



**SKY AND SPACE GLOBAL LTD  
ACN 117 770 475**

**SUPPLEMENTARY PROSPECTUS**

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**IMPORTANT INFORMATION**

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 21 February 2019 (**Prospectus**), issued by Sky and Space Global Ltd (ACN 117 770 475) (**Company**).

This Supplementary Prospectus dated 16 April 2019 was lodged with the ASIC on that date. The ASIC and ASX, and their respective officers, take no responsibility for the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus copies of which can be downloaded from the website of the Company at [www.skyandspace.global](http://www.skyandspace.global).

The Company will send a copy of the Supplementary Prospectus to Applicants and subscribers under the Placement Options Offer, Director Placement Offer and Directors Options Offer who have applied for Shares and/or Options pursuant to the Prospectus prior to the date of this Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

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**1. REASON FOR SUPPLEMENTARY PROSPECTUS**

The purpose of this Supplementary Prospectus is to:

- (a) Provide applicants under the Priority Offer, Priority Options Offer, Placement Options Offer, Director Placement Offer, Directors Options Offer and the Tranche 2 Placement with an update on:
  - (i) the Company's activities, specifically in relation to contractual arrangements with GomSpace;
  - (ii) changes to the Board; and
  - (iii) the Underwriting Agreements between the Company and each of the Underwriters in relation to the Priority Offer.
- (b) Update the Use of Funds table set out in Section 5.1 of the Prospectus.

- (c) Update the pro-forma balance sheet set out in Section 5.3 of the Prospectus.
- (d) Update the capital structure set out in Section 5.4 of the Prospectus.
- (e) Update the risk factors set out in Section 7.3 of the Prospectus,
- (f) Offer withdrawal rights to applicants under the Priority Offer, Priority Options Offer, Placement Options Offer, Director Placement Offer, Directors Options Offer and the Tranche 2 Placement.
- (g) Confirm the revised timetable for the Offers and the Tranche 2 Placement.

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## 2. UPDATE ON COMPANY ACTIVITIES - GOMSPACE

As announced to ASX by the Company on 9 April 2019, the Company and GomSpace have conducted recent evaluation discussions regarding the provision and manufacturing by GomSpace of an additional constellation of nanosatellites.

In connection with these discussions, and in order to reflect changes to the existing project, the parties have also discussed changes to the existing Pearls nanosatellites manufacturing agreement (**Pearls Agreement**) and have signed a Heads of Agreement (**HoA**) covering some of the principle terms for the provision and manufacturing by GomSpace of an additional constellation of nanosatellites under a new agreement (**6U Agreement**) and some of the principle terms for changes to the existing Pearls Agreement entered into in 2017 (as amended).

The Company and GomSpace have agreed to finalise their negotiations on the new 6U Agreement and the Pearls Agreement within 30 days. Once the new 6U Agreement is signed with GomSpace, the Company will be able to address the increased demand to provide global Internet of Things (IoT) and Machine to Machine (M2M) services outside of the Equatorial region.

The new nanosatellites are intended to be launched into global coverage high inclination orbits, allowing full global coverage, providing the Company with the ability to:

- (a) enter into new markets (including Australia, Russia, China, South Africa, Argentina, Canada);
- (b) generate higher revenues with the added coverage capability; and
- (c) reduce risk by using space proven hardware and technology.

The Company plans to use assets already developed for its equatorial constellation (including proprietary software, concept of operations and network infrastructure) under the Pearls Agreement as part of the new 6U Agreement's global coverage constellation. The planned global coverage constellation provides the Company with additional launch opportunities which are already in negotiation. In addition, subsequent launches beyond the global coverage constellation are intended to remain as planned under the current Pearls Agreement.

Please refer to the ASX announcement entitled "Company Update" and dated 9 April 2019 for further information regarding the above, including a summary of the key terms of the HoA in relation to the 6U Agreement and principle terms for changes to the existing Pearls Agreement.

Should new definitive agreements not be finalised with Gomspace within 30 days (or such longer period as the parties may agree), it is likely that the Company will not be able to execute its operating strategy within the timeframe as currently planned unless a suitable alternate satellite manufacturer is engaged.

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### **3. UPDATE ON COMPANY ACTIVITIES - DIRECTOR RESIGNATIONS**

As announced to ASX by the Company on 9 April 2019, Michael Malone and Di Fulton have tendered their resignations from the Board. The Company has commenced a process to appoint two new Australian resident non-executive Directors to the Board.

Please refer to the ASX announcement entitled "Board Changes" and dated 9 April 2019 for further information regarding the above.

As at the date of this Supplementary Prospectus, the Company is not in compliance with the requirement that a public company must have at least two of its directors living in Australia. It is likely that the Company will not be reinstated to trading until such time as this matter is rectified.

Given the resignations of Michael Malone and Di Fulton, the issue of performance rights the subject of Resolutions 11 and 12 of the Company's Notice of General Meeting dated 1 March 2019, as approved by Shareholders on 8 April 2019 (**General Meeting**), will not be made.

The Board is of the view that the resignation of Mr Malone and Ms Fulton has no implications on its intended business plan for the launch of the first batch of operational satellites by early 2020 without further delays.

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### **4. TERMINATION OF UNDERWRITING AGREEMENTS IN RELATION TO THE PRIORITY OFFER**

The Underwriting Agreements between the Company and each of Taylor Collison Limited and Chieftain Securities Pty Ltd, pursuant to which Taylor Collison agreed to underwrite the Priority Offer up to \$2,800,000 and Chieftain Securities agreed to underwrite the Priority Offer up to \$200,000, have been terminated by each of Taylor Collison and Chieftain Securities.

The termination of the Underwriting Agreements has the following effects on the Priority Offer:

- (a) the Priority Offer is no longer underwritten;
- (b) the Priority Offer will proceed as set out in Section 4.1 of the Prospectus subject to the offer of withdrawal rights set out in section 9 and the revised indicative timetable set out in section 10;
- (c) Taylor Collison will continue to act as the Lead Manager to the Placement on the terms set out in their mandate summarised in Section 8.5 of the Prospectus;
- (d) Chieftain Securities' corporate advisory mandate with the Company remains in place on the terms set out in the mandate summarised in Section 8.5 of the Prospectus; and
- (e) there will be no minimum subscription under the Priority Offer.

## 5. USE OF FUNDS

Given the details set out in section 2 above, and the ability for Existing Applicants (as defined in section 7 below) to withdraw their applications, Section 5.1 of the Prospectus is amended as follows to reflect the proposed use of funds based on the \$7,815,107 raised under the Tranche 1 Placement:

Item	Proceeds of the Placement and Priority Offer	Allocation of Proceeds (\$)	%
1.	GomSpace payment <sup>1</sup>	3,200,000	40.95
2.	Other supplier payments (including GomSpace)	1,689,514	21.62
3.	General working capital <sup>2</sup>	2,396,942	30.67
4.	Expenses of the Placement	528,651	6.76
	<b>Total</b>	<b>\$7,815,107</b>	<b>100%</b>

### Notes

1. Payment made for CDR completed by GomSpace in 2018.
2. Consisting of general costs associated with the management and operation of the business, including administration expenses, salaries, relating to the design, construction and testing of the new 6U constellation, in-house software development, operation of the Group's nano-satellites and management of the Group, directors' fees, rent and other associated costs.

In the event the Company raises more than \$7,815,107, the additional funds raised will be first applied towards key supplier payments (including GomSpace), followed by other vendors payments, followed by general working capital purposes as set out in Note 2 above.

## 6. FINANCIAL EFFECT OF THE OFFERS

Given the details set out in sections 2 and 5 above, Section 5.3 of the Prospectus is deleted in its entirety and replaced with the pro-forma balance sheet set out below:

	UNAUDITED 31-DEC-18	PROFORMA 31-DEC-18
<b>CURRENT ASSETS</b>		
Cash <sup>1</sup> and cash equivalents	1,422,751	8,709,207
Other receivables	1,351,115	1,351,115
<b>TOTAL CURRENT ASSETS</b>	<b>2,773,866</b>	<b>10,060,322</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	17,347,116	17,347,116
Goodwill	7	7
Intangible assets	6,736,832	6,736,832
<b>TOTAL NON-CURRENT ASSETS</b>	<b>24,083,955</b>	<b>24,083,955</b>

	UNAUDITED 31-DEC-18	PROFORMA 31-DEC-18
<b>TOTAL ASSETS</b>	<b>26,857,821</b>	<b>34,144,277</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	7,017,946	7,017,946
Provisions	100,698	100,698
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,118,644</b>	<b>7,118,644</b>
<b>TOTAL LIABILITIES</b>	<b>7,118,644</b>	<b>7,118,644</b>
<b>NET ASSETS</b>	<b>19,739,177</b>	<b>27,025,633</b>
<b>EQUITY</b>		
Share capital <sup>1</sup>	51,693,960	58,980,416
Foreign currency translation reserve	175,512	175,512
Accumulated losses	(32,171,201)	(32,171,201)
<b>Equity attributable to equity holders of the parent</b>	<b>19,698,271</b>	<b>26,984,727</b>
Non-controlling interest	40,906	40,906
<b>TOTAL EQUITY</b>	<b>19,739,177</b>	<b>27,025,633</b>

**Note:**

<sup>1</sup> The proforma includes Tranche 1 Placement of 260,503,568 Shares issued at \$0.03 each net of capital raising cost. The potential impact of the exercise of the free-attaching Options, exercisable at \$0.05 each, has not been included in the proforma, the total of which would be \$13,025,178 if all Options were to be exercised.

## 7. EFFECT ON CAPITAL STRUCTURE

Given the withdrawal rights offered to applicants under sections 10 and 11, the capital structure set out in Section 5.4 of the Prospectus is supplemented with the following information:

In the event that all applicants under the Priority Offer, Priority Options Offer, Placement Options Offer (other than Tranche 1 Placement participants), Director Placement Offer, Directors Options Offer and the Tranche 2 Placement withdraw their applications, the capital structure of the Company will be as set out below.

## Shares

	Number
Shares on issue as at the date of the Prospectus	1,845,939,128
Shares Issued under the Tranche 1 Placement <sup>1</sup>	260,503,568
<b>Total Shares on completion of the Tranche 1 Placement</b>	<b>2,106,442,696</b>

## Options

	Number
Options on issue as at the date of this Supplementary Prospectus	Nil
Issued under the Placement Options Offer (Tranche 1 Placement only)	260,503,568
<b>Total Options on completion of Placement Options Offer for Tranche 1 Placement investors</b>	<b>260,503,568</b>

## Notes

1. Shareholder approval for the issue of all of the Options offered under the Prospectus was obtained at a general meeting held on 8 April 2019.

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## 8. EFFECT OF THIS SUPPLEMENTARY PROSPECTUS ON THE COMPANY'S ACTIVITIES

The Company currently has sufficient capital to fund its ongoing operations for approximately 2 months. If the Priority Offer and the Tranche 2 Placement are fully subscribed, the Company will be able to undertake its intended business plan for the launch of the first batch of operational satellites by early 2020 without further delays.

If the Priority Offer and the Tranche 2 Placement are subscribed to 90% or less, the Company will need to undertake a further capital raising, or seek alternative financing, in order to execute its current business plan without changes.

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## 9. RISK FACTORS

Given the details set out in section 2, Section 7.3 of the Prospectus is amended by inclusion of the following, additional risk factors:

(a) **Contract risk**

The Company makes reference to the disclosed in Section 2 of this Supplementary Prospectus.

Should new definitive agreements with GomSpace (as contemplated in section 2 of this Supplementary Prospectus) not be finalised within 30 days (or such longer period as the Company and GomSpace may agree), it is likely that the Company will not be able to execute its operating strategy within the timeframe as currently planned unless a suitable alternate satellite manufacture is engaged and additional funding secured.

(b) **Financing risk**

If the Tranche 2 Placement and Priority Offer are not fully subscribed (or, are not subscribed to at least 90%), the Company will need to undertake a further capital raising or seek alternative financing in order to undertake its intended business plan for the launch of the first batch of operational satellites by early 2020 without further delays.

If the Company is not successful in raising additional capital raising or securing alternative financing, the Company will not be able to execute its intended business plan within the current proposed timeframes. Currently, the Company incurs costs of approximately \$500,000 per month. As noted in section 8 above, the Company currently has sufficient capital to fund its ongoing operations for approximately 2 months. The Company will need to raise \$7,200,000 under the Tranche 2 Placement and Priority Offer (or via an additional capital raising or financing arrangement) in order for the financial viability of the Company to continue without further delays.

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**10. TRANCHE 2 PLACEMENT – RIGHT TO WITHDRAW APPLICATIONS**

Notwithstanding that the Tranche 2 Placement Shares were not offered under the Prospectus, the Company has formed the view that, in light of the changes set out in this Supplementary Prospectus, it is also appropriate to offer withdrawal rights to applicants under the Tranche 2 Placement.

Tranche 2 Placement applicants must advise the Company of their intention to withdraw their application by no later than **5:00pm (WST) on Thursday, 16 May 2019**.

The withdrawal rights extend to applications made by Tranche 2 Placement applicants under the Placement Options Offer.

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**11. WITHDRAWAL OF PREVIOUS APPLICATIONS**

In accordance with section 724(2) of the Corporations Act, if you applied for:

- (a) Shares under the Priority Offer or Director Placement Offer; or
- (b) Options under the Priority Options Offer, Placement Options Offer or Director Options Offer,

(any of the above, an **Existing Applicant**),

you may withdraw your application and be repaid your application monies, provided you give the Company written notice of your wish to do so before **5:00pm (WST) on Thursday, 16 May 2019**.

A Withdrawal Form will be posted by mail together with this Supplementary Prospectus to all applicants under the Priority Offer, Priority Options Offer, Placement Options Offer, Director Placement Offer and Director Options Offer to provide written notice of an election to withdraw an application. **Please follow the instructions on this Withdrawal Form to complete and return the form.**

Any repayments made by the Company pursuant to an Existing Applicant exercising their right to withdraw their application will be made in full without interest.

The details for the payment of the refund cheque and address to which it should be sent as set out in the written request must correspond to the details contained in on the Company's share register for that Existing Applicant.

**If you do not wish to withdraw your application, you do not need to take any action.**

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## 12. INDICATIVE TIMETABLE

Further to the Company's ASX announcement dated 13 March 2019, the Indicative Timetable in Section 3 of the Prospectus has been further amended as follows\*:

Closing Date	Friday, 15 March 2019
General Meeting of Shareholders (the issue of all of the Securities)	Monday, 8 April 2019
Date by which withdrawals of Applications must be received by the Share Registry	Thursday, 16 May 2019
Issue of Shares and Options the subject of the Offers and the Tranche 2 Placement	Monday, 20 May 2019**
Expected date of Official Quotation of Shares and Options the subject of the Offers and the Tranche 2 Placement	Tuesday, 21 May 2019**
Processing of refunds for withdrawn applications	Tuesday, 28 May 2019**

*\*The above dates are indicative only and may change without notice. The Directors reserve the right to vary these dates, without notice.*

*\*\* Indicative only, to be confirmed.*

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## 13. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.

[lodged electronically without signature]

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**Meir Moalem**  
**CEO & Managing Director**  
**For and on behalf of**  
**SKY AND SPACE GLOBAL LTD**