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**SKY AND SPACE GLOBAL LTD**

**ACN 117 770 475**

**NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 2.30PM (WST)

**DATE:** Monday 16 December 2019

**PLACE:** 1202 Hay Street  
West Perth WA 6005

*The business of the Meeting affects your shareholding and your vote is important.*

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00PM (WST) on 14 December 2019.*

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – PLACEMENT – SHARES AND OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 1,000,000,000 Shares at an issue price of \$0.005 per Share and up to 250,000,000 free-attaching Options, with an exercise price of \$0.015 per Option and an expiry date of 31 May 2021, on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**Dated: 8 November 2019**

**By order of the Board**



**Rachel Kerr**  
**Company Secretary**

#### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

#### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6556 2400.*

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution.

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### 1. BACKGROUND TO THE RESOLUTION

#### 1.1 Update on Company's capital raising activities

On 27 September 2019, the Company received Shareholder approval for the issue of up to 1,500,000,000 Shares at an issue price of \$0.01 per Share, together with one (1) free attaching option for every four (4) Shares subscribed for and issued in order to raise up to \$15,000,000.

The Company received strong demand to support the recapitalisation raising, however due to deteriorating market conditions and equity market sentiment in October 2019, the full \$15,000,000 placement (the subject of the 27 September 2019 general meeting) was not completed.

As such, the Board has resolved to reprice the proposed capital raising by undertaking the placement the subject of Resolution 1, along with a non-renounceable entitlement issue of 1 Share for every 1 Share held on the record date, with an issue price of \$0.005 per Share, together with 1 free-attaching Option for every 4 Shares subscribed for and issued (**Entitlement Issue**), in order to provide eligible Shareholders with the opportunity to participate in the capital raising on the same terms as the Placement. The Options will have an exercise price of \$0.015 and an expiry date of 31 May 2021 (the same as the placement the subject of Resolution 1). Subject to compliance with the ASX Listing Rules, the Company intends to apply for quotation of the Options.

Based on the Shares on issue as at the date of this Notice, the Entitlement Issue will raise up to \$10,875,071. The Company will undertake the Entitlement Issue by way of a prospectus and will announce further details of the Entitlement issue in due course.

Completion of the Placement and the Entitlement Issue will provide the Company in excess of \$15,000,000 to execute its business plan to launch and operate its first 8 commercial nano-satellites.

#### 1.2 Placement

The Company is seeking to raise up to \$5 million by way of a proposed placement of 1,000,000,000 Shares at an issue price of \$0.005 per Share, together with one (1) free attaching Option for every four (4) Shares subscribed for and issued (**Placement**). Completion of the Placement is subject to the Company first receiving Shareholder approval pursuant to Listing Rule 7.1.

The Company proposes to use the funds raised from the Placement the subject of Resolution 1 as follows:

Item	Proceeds of the Placement	Allocation of Proceeds (\$)	% of Proceeds
1.	Manufacture of Satellites	1,588,000	31.76
2.	Launch of Satellites	737,000	14.74
3.	Operational Costs	1,319,000	26.38
4.	Corporate and working capital costs	1,036,000	20.72
5.	Expenses of the Placement	320,000	6.40
	<b>Total</b>	<b>\$5,000,000</b>	<b>100%</b>

In addition to the Placement and the proposed Entitlement Issue, the Company expects further cash inflows from R&D claims and grants, Ground Terminals pre-payments and potential pre-sell of services to customers.

In addition, as a conservative estimate, no cash from grants or debt financing is included, although the US Debt financing is progressing and the Company has applied for grants in Poland, in the EU Horizon 2020 program and from the European Space Agency.

### 1.3 Lead Manager

Merchant Corporate Advisory Pty Ltd (ACN 617 902 646) (**Merchant**), a corporate authorised representative No. 1252806 of Draupner Investment Management Pty Ltd a licensed securities dealer (AFSL 303566) will manage the Placement and Entitlement Issue. The Company will pay Merchant a fee of 6% (exclusive of goods and services tax) on the amount raised under the Placement and Entitlement Issue.

### 1.4 Pro-forma capital structure

Following completion of the Placement (and the proposed Entitlement Issue) the capital structure of the Company will appear as follows:

#### Shares

	Number
Shares currently on issue	2,175,014,261
Shares to be offered pursuant to the Entitlement Issue	2,175,014,261
Shares to be issued pursuant to Placement (Resolution 1)	1,000,000,000
<b>Total Shares</b>	<b>5,350,028,522</b>

#### Options

	Number
Options currently on issue: Quoted, exercisable at \$0.05 on or before 21 May 2022	329,075,133
<b>New Options proposed to be issued<sup>1</sup></b>	
Options to be offered pursuant to the Entitlement Issue	543,753,565
Options to be issued pursuant to Placement (Resolution 1)	250,000,000
<b>Total Options</b>	<b>1,122,828,698</b>

#### Note:

1. With the terms and conditions set out in Schedule 1.

### 1.5 Capital raisings in 2019

To date, the Company has raised \$9,872,258 in capital in 2019.

This capital was raised by way of the following:

- (a) \$7,815,107 raised by the issue of Shares and free-attaching options pursuant to tranche 1 of the placement announced to ASX on 22 February 2019.
- (b) \$1,757,151 raised by the issue of Shares and free-attaching options pursuant to the priority offer made to Shareholders by a prospectus dated 21 February 2019 (**Priority Offer**).
- (c) \$300,000 raised by certain Directors participating in the Priority Offer (Shareholder approval for which was obtained at the general meeting held on 8 April 2019).

These funds have been expended as set out in the table below:

Item	Proceeds	Allocation of Proceeds (\$)
1.	Payment to GomSpace (satellites vendor)	3,293,315
2.	Payments to other suppliers and Vendors	2,232,702
3.	Expenses of the Placement and the Priority Offer	544,747
4.	General working capital	3,801,494
	<b>Total</b>	<b>\$9,872,258</b>

## 2. RESOLUTION 1 – PLACEMENT – SHARES AND OPTIONS

### 2.1 General

Resolution 1 seeks Shareholder approval for the issue of up to 1,000,000,000 Shares at an issue price of \$0.005 per Share and up to 250,000,000 free-attaching Options to raise up to \$5,000,000 under the Placement.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Company to issue the Shares and Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 1,000,000,000 and the maximum number of Options to be issued is 250,000,000;
- (b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (c) the issue price will be \$0.005 per Share and nil per Option as the Options will be issued free attaching to the Shares on a 1:4 basis;
- (d) the Shares and Options will be issued to sophisticated and professional investors. Merchant has been engaged as Lead Manager to the Placement and will attend to management of the Placement. None of these subscribers are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 1. Subject to compliance with the ASX Listing Rules, the Company intends to apply for quotation of the Options; and
- (g) the Company intends to use the funds raised from the Placement as set out in Section 1.2.

Assuming no Options are exercised or other Shares or Options issued and the maximum number of Shares as set out in Resolution 1 are issued, the number of Shares on issue would increase from 2,175,014,261 (being the number of Shares on issue as at the date of this Notice) to 3,175,014,261 and the shareholding of existing Shareholders would be diluted by 31.5%.

Further, in the event all the Options issued pursuant to the Placement were exercised the number of Shares on issue would increase to 3,718,767,826 and the shareholdings of existing Shareholders would be diluted by 41.52%.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

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

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**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.

**Chair** means the chair of the Meeting.

**Company** means Sky and Space Global Ltd (ACN 117 770 475).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share with the terms and conditions set out in Schedule 1.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.015 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 May 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.