

SKY AND SPACE GLOBAL LTD
ACN 117 770 475

PROSPECTUS

For the offer of up to 1,000 Shares at an issue price of \$0.19 per Share to raise approximately \$190 (before expenses).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

TABLE OF CONTENTS

| | | |
|-----|--|----|
| 1. | CORPORATE DIRECTORY | 1 |
| 2. | TIMETABLE | 2 |
| 3. | IMPORTANT NOTES..... | 3 |
| 4. | DETAILS OF THE OFFER | 4 |
| 5. | PURPOSE AND EFFECT OF THE OFFER | 6 |
| 6. | RIGHTS AND LIABILITIES ATTACHING TO SHARES | 8 |
| 7. | RISK FACTORS | 10 |
| 8. | ADDITIONAL INFORMATION | 16 |
| 9. | DIRECTORS' CONSENT | 24 |
| 10. | DEFINITIONS | 25 |

1. CORPORATE DIRECTORY

Directors

Mr Meir Moalem
Managing Director

Mr Brett Mitchell
Executive Director

Mr Peter Wall
Non-Executive Chairman

Mrs Maya Glickman-Pariente
Non-Executive Director

Mr Yonatan Shrama
Non-Executive Director

Company Secretary

Mrs Rachel Kerr

Share Registry*

Boardroom Pty Limited
Grosvenor Place
Level 12
225 George Street
SYDNEY NSW 2000

Registered Office

Level 7, 1008 Hay Street
PERTH WA 6000

Telephone: +61 8 9389 2000
Facsimile: +61 8 9389 2099

Website: www.skyandspace.global
Email: info@sasglobal.com.au

Lawyers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Auditors*

Bentleys
Level 3
216 St Georges Terrace
PERTH WA 6000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. TIMETABLE

| | |
|---|-------------|
| Lodgement of Prospectus with the ASIC and ASX | 9 May 2017 |
| Opening Date of Offer | 9 May 2017 |
| Closing Date of Offer* | 10 May 2017 |

* The Directors reserve the right to extend the Closing Date at any time after the Opening Date without notice.

3. IMPORTANT NOTES

This Prospectus is dated 9 May 2017 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of the Prospectus is 13 months after the date the Prospectus was lodged with the ASIC. No Shares will be issued on the basis of this Prospectus after the expiry date.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk Factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

3.2 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

3.3 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information or representations not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

4. DETAILS OF THE OFFER

4.1 Summary of the Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 1,000 Shares at an issue price of \$0.19 per Share payable in full on application, to raise up to \$190.

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date.

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

4.2 Opening and Closing Date of the Offer

The Opening Date of the Offer will be 12:00pm AWST on 9 May 2017 and the Closing Date for the Offer will be 4:00pm AWST on 10 May 2017.

The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

4.3 Minimum Subscription

There is no minimum subscription in respect of the Offer.

4.4 Application for Shares

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.19 per Share.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company as follows:

| Delivery by hand | Delivery by post |
|---|---|
| Sky and Space Global Limited Level 7 1008 Hay Street Perth WA 6000 | Sky and Space Global Limited Level 7 1008 Hay Street Perth WA 6000 |

4.5 Underwriter

The Offer is not underwritten.

4.6 ASX Listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

4.7 Issue of Shares

The issue of Shares offered under the Offer will take place as soon as practicable after the Closing Date.

4.8 Restrictions on the Distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

4.9 Enquiries

Any questions concerning the Offer should be directed to Mrs Rachel Kerr, Company Secretary on +61 8 9389 2000.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

On 3 May 2017, the Company announced that it had received firm commitments for, and will issue, approximately 52,631,579 new Shares at \$0.19 per Share to raise \$10,000,000 before costs, pursuant to a placement to sophisticated and professional investors, (**Placement**).

Merchant Corporate Advisory Pty Ltd (**Merchant**) and Patersons Securities Limited (**Patersons**) have been appointed as Joint Lead Managers to the Placement. Patersons and Merchant will be paid a total fee of 6% of the total gross amount raised under the Placement for management and capital raising fees.

Under the Offer, an amount of approximately \$190 (before expenses) will be raised. All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

5.2 Effect of the Offer

The effect of the Offer and the Placement on the capital structure of the Company is set out below.

Shares

| | Number |
|--|----------------------|
| Shares currently on issue ¹ | 1,517,257,549 |
| Shares offered pursuant to the Offer | 1,000 |
| Number of Shares to be issued under the Placement | 52,631,579 |
| Total Shares on issue after completion of the Offer and the Placement | 1,569,890,128 |

Notes

1. Includes 980,000,000 Shares subject to escrow.

Performance Rights

| | Number |
|--|-------------------|
| Performance Rights on issue at date of Prospectus ¹ | 51,050,000 |
| Performance Rights offered pursuant to the Offer | Nil |
| Performance Rights on issue after completion of the Offer | 51,050,000 |

Notes

1. Consisting of 35,000,000 Performance Rights held by members of the Board, 4,050,000 Performance Rights held by employees of the Company and 12,000,000 Performance Rights held by Meidad Pariente.

Performance Shares

| | Number |
|--|--------------------|
| Performance Shares on issue at date of Prospectus | 100,000,000 |
| Performance Shares offered pursuant to the Offer | Nil |
| Performance Shares on issue after completion of the Offer | 100,000,000 |

Notes

1. Class C Performance Shares escrowed until 31/05/2018.

5.3 Financial Effect of the Offer

After paying for the expenses of the Offer of approximately \$12,000 there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$190) will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being receipt of funds of \$190 less expenses of the Offer of \$12,000.

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

6.1 General meetings and notices

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

6.2 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by an attorney; representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are 2 or more joint holders of a share and more than one of them is present at a meeting and tenders a vote in respect of the share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members.

6.3 Issues of further Shares

The Directors may, on behalf of the Company, issue, grant options over unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

6.4 Variation of Rights

Unless otherwise provided by the terms of issue of a class of shares and subject to the Corporations Act, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

6.5 Transfer of Shares

Subject to the Constitution, the Corporations Act and Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by any other method of transferring or dealing with Shares introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or ASX that is permitted by the Corporations Act.

The Directors may decline to register a transfer of Shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the Listing Rule. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASX Settlement Operating Rules.

6.6 Dividends

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.

Each share carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share (not credited) bears to the total amounts paid and payable (excluding amounts credited) in respect of such shares.

6.7 Dividend reinvestment and Share plans

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company).

6.8 Capitalisation of profits

Subject to the Listing Rules and any rights or restrictions attaching to any class of shares, the Company may capitalise profits. Members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

6.9 Winding-up

Subject to the rights of holders of shares with special rights in a winding-up and the Corporations Act, if the Company is wound up all monies and property that are to be distributed among Shareholders on a winding-up, shall be distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid-up on the Shares.

6.10 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

6.11 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 General

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific risks

(a) Technology risks

- (i) Nanosatellites: Although SAS develops and provides technical specifications, SAS does not plan to manufacture its own hardware. SAS will outsource nano-satellites manufacturing, while using Customer Off The Shelf (**COTS**) hardware to meet many technological needs as part of its business model. As such, SAS will depend on subcontractors meeting the demand and specifications for its nano-satellites, assuming the risk of a subcontractor not meeting the requirements.
- (ii) Software development: Major effort is dedicated to software management, specifically for satellite communication network management. Software development is always a risk for budget and schedule, both for development itself and also for debugging and proofing of software.
- (iii) Ground system procurement and integration: SAS's nano-satellites will be controlled by a ground control system, which is a strictly COTS product that will require integration and testing. Once SAS procures an appropriate COTS ground control system, it will select a suitable location to place it, this is yet unknown and will be determined prior to the launch. The placement of the ground control system may require approval of the relevant local authorities.
- (iv) Communication hardware and link budget: SAS plans to use COTS communication hardware, with performance meeting operational requirements according to analysis and specifications. Failure of hardware, or even reduced performance of hardware (according to specifications), may lead to degradation in system performance.
- (v) End-User Component: Using the SAS system will require an end-user component and interface between the customer device (such as a smartphone) and the SAS system. Such component may be an external antenna or router, or an add-on dongle. SAS plans to use existing COTS products with small modifications. Failure to find such an end user component will require development and possible additional funding.

(b) **Development and commercialisation of the SAS technology**

The success of the Company depends upon SAS's ability to develop and commercialise the SAS technology. A failure to successfully develop and commercialise the SAS technology could lead to a loss of opportunities and adversely impact on the Company's operating results and financial position. Any inability to access third party proprietary software, or flaws in any third party software used by SAS, could adversely affect SAS's ability to develop and commercialise the SAS technology.

There is a risk that the Company's current and any new technology launched and developed may be unprofitable because they are not supported by sufficient interest or otherwise not adequately marketed and fail to generate interest.

Alternatively, the launch of the Company's technology may be extremely successful which may result in a sharp increase in demand.

The prospects of the Company must be considered in the light of the risks, expenses and difficulties frequently encountered by companies in their early stage of commercialisation.

(c) **Competition**

(i) Pricing: The SAS business model and strategy is based on low pricing for market penetration. Competitors may select to use an aggressive pricing policy in order to defend their market share, even at the cost of a loss.

(ii) Wide band systems: There are several initiatives worldwide for development of a global wide band systems (Wi-Fi anywhere). SAS estimates these systems are not mature and require mass investments of resources, not yet invested, with a lead-time of 5-10 years as minimum. There is a risk of a global player investing significant funds and resources for building such a system.

(iii) Similar system: The hardware used in SAS's communications network is COTS. There is a possibility of competition trying to imitate the SAS concept.

(iv) Litigation affected by competition: While there is no current legal risk, it is possible for competitors to try and influence frequency allocation procedures with direct appeals to the International Telecommunication Union (ITU) or by using local (state level) influence. Such activity may delay SAS possibility to deploy an operational system.

(d) **Regulation Risks**

(i) ITU frequency allocation for operational system: ITU approval is required for using communication frequencies in fully operational system. SAS cannot guarantee ITU approval.

(ii) Satellites orbit regulation: Although currently there are no specific regulatory issues concerning nanosatellites in Low Earth Orbit (LEO), this is a matter of global policy and regulation. SAS cannot guarantee this will not change prior to system deployment, and if there will be additional regulation, how it will influence budget and schedule.

(iii) Export license and End-use/End-user regulations: The founders of SAS and key personnel are Israeli citizens and subjected to Israel regulation of export license control. SAS is a registered UK company and is subjected to the UK regulation of export license control. SAS cannot guarantee it will have no impact on schedule or budget.

(e) **Partnership Risks**

The SAS business model requires signing partnership/customer agreements with local satellite communication providers. SAS has started at an early stage negotiation with such SatCom providers. However, there are factors beyond SAS control (such as local economy, competitor's activity, sitcom provider considerations etc) that may delay or preclude these agreements.

(f) **Security Risks**

Global security issues may influence satellite communication market and industry. Investors should consider the implications on SAS and its possible success.

(g) **Launch failure**

SAS has secured a launch of its nano-satellites with a launch provider. Space launch is a risk and there is the possibility of a failure, causing major program delay and the need to rebuild, integrate and test the nanosatellites. SAS will use common practice methods to minimize this risk, including selection of launch contractor with high success rate, insurance etc.

(h) **Space environment**

(i) Space environment qualification: SAS nanosatellites hardware is qualified for space environment at some level, however not all components are Rad-Hard (radiation resistant) or fully redundant, as part of the business model and technological concept. There is the possibility of in-space failure due to space environment issues.

(ii) Space weather events: Extreme space weather events such as solar flares, solar eruptions, gamma ray bursts etc are a rare possibility. Although SAS hardware will be designed and tested to withstand nominal space environment conditions, SAS satellites (as most satellites currently in use) are not designed to withstand such an extreme event.

(i) **SAS's intellectual property – Development and Registration in UK**

SAS is developing intellectual property (IP) mainly for network algorithms, processing and network management, which it will take steps to protect with an IP registration strategy to the extent possible. Satellite orbit selection, optimisation (and combination) for equatorial coverage is unique and will be a significant and material competitive IP advantage against any future competitors.

(j) **Market risks**

Current market forecast is for an ongoing increase in demand for satellites communication bandwidth. Macro-economic factors such as a global economy crisis may change this estimate and market demand.

(k) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of SAS rests substantially on its senior management, key personnel and developers. There can be no assurance that there will be no detrimental impact on SAS if one or more of these employees cease their employment or if one or more of SAS's directors leaves its board.

(l) **Additional requirements for capital**

Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operations plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. Further additional financing will be required if the Board determines to accelerate the development of the SAS's technology and establishing a full Equatorial and then Global constellation of nano-satellites in the future.

The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of their activities and potential research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(m) **Regulatory risks**

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company's ability to operate in the future will depend in part on whether it is able to effectively commercialise its potential interests in products. This will depend on successful completion of product development activities, obtaining regulatory approval and on there being commercial demand for such products which cannot be guaranteed.

7.3 **General risks**

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential research and development programmes, as well as on their ability to fund those activities.

(b) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(c) **Insurance risks**

The Company intends to insure its operations and those of SAS (as required) in accordance with industry practice. However, in certain circumstances, such insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company effected.

(d) **Litigation risks**

The Company is exposed to possible litigation risks including, but not limited to, intellectual property and patent claims. Further, the Company or SAS may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company and SAS are not currently engaged in any litigation.

(e) **Dependence on outside parties**

The Company may pursue a strategy that forms strategic business relationships with other organisations in relation to potential products and services. There can be no assurance that the Company will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations or that any potential agreements with such organisations will be complied with.

(f) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology related stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

7.4 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

| Date | Description of Announcement |
|-------------|--|
| 09/05/2017 | SAS to Partner with WeFarm – Global Agri Data Sharing |
| 03/05/2017 | Placement for \$10m Closed Heavily Oversubscribed |
| 01/05/2017 | Trading Halt |
| 28/04/2017 | March Quarter Activity and Cashflow Report |
| 21/04/2017 | 3 Diamonds Successfully Integrated into Launch Pod |
| 12/04/2017 | Successful Testing of SAS Communications Systems |
| 06/04/2017 | 3 Diamonds Launch Date Confirmed May 2017 |
| 27/03/2017 | Appendix 3Y - Change of Director's Interest Notice |
| 27/03/2017 | Investor Presentation - March 2017 |
| 24/03/2017 | New Customers Secured for 3 Diamonds Nano-Sat Operations |
| 23/03/2017 | Cleansing Prospectus |
| 20/03/2017 | Results of General Meeting |
| 13/03/2017 | Agreement Signed with Major South American Telco Provider |
| 10/03/2017 | Appendix 3Y - Change of Director's Interest Notice x 3 |
| 10/03/2017 | Appendix 3B - Conversion of B Class Performance Shares |
| 09/03/2017 | Trading Halt |
| 01/03/2017 | SAS Selects GomSpace as Equatorial Constellation Constructor |
| 27/02/2017 | SAS Nano-satellites Designated as Ready for Launch |
| 24/02/2017 | Half Yearly Report and Accounts |
| 20/02/2017 | SAS to Partner with Developing World Smartphone Leader |
| 17/02/2017 | Issue of Performance Rights to Key Employees - Appendix 3B |
| 17/02/2017 | Notice of General Meeting/Proxy Form |
| 16/02/2017 | SAS signs Agreement with USA Department of Defense |
| 15/02/2017 | Trading Halt |
| 10/02/2017 | Appendix 3Y - Change of Director's Interest Notice x 3 |
| 03/02/2017 | Appendix 3B - Conversion of A Class Performance Shares |
| 31/01/2017 | December Quarter Activity and Cashflow Report |

| Date | Description of Announcement |
|------------|---|
| 24/01/2017 | Completion of Priority Offer - Issue of Shares |
| 12/01/2017 | New Customer Secured for 3 Diamonds Bandwidth |
| 22/12/2016 | Appendix 3Y - Change of Director's Interest Notice x 4 |
| 21/12/2016 | Second Supplementary Prospectus |
| 19/12/2016 | Appendix 3B - Issue of Performance Rights |
| 19/12/2016 | Priority Offer Closed - Underwriting Terminated |
| 13/12/2016 | 3 Diamonds Construction on Schedule for December Completion |
| 09/12/2016 | Supplementary Prospectus |
| 07/12/2016 | Company Update |
| 06/12/2016 | SAS Capital Raisings - Update to Shareholders |
| 05/12/2016 | Sky and Space Global New Video Launch |
| 02/12/2016 | Appendix 3B - Placement and Priority Offer |
| 02/12/2016 | Prospectus |
| 30/11/2016 | Results of Annual General Meeting |
| 30/11/2016 | Company Update - Progress to Early Q2 2017 Launch |
| 28/11/2016 | \$7m Capital Raising Significantly Oversubscribed |
| 24/11/2016 | Trading Halt |
| 07/11/2016 | SAS Receives Global Technology Innovation Award |
| 28/10/2016 | Notice of Annual General Meeting/Proxy Form |
| 28/10/2016 | September Quarter Activity and Cashflow Report |
| 27/10/2016 | Response to ASX Price Query |
| 27/10/2016 | Appendix 4G and Corporate Governance Statement |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.skyandspace.global.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

| | | |
|---------|---------|--|
| Highest | \$0.255 | 30 and 31 March and 3 and 4 April 2017 |
| Lowest | \$0.09 | 7, 8 and 9 February 2017 |
| Last | \$0.195 | 8 May 2017 |

8.4 Substantial Shareholders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

| Shareholder | Shares | % |
|------------------------------|-------------|--------|
| Meir Moalem | 276,333,333 | 18.21% |
| Meidad Pariente ¹ | 276,000,000 | 18.19% |
| Yonatan Shrama | 275,666,667 | 18.17% |

Notes

1. Mrs Glickman-Pariente (Non-Executive Director) has an indirect interest in these Shares pursuant to her husband, Meidad Pariente's, shareholding.

8.5 Interests of Directors

Security Holdings

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or the Offer. Directors' relevant interests in securities of the Company at the date of this Prospectus and remuneration information (including amounts paid in consulting fees) for the current and last two financial years is set out below:

| Director | Shares | Options | Performance Shares | Performance Rights |
|------------------------|---------------------------|---------|--------------------------|--------------------------|
| Meir Moalem | 276,333,333 ¹ | Nil | 30,000,000 ² | 12,666,667 ³ |
| Brett Mitchell | 14,500,000 ⁴ | Nil | Nil | 9,000,000 ⁵ |
| Peter Wall | 5,000,000 ⁶ | Nil | Nil | 2,000,000 ⁷ |
| Maya Glickman-Pariente | 276,000,000 ⁸ | Nil | 30,000,000 ⁹ | 12,000,000 ¹⁰ |
| Yonatan Shrama | 275,666,667 ¹¹ | Nil | 30,000,000 ¹² | 11,333,333 ¹³ |

Notes

1. Consisting of 270,000,000 Shares held by Mr Moalem and 6,333,333 Shares held by MultiModis M.M. Ltd. (IL), a company in which Mr Moalem is a Director and Shareholder.
2. Consisting of C Class Performance Shares.
3. Consisting of 12,666,667 Performance Rights held by MultiModis M.M. Ltd. (IL), a company in which Mr Moalem is a Director and Shareholder.

4. 10,000,000 Shares are held by Platypus Investments Limited, a company controlled by Mr Mitchell. 2,250,000 Shares are held by Brett and Michelle Mitchell <Mitchell Spring Family A/C> and 2,250,000 Shares are held by Brett and Michelle <Lefthanders Super Fund A/C> of which Mr Mitchell is a trustee of both entities.
5. Consisting of 4,500,000 Performance Rights held by Brett and Michelle Mitchell <Mitchell Spring Family A/C> and 4,500,000 Performance Rights held by Brett and Michelle <Lefthanders Super Fund A/C> of which Mr Mitchell is a trustee of both entities.
6. 5,000,000 Shares are held by Pheakes Pty Ltd, Mr Wall is a director, trustee and beneficiary of this entity.
7. 2,000,000 Performance Shares held by Pheakes Pty Ltd <Senate A/C>, a company controlled by Mr Wall.
8. Consisting of 270,000,000 Shares held by Meidad Pariente, Maya Glickman-Pariente's husband and 6,000,000 Shares held by Spacecialist Ltd, a company in which Meidad Pariente, Maya Glickman-Pariente's husband, is a Director and Shareholder.
9. Consisting of 30,000,000 C Class Performance Shares held by Meidad Pariente, Maya Glickman-Pariente's husband.
10. Consists of 12,000,000 Performance Rights held by Spacecialist Ltd, a company in which Meidad Pariente, Maya Glickman-Pariente's husband, is a Director and Shareholder.
11. Consists of 270,000,000 Shares held by Yonatan Shrama and 5,666,667 Shares held by Yonatan Shanan Limited a company in which Mr Shrama is a Director and Shareholder.
12. Consisting of 30,000,000 C Class Performance Shares.
13. 11,333,333 Performance Shares held by Yonatan Shanan Ltd a company in which Mr Shrama is a Director and Shareholder.

No Directors or any of their associates intend to participate in the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to both executive and non-executive Directors inclusive of superannuation for the past financial year and the proposed remuneration for financial year 2016.

| Director | Financial year ending 30 June 2016 | Proposed financial year ending 30 June 2017* | Revised financial year ending 30 June 2017** |
|-------------------------------------|------------------------------------|--|--|
| Meir Moalem ¹ | \$24,331 | \$320,908 | \$318,784 |
| Brett Mitchell ² | \$24,667 | \$180,000 | \$198,000 |
| Peter Wall ³ | \$17,000 | \$36,000 | \$42,000 |
| Maya Glickman-Pariente ⁴ | \$6,000 | \$212,799 | \$161,040 |
| Yonatan Shrama ⁵ | \$10,373 | \$201,548 | \$192,784 |

Notes

1. Mr Moalem was appointed on 12 May 2016. Mr Moalem receives fees pursuant to a Director Agreement with Sky and Space Global (UK) Ltd and a Consultancy Agreement with Sky and Space Global (UK) Ltd.
2. Mr Mitchell was appointed on 12 May 2016.
3. Mr Wall was appointed on 27 October 2015.
4. Ms Glickman-Pariente was appointed on 12 May 2016. Ms Glickman-Pariente also receives fees pursuant to a Consultancy Agreement with Sky and Space Global (UK) Ltd.

5. Mr Shrama was appointed on 12 May 2016. Mr Shrama also receives fees pursuant to a Director Agreement with Sky and Space Global (UK) Ltd and a Consultancy Agreement with Sky and Space Global (UK) Ltd.

*Where USD\$ values are in place, spot rate as at 29/11/16

** Changes were effected from 1 January 2017, where USD\$ values are in place, spot rate as at 15/03/17 applied.

8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer and associated due diligence process. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services.

8.7 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Estimated Expenses of Offer

The estimated expenses of the Offer are estimated to be approximately \$12,000 (excluding GST) and are expected to comprise legal fees, printing and other administrative expenses, including ASIC fees. The estimated expenses will be paid out of the Company's existing working capital.

8.9 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 9389 2000 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.skyandspace.global.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.10 Clearing House Electronic Sub-Register System ("CHESS") and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.11 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

8.12 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

9. **DIRECTORS' CONSENT**

This 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 in writing to the lodgement of this Prospectus with the ASIC.



Peter Wall
Non- Executive Chairman
For and on behalf of
SKY AND SPACE GLOBAL LIMITED

10. DEFINITIONS

Applicant means an investor that applies for Shares under the Offer using an Application Form pursuant to this Prospectus.

Application Form means the Application Form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the Listing Rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means closing date for receipt of an Application Form as set out in Section 2 (unless extended or closed early).

Company or **SAS** means Sky and Space Global Limited (ACN 117 770 475).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means directors of the Company at the date of this Prospectus.

Dollar or "**\$**" means Australian dollars.

Offer means the offer of Shares referred to in the "Details of the Offer" section of this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the opening date for receipt of an Application Form under this Prospectus as set out in Section 2.

Option means an option to acquire a Share.

Performance Rights means the performance rights that have been issued to Meir Moalem, Brett Mitchell, Peter Wall, Yonatan Shrama and Meidad Pariente and employees of the Company.

Performance Shares means the C Class Performance Shares currently on issue.

Prospectus means this Prospectus dated 9 May 2017.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Share Registry means Boardroom Pty Limited (ABN 14 003 209 836).