

May 10, 2024

Company name: ispace, inc.  
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Director and CEO  
Securities code: 9348; Growth Market  
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## **Notice regarding Payload Service Agreement with Control Data Systems SRL**

ispace inc. (“ispace”) hereby announces that it has been resolved at the Board of Directors meeting today that its consolidated subsidiary in Luxembourg, ispace EUROPE S.A., will enter into a Payload Service Agreement (“PSA”) with Control Data Systems SRL (“CDS”) headquartered in Romania which develops wireless products and technologies for industrial applications.

### 1. Overview of the company to enter into the PSA

(1) Name	Control Data Systems SRL	
(2) Location	Liberty Technology Park, Strada Garii nr 21, Cluj Napoca, Romania	
(3) Representative	Ovidiu Ratiu, Founder and CEO	
(4) Description of business	Industrial Wireless Technology	
(5) Year of establishment	1994	
(6) Relationship with the Company	Capital relationship	Not applicable
	Personal relationship	Not applicable
	Business relationship	Not applicable
	Status as a related party	Not applicable

Note: Certain items, including the amount of capital, major shareholders and ownership ratios are undisclosed as CDS is a private company.

### 2. Overview of the PSA

ispace provides payload services to transport customers’ cargo, called payloads, to the Moon using landers or rovers developed by ispace. The service includes technical advice and adjustments to carry customers’ payloads on our landers and rovers, which starts one to two years from the launch timing, experiments after landing, and providing services in relation to data communications etc. occurring alongside those activities, in addition to transporting payloads to the Moon by our landers and rovers using external vendors’ rockets. Fundamentally, one landing and exploration on the lunar surface by one lander is considered one mission, and we generally operate our business on a mission-by-mission basis. This PSA assumes that the payload would be launched as part of our Mission 3.

As mentioned in [our press release](#)<sup>1</sup> on March 1, 2024, CDS developed technology that can be used for space applications, which combines precision localization with telecommunication, with support from the European Space Agency. CDS had signed a memorandum of understanding related to our payload service on August 19, 2023 in order to demonstrate the technology on the lunar surface. After continuous discussion between CDS and ispace, we determined to enter into the final agreement, PSA.

3. Overview of CDS's Payload and schedule

(1) Payload	3 UWB (Ultra-wide Band) nodes
(2) Total contract amount	1,775,000 EUROS
(3) Date of Resolution at Board of Directors meeting	May 10, 2024
(4) Execution date of the PSA	May 10, 2024 (tentative)

4. Impact on financial results

The total contract amount of this PSA will be recognized by following the cost recovery method\*, and its impact is included in our forecast of consolidated financial results for the fiscal year ending March 31, 2025. ispace will promptly announce if it is determined that there are any matters that require disclosure.

As for our payload service, ispace conducts sales activities considering mission timeline and development status of customers' payloads. Generally, customers and ispace update contractual relationships in stages: (1) memorandum of understanding, (2) interim PSA, and (3) PSA, which are the basic sales milestones.

\*Cost recovery method refers to the accounting method of recognizing revenue in the amount of costs expected to be recovered in satisfying performance obligations. Based on discussions with our audit firm, it was determined to adopt the cost recovery method for Missions 1 to 3. Under the cost recovery method, an amount of revenue equal to costs is booked until the mission completion, then, the rest of revenue not yet recognized is recorded as one-time revenue at the time of mission completion. Therefore, regardless of the progress of the project, there is a possibility that revenue may differ from an initial forecast depending on the progress of development. The accounting method may change from Mission 4 and beyond.

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<sup>1</sup> <https://ispace-inc.com/news-en/?p=5130>