's employee incentive plan.

Name	Position	2022 Number of Shares Held	2022 Number of Options Held	2021 Number of Shares Held	2021 Number of Options Held *
Fabien Jordan*	Chief Executive Office	1,933,366	9,770	1,933,366	6,420
Federico Belloni*	Chief Technical Officer	1,720,200	6,312	1,721,700	5,462
Kjell Karlsen*	Chief Financial Officer	512,087	1,425	505,200	5,462
Eric Ménard	VP Strategy & Business	6,650	395	6,600	-
Total		4,172,303	17,902	4,166,866	17,344

3.7. Service rendered by audit firm

in thousand CHF	Statutory 2022	2021
Audit services (stand-alone financial statements, consolidated financial statements and compensation report)	152	54
Other services	115	1
Total audit fees	267	55

3.8. Pending litigation

On 30 May 2022, Astrocast SA ("Astrocast") announced an agreement for the contemplated acquisition of Hiber B.V. ("Hiber"), a Netherland-based, IoT-as-a-Service provider (the "Agreement"). Under the Agreement, Astrocast agreed to acquire all of Hiber's shares in exchange for the issuance of new Astrocast shares. The acquisition was conditioned on the completion of Astrocast's proposed public offering on Euronext Growth Paris and othercustomary closing conditions. The Agreement was subject to a long stop date on 30 November 2022 (the "Long Stop Date"). Astrocast received in November 2022 a notification from Hiber and certain of its shareholders that they terminated the Agreement with effect from the Long Stop Date.

On 14 December 2022, Hiber B.V. and other persons related to Hiber B.V. (the "Requesting Parties") referred the matter to mediation followed by arbitration. The Requesting Parties seek damages in an amount of USD 2.5 million in relation to alleged breaches of contract. This amount is based on an estimate provided by the Requesting Parties and is subject to revision.

Astrocast disputes that there is a basis for the claim against the Company as made by the Requesting Parties and is assessing all legal remedies to support its position, therefore no provision was made in the 2022 accounts.

3.9. Related parties

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

In 2022, Astrocast SA conducted business with Astrocast US LLC. The company is under control of a Board member and serves as a payroll company for Astrocast in the USA. As per 31 December 2022, Astrocast SA has a short-term debt of CHF 170k (2021: CHF 0k) towards Astrocast US LLC.

As of 31 December 2022, no other material transactions were conducted, and no receivables or liabilities were outstanding towards other related parties or associated companies. All business relations with related parties are conducted at arm's length. No unusual transactions were affected with either the main shareholders or other related parties.

3.10. Going concern

Astrocast incurred a net loss of CHF 21.1 million for 2022, which led to a total equity of CHF 3.4 million as per 31 December 2022. The company is still in a ramp-up phase and accordingly has not reached a positive operating result yet. It is exposed to all the risks inherent in establishing and growing a business.

The placement of shares followed by an admission on Euronext Growth Paris did not occur as planned in 2022 due to adverse market conditions. The company has since relied on debt financing through convertible loan agreements and bank loans to continue to operate. Between January and August 2023, the company has converted existing debt into convertible loans and raised additional CHF 3.72M in convertible loans and has extended existing bank loans. In August and November 2023, additional funding for a total amount of CHF 5M has been promised by existing investors.

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

The future viability of the group is dependent on its ability to raise additional capital and/or debt or sign collaboration agreements to finance its operations. The raise of additional capital may dilute existing shareholders. Should the Company not succeed in attracting additional funding in the future or raise the necessary financing through collaborations with third parties related to the development and/or commercialisation of its products, it may be unable to realize its assets and discharge its liabilities in the normal course of business. Consequently, the liquidity of the Company over the next twelve months might be negatively impacted. Thus, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

3.11. Significant events after the balance sheet date

The Company launched four Astrocast 3U spacecraft into space on Tuesday, 3rd January. This launch was a significant milestone for Astrocast's nanosatellite IoT network; and enabled the company to increase its commercial constellation to 18 satellites – making Astrocast one of the top 3 LEO satellite operators in Europe, based on the number of commercial satellites currently in low Earth orbit.

On April 3, 2023, the Company announced to the market that it had concluded Heads of Terms for an investment agreement with Thuraya Telecommunications Company, the mobile satellite services subsidiary of the UAE's flagship satellite solutions provider, Al Yah Satellite Communications Company PJSC ("Yahsat" or "the Group"), the UAE's flagship satellite solutions provider listed on the Abu Dhabi Securities Exchange ("ADX"; under the symbol: YAHSAT, ISIN: AEA007501017). The transaction will be in the form of a convertible loan valued at US$17.5 million and marks Thuraya's first investment

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STATUTORY AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Astrocast SA and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of income and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 46 to 57) comply with Swiss law and the consolidation and valuation principles set out in the notes.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter

We draw attention to Note 3.10 to the consolidated financial statements, in which the Board of Directors mentions the importance of attracting additional funding in order to be able to continue as a going concern. This indicates the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Key Audit Matters

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

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Key Audit Matter	How the Key Audit Matter was addressed in the audit
Accounting and valuation for capitalised expenditure of satellites	
The Group capitalised significant internal labour costs and external costs in respect of the construction of its satellite constellation. This is a significant focus point of our audit to ascertain whether costs which do not meet the criteria for capitalisation, in accordance with the requirements of Swiss law and the Group's accounting policy, are inappropriately recorded on the balance sheet rather than expensed or that costs continue to be held on the balance sheet despite no longer meeting the relevant capitalisation criteria. The satellites are presented at cost less accumulated depreciation and impairment losses. The existence of a potential value adjustment indicator would require the recognition of an impairment loss in addition to the actual depreciation plan. The Group's policy on the capitalisation of tangible assets is included in note 1.5 to the consolidated financial statements. As shown in note 2.8 to the consolidated financial statements, the satellites represent a total amount of CHF 6.4m (2021: CHF 5.5m) in the balance sheet of which CHF 1.6m (2021: CHF 1.5m) relates to assets under construction. This represents 20% (2021: 16%) of the assets of the Group.	We evaluated the design and implementation of controls in respect of the capitalisation of external costs and internal labour costs. We have met the project manager to corroborate the project status and feasibility of completion. Further, we confirmed on the basis of the weekly report from the Swiss Government that the satellites are effectively in orbit. We have carried out sample-based testing in relation to each element of capitalised costs including inspecting supporting evidence for a sample of the costs capitalised, understanding the nature of these costs, and considering whether they meet the capitalisation requirements of Swiss law and the Group's accounting policy. For a sample of assets which entered service in the period we inspected supporting evidence to determine whether depreciation commenced appropriately in accordance with Swiss law and the Group's accounting policy. We assessed if any value adjustment indicator has occurred that would have required a revision of the depreciation plan or the recognition of an impairment loss. We have also assessed the adequacy of disclosures and classification in relation with the satellites.

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Key Audit Matter	How the Key Audit Matter was addressed in the audit
Accounting and valuation for capitalised expenditure of intangible assets	
The Group capitalised significant internal labour costs and external costs in respect of the developments of its intangible assets. This is a significant focus point of our audit to ascertain whether costs which do not meet the criteria for capitalisation, in accordance with the requirements of Swiss law and the Group's accounting policy, are inappropriately recorded on the balance sheet rather than expensed or that costs continue to be held on the balance sheet despite no longer meeting the relevant capitalisation criteria. The intangible assets are presented at cost less accumulated amortisation and impairment losses. The existence of a potential value adjustment indicator would require the recognition of an impairment loss in addition to the actual amortisation plan. The Group's policy on the capitalisation of intangible assets is included in note 1.5 to the consolidated financial statements. As shown in note 2.9 to the consolidated financial statements, the intangible assets represent a total amount of CHF 18.3m (2021: CHF 17m) in the balance sheet. This represents 58% (2021: 47%) of the assets of the Group.	We evaluated the design and implementation of controls in respect of the capitalisation of acquired intangible assets and internal development costs. We have met the project managers to corroborate the project status and feasibility of completion. We have carried out sample-based testing in relation to each element of capitalised costs including inspecting supporting evidence for a sample of the costs capitalised, understanding the nature of these costs, and considering whether they meet the capitalisation requirements of Swiss law and the Group's accounting policy. We inspected supporting evidence to determine whether depreciation commenced appropriately in accordance with Swiss law and the Group's accounting policy. We assessed if any value adjustment indicator has occurred that would have required a revision of the amortisation plan or the recognition of an impairment loss. We have also assessed the adequacy of disclosures and classification in relation with the intangible assets.

Other Matter - Comparative figures

The income statement figures for 2021 are comprised of the parent company for the period from 1st January 2021 to 29 July 2021 and the consolidated figures for the rest of the year. We refer to the consolidation accounting principles in the Note 1.2.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the financial statements, the compensation report and our auditor's reports thereon.

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

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

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Responsibilities of the Board of Directors for the Consolidated Financial Statements

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

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

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

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

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

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

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

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

We draw your attention to the fact that the shareholder's annual general meeting has not taken place within six months after the balance sheet date as required by article 699 para. 2 Swiss CO.

Lausanne, 28 November 2023

BDO SA

Nigel Le Masurier
Licensed Audit Expert
Auditor in Charge

Jürg Gehring
Licensed Audit Expert

IFRS reconciliation table

Consolidated Income Statement reconciliation for the year ended 31 December 2022

in thousand CHF	Swiss CO	IFRS adjustments	IFRS	Restatement*	IFRS restated
	2022				
Revenue	458	-	458	-	458
Other income, grants	-	-	-	-	-
Total operating income	458	-	458		458
Cost for material, goods, services, and energy					
Operations licensing	(6,474)	-	(6,474)	-	(6,474)
M2M Modules	(172)	-	(172)	-	(172)
Charges for ground segments	(461)	-	(461)	-	(461)
Laboratory and projects material	(26)	-	(26)	-	(26)
Others	(61)	-	(61)	-	(61)
Total cost of goods sold	(7,194)	-	(7,194)	-	(7,194)
Gross margin	(6,736)	-	(6,736)	-	(6,736)
Personnel expenses	(6,056)	(1,561)	(7,617)	-	(7,617)
Operating expenses	(2,993)	276	(2,717)	-	(2,717)
Depreciation and amortization	(4,977)	391	(4,586)	-	(4,586)
Total operational expenditure	(14,026)	(894)	(14,920)	-	(14,920)
Operating loss	(20,762)	(894)	(21,656)	-	(21,656)
Financial result	(378)	-	(378)	-	(378)
Extraordinary expenses	-	-	-	-	-

* A restatement was made in 2021 on the capitalization of personnel costs in intangible assets as detailed in note 2.3.

Consolidated Income Statement reconciliation for the year ended 31 December 2021

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

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

Consolidated Balance Sheet reconciliation at 31st of December 2022

in thousand CHF	Swiss CO	IFRS adjustments	IFRS	Restatement*	IFRS restated
		2022			
Cash and cash equivalents	180	-	180	-	180
Trade receivables	2	-	2	-	2
Other receivables	528	-	528	-	528
Inventories and non-invoiced services	301	-	301	-	301
Prepaid expenses	1,155	-	1,155	-	1,155
Prepaid launches and insurance	3,652	-	3,652	-	3,652
Total current assets	5,818	-	5,818	-	5,818
Financial assets	5	-	5	-	5
Tangible assets	7,445	2,660	10,105	-	10,105
Intangible assets	18,261	(2,289)	15,972	-	15,972
Total non-current assets	25,711	371	26,082	-	26,082
Total Assets	31,529	371	31,900	-	35,595
Trade payables	16,818	-	16,818	-	750
Short-term interest-bearing liabilities	8,191	-	8,191	-	1,065
Other short-term liabilities	1,475	-	1,475	-	2,961
Deferred income and accrued expens-	891	(194)	697	-	-
Total short-term liabilities	27,375	(194)	27,181	-	4,776
Long-term interest-bearing liabilities	750	-	750	-	750
Defined benefit obligation	-	1,065	1,065	-	1,065
Lease liability	-	2,961	2,961	-	2,961
Deferred tax liability	-	-	-	-	-
Total long-term liabilities	750	4,026	4,776	-	4,776
Total liabilities	28,125	3,832	31,957	-	31,957
Share capital	397	-	397	-	397
Other comprehensive income	-	74	74	-	74
Additional paid-in capital	53,180	1,198	54,378	-	54,378
Other reserves	(5)	-	(5)	-	(5)
Treasury shares	(20)	2	(18)	-	(18)
Reserve for share-based payments	-	154	154	-	154
Net result for the period	(21'143)	(894)	(22'037)	-	(22'037)
Accumulated losses	(29'005)	(3'995)	(33'000)	-	(33'000)
Total equity	3,404	(3,461)	(57)	-	(57)
Total Liabilities and Equity	31,529	371	31,900	-	31,900

IFRS reconciliation table

Consolidated Balance Sheet reconciliation at 31st of December 2021

in thousand CHF	Swiss CO	IFRS adjustments	IFRS	Restatement*	IFRS restated
		2021			
Cash and cash equivalents	7,206	-	7,206	-	7,206
Trade receivables	22	-	22	-	22
Other receivables	821	-	821	-	821
Inventories and non-invoiced services	27	-	27	-	27
Prepaid expenses	572	-	572	-	572
Prepaid launches and insurance	3,350	-	3,350	-	3,350
Total current assets	11,998	-	11,998	-	11,998
Financial assets	5	-	5	-	5
Tangible assets	6,774	2,722	9,496	-	9,496
Intangible assets	16,957	(2,861)	14,096	-	14,096
Total non-current assets	23,736	(139)	23,597	-	23,597
Total Assets	35,734	(139)	35,595	-	35,595
Trade payables	3,453	-	3,453	-	3,453
Short-term interest-bearing liabilities	733	-	733	-	733
Other short-term liabilities	393	-	393	-	393
Deferred income and accrued expens-	6,009	-	6,009	-	6,009
Total short-term liabilities	10,588	-	10,588	-	10,588
Long-term interest-bearing liabilities	600	-	600	-	600
Defined benefit obligation	-	2,191	2,191	-	2,191
Lease liability	-	2,924	2,924	-	2,924
Deferred tax liability	-	-	-	-	-
Total long-term liabilities	600	5,115	5,715	-	5,715
Total liabilities	11,188	5,115	16,303	-	16,303
Share capital	397	-	397	-	397
Other comprehensive income	-	(1,260)	(1,260)	-	(1,260)
Additional paid-in capital	53,180	734	53,914	-	53,914
Other reserves	(3)	-	(3)	-	(3)
Treasury shares	(23)	1	(22)	-	(22)
Reserve for share-based payments	-	98	98	-	98
Net result for the period	(21’392)	(1’515)	(22’907)	-	(22’907)
Accumulated losses	(7’613)	(3’312)	(10’925)	-	(10’925)
Total equity	24,546	(5,254)	19,292	-	19,292
Total Liabilities and Equity	35,734	(139)	35,595	-	35,595

1. General information

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

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

- the financial statements as of and for the 12-month period ended 31 December 2021
- the financial statements as of and for the 12-month period ended 31 December 2022.

These financial statements were subject to:

- a full statutory audit for the year ended 31 December 2021
- a full statutory audit for the year ended 31 December 2022.

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

The consolidated financial statements include the figures of the fully owned subsidiary Astrocast Austria GmbH, Vienna, Austria, incorporated on 30 July 2021. The income statement, the cash flow statement and notes presented in the consolidated financial statements comprise the operations of the parent company for the full calendar year and the subsidiary since incorporation.

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

2. Reconciliation of comprehensive income

IN THOUSAND CHF	REFERENCE	2022	2021
Consolidated statutory net result		**(21,143)**	**(21,392)**
Personnel expenses	(1)	(1,561)	(1,412)
Operating expenses	(2)	276	269
Depreciation and amortization	(2/5)	391	(175)
Financial result	(2/4)	-	(197)
Reconciled net result according to IFRS		**(22,037)**	**(22,907)**
Restatement	(3)	-	1,188
Restated net result according to IFRS		**(22,037)**	**(21,719)**

(1) In accordance with IFRS 2 stock options granted have been recognized at fair value and in accordance with IAS 19 the movement of the defined benefit obligation is recognized.
(2) In accordance with IFRS 16, the lease of offices and other operational space has to be recognized as a right of use asset with the corresponding lease liability. The right of use asset is depreciated over the lease period representing KCHF 181 in FY 22. In the statutory financial statements, lease payments are recognized in the income statement according to the cost incurred over the rental period.
(3) In the statutory financial statements of 2021, previous capitalizations of labour costs for development projects were reduced for intangible assets. The reductions only refer to personnel expenses. Also, additional depreciation due to the reclassification from intangible assets to tangible assets, from previous years were booked in 2021. In IFRS the reduction of the capitalization and the additional depreciation are shown in the corresponding year, which leads to a restatement of the 2020 net result.
(4) In the statutory financial statements of 2022, a provision was made for unrealized exchange gains/losses in connection with the R&D operations licensing. According to IFRS 13 the fair value principle is applied. Therefore, this provision of KCHF 194 is not recognized in the IFRS financial statements.

IFRS reconciliation table

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

3.1. Cash

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

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

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

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

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

3.3 Prepaid expenses and prepaid launches

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

3.4 Property and equipment

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

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

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

DESCRIPTION	YEARS
Equipment	5
Facility installations	8
Satellites on ground and under construction	not depreciated
Demonstration satellites in orbit	4*
Commercial satellites in orbit	5

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

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

3.5 Intangible assets

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

Software and development costs
Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

3.6 Impairment of other intangible assets and property and equipment

The company assesses whether there is an indication that the carrying amount of the assets may not be recoverable at each reporting date. If such indications exist, the recoverable amount of the asset or cash generating unit (CGU) is reviewed to determine the amount of the impairment, if any. Impairments can arise from complete or partial failure of a satellite as well as other changes in expected discounted future cash flows. Such impairment tests are based on a recoverable value determined using estimated future cash flows and an appropriate discount rate. The estimated cash flows are based on the most recent business plans. If an impairment is identified, the carrying value will be written down to its recoverable amount.

3.7 Trade accounts payable

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

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

[redacted]

4. Significant accounting principles (IFRS only)

4.1. Intangible assets

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

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

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

IFRS reconciliation table

4.2. Leasing

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

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

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

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

4.3. Share-based payments

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

4.4. Pension benefit obligation

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

The benefits paid to employees in Switzerland qualify as a defined benefit plan. The company's net obligation/ asset in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

IFRS reconciliation table

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

The company determines the net interest expense/ income on the net defined benefit obligation/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit obligation/asset, considering any changes in the net defined benefit obligation/asset during the period as a result of contributions and benefit payments. Net interest expense/income and other expenses related to defined benefit plans are recognized in profit or loss.

The company opted for the risk-sharing approach.

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

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

Compond instruments

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

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate mentioned in the agreement. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

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

4.6. Deferred taxes

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

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Review Report on the reconciliation table

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

According to your request, we have reviewed the reconciliation of Astrocast SA (pages 62 to 69), which comprise the balance sheet as at 31 December 2022, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory information. These reconciliations have been prepared by the Board of Directors of Astrocast SA in accordance with the accounting policies described in the notes to the reconciliations.

Board of Directors' Responsibility for the reconciliations

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

Independent Auditor's Responsibility

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

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

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

Conclusion

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

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Other matter

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

Lausanne, 28 November 2023

BDO Ltd

Nigel Le Masurier	Jürg Gehring
Licensed Audit Expert	Licensed Audit Expert

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