

8th July 2019

Ms Belinda Chiu  
Senior Adviser, Listings Compliance (Sydney)  
Australian Securities Exchange

### **ASX off-market transaction query**

We refer to the letter from the ASX to Skyfii Limited (ASX: SKF) dated 3rd July 2019 regarding an off market transaction by Director, Mr Jon Adgemis. ASX letter attached below.

We respond to the questions raised by the ASX in the ASX letter as follows:

**1. Within which Closed Period did Mr Adgemis conduct the Off-market Transactions? If the Closed Period was an extension to an existing closed period or an additional period, please specify this period and provide the basis that the Board determined to extend/add a closed period.**

The transaction was conducted during a closed period whereby Directors are only able to transact Company's shares in the 6 week period after (a) the release to ASX of the half-yearly and annual results (b) the end of the AGM and (c) at any time the Company has a prospectus open, but only if they have no inside information and the trading is not for short term or speculative gain. All other periods are closed periods during which they may not trade unless permitted. During closed periods, Directors may only trade if they are personally satisfied that they are not in possession of inside information and with the approval of the Chair.

**2. Did Mr Adgemis comply with section 3.2 of the Trading Policy and notify the Company Secretary in writing of his intention to carry out the Off-market Transactions before entering into them? If not, why not?**

Yes

**3. Under the Trading Policy, please confirm if a Designated Person is permitted to trade during a Prohibited Period where an Exceptional Circumstance or Permitted Dealing does not apply.**

No

**4. Did Exceptional Circumstances (as outlined in section 4 of the Trading Policy) apply to Mr Adgemis at the time he directed his intention to dispose and acquire SKF shares?**

Yes, under clause 4.2(c) of the Trading Policy

**5. Who provided written clearance to Mr Adgemis? And on what basis was written clearance given to Mr Adgemis to trade during a Prohibited Period?**

The Chairman provided clearance on the basis that the Board determined that there was no material non-public price sensitive information in existence at the time, and that the Board considered it was in the best interests of the shareholders of Skyfii that Mr Adgemis acquire the shares held by Socialbon Inc as Socialbon had expressed a strong desire to dispose of their shareholding as soon as practicable, and the disposal could be achieved in an orderly fashion due to Mr Adgemis' willingness to take a long term view of the value and prospects of Skyfii.

**6. Please explain the circumstances in which Mr Adgemis disposed 12,500,000 fully paid ordinary shares for \$0.165 per share via the Off-market Transaction. Who was the counter-party to this off-market transaction?**

The counterparty was a Tiga Trading Pty Ltd a subsidiary of Thorney Technologies Limited (ASX:TEK) and a substantial shareholder. The transaction price was at market value at the time. This transaction was to assist Mr Adgemis to fund the acquisition of 24,810,050 shares at the higher price of \$0.20 see question 7.

**7. Please explain the circumstances in which Mr Adgemis acquired 24,840,050 fully paid ordinary shares at \$0.20 per share via an Off-market Transaction. Who was the counter-party of this off-market transaction?**

The counter-party was Socialbon Inc, represented by Mr Lincoln Brown also a Director of Skyfii. The two directors both equally informed parties entered into an agreement for Mr Adgemis to purchase Socialbon's shares at \$0.20. See response to Question 5 above.

**8. Why did Mr Adgemis conduct the Off-market Transaction to dispose his shares at a lower price (\$0.165) than the 24,840,050 shares acquired at the higher price of \$0.20?**

The disposal of the shares at the lower price of \$0.165 was to assist Mr Adgemis to fund the acquisition of shares from Socialbon Inc at the higher price of \$0.20.

**9. SKF made the Announcement on 12 June 2019, where written clearance was given to Mr Adgemis on 30 May and 5 June 2019. Did SKF consider whether Mr Adgemis could potentially have been in possession of inside information at any time from the date written clearance was given to Mr Adgemis and the date the Off-market Transactions were conducted (6 June 2019)?**

At the time of clearance Mr Adgemis was not in possession of any non-public price sensitive information. Furthermore, the parties to the transaction being Mr Adgemis, acting for himself and Socialbon Inc, represented by Mr Lincoln Brown also a Director of Skyfii who both were fully informed as to the current state and prospects of the business, the question of privileged information/insider trading did not exist. The Board determined there could be no reasonable grounds to question the trade and supported its continuance. The Board's view that there was no material non-public price sensitive information in existence at the time was endorsed by the fact that the Announcement (which was made to keep the market informed of developments in the business rather than as a result of an obligation under Listing Rule 3.1) did not have a material effect on the price of Skyfii securities, noting that the share price and trading volumes remained consistent with those both before and after the announcement, and the price movement of 6.67% on 12 June correlates with the normal course of trading of Skyfii shares in the months of May and June.

**10. Please confirm that the Entity's responses to the questions above have been authorised and approved by its Board.**

We confirm that SKF's responses to the ASX's questions above have been authorised and approved by its Board.

**Skyfii Limited**  
**Koreen White**  
Company Secretary



3 July 2019

Reference: ODIN03532

Ms Koreen White  
Finance Director  
Skyfii Limited  
Level 2, 100 William Street  
Woolloomooloo NSW 2011

By email: koreen.white@skyfii.com

Dear Ms White

**Skyfii Limited ('SKF'): ASX query**

ASX Limited ('ASX') refers to the following:

1. The announcement by SKF entitled "Change of Director's Interest Notice" lodged on the ASX Market Announcements Platform on 7 June 2019 (the '**Appendix 3Y**'). The announcement disclosed:
  - A. The off-market acquisition of 24,810,050 SKF shares on 6 June 2019 for a consideration of \$0.20 per share, and the off-market disposal of 12,500,000 SKF shares on 6 June 2019 (together, the '**Off-market Transactions**);
  - B. The Off-market Transactions were conducted during a closed period; and
  - C. Written clearance was provided to Mr Jon Adgemis on 30 May and 5 June 2019.
2. SKF's share trading policy which is available on SKF's website ('**Trading Policy**') and which states, among other things, the following:

**"1.2. Who does this policy apply to?"**

(b) parts 3 to 6 (trading policy) apply to all directors, officers and other key management personnel of the Company; and any other person designated by the board of directors (Board) from time to time (each, a Designated Person)...

**3.1. Closed and Prohibited Periods**

*Designated Persons **must not deal** in the Company's Securities during the following prohibited periods (except in accordance with this policy):*

(a) *the following closed periods:*

- (i) *from the day after the half year end (i.e. 1 January) to the close of trading on the business day after the Company's half yearly results are announced to ASX;*
- (ii) *from the day after the financial year end (i.e. 1 July) to the close of trading on the business day after the Company's annual results are announced to ASX;*
- (iii) *from 28 days before, to the close of trading on the business day after, the Company's annual general meeting; and*
- (iv) *from 28 days before a prospectus or similar disclosure document is lodged by the Company with ASX; and*

(b) any extension to a closed period, and any additional period, as specified by the Board,

Designated Persons may deal in the Company's Securities at other times subject to complying with insider trading prohibitions (see part 2 above) and the requirements of this policy.

### **3.2 Prior notification**

If a Designated Person proposes to deal in the Company's Securities (including entering into an agreement to deal) during a Prohibited Period they must first provide:

- (a) written notice of their intention to the Company Secretary (or another person, as notified to the relevant Designated Person) (Notification Officer); and
- (b) written confirmation that they are not in possession of Inside Information, in the form of the template in Appendix A part A. The relevant Notification Officer may appoint a delegate to act on his or her behalf in the case of temporary absence.

### **Exceptional circumstances**

4.1. A Designated Person may request, and the Notification Officer may give, prior confirmation for the Designated Person to

- (a) deal in the Company's Securities during a Prohibited Period; or
- (b) dispose of the Company's Securities even if otherwise prohibited under part 6,

if there are exceptional circumstances (except if this would breach the insider trading prohibitions - see part 2 above).

4.2. Exceptional circumstances may include:

- (a) severe financial hardship, for example, a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Company's Securities;
- (b) requirements under a court order or court enforceable undertakings or other legal or regulatory requirements; or
- (c) other exceptional circumstances as determined by the Chairman (or Chief Executive Officer where the Chairman is involved)."

ASX notes the following:

1. The announcement entitled "Skyfii signs 5 year contract with Sydney Cricket Ground" lodged on the ASX Market Announcements Platform on 12 June 2019 (the '**Announcement**'). The Announcement was released as market sensitive.
2. SKF's share price closed at \$0.16 on 12 June 2019 following the Announcement, an increase of 6.67% from the preceding trading day (SKF closed at \$0.15 on 11 June 2019).

Having regard to the above, and pursuant to Listing Rule 18.7, ASX asks SKF to respond separately to each of the following questions.

1. Within which Closed Period did Mr Adgemis conduct the Off-market Transactions? If the Closed Period was an extension to an existing closed period or an additional period, please specify this period and provide the basis that the Board determined to extend/add a closed period.
2. Did Mr Adgemis comply with section 3.2 of the Trading Policy and notify the Company Secretary in writing of his intention to carry out the Off-market Transactions before entering into them? If not, why not?

3. Under the Trading Policy, please confirm if a Designated Person is permitted to trade during a Prohibited Period where an Exceptional Circumstance or Permitted Dealing **does not** apply.
4. Did Exceptional Circumstances (as outlined in section 4 of the Trading Policy) apply to Mr Adgemis at the time he directed his intention to dispose and acquire SKF shares?
5. Who provided written clearance to Mr Adgemis? And on what basis was written clearance given to Mr Adgemis to trade during a Prohibited Period?
6. Please explain the circumstances in which Mr Adgemis disposed 12,500,000 fully paid ordinary shares for \$0.165 per share via the Off-market Transaction. Who was the counter-party to this off-market transaction?
7. Please explain the circumstances in which Mr Adgemis acquired 24,840,050 fully paid ordinary shares at \$0.20 per share via an Off-market Transaction. Who was the counter-party of this off-market transaction?
8. Why did Mr Adgemis conduct the Off-market Transaction to dispose his shares at a lower price (\$0.165) than the 24,840,050 shares acquired at the higher price of \$0.20?
9. SKF made the Announcement on 12 June 2019, where written clearance was given to Mr Adgemis on 30 May and 5 June 2019. Did SKF consider whether Mr Adgemis could potentially have been in possession of inside information at any time from the date written clearance was given to Mr Adgemis and the date the Off-market Transactions were conducted (6 June 2019)?
10. Please confirm that the Entity's responses to the questions above have been authorised and approved by its board.

Kind regards

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**Belinda Chiu**  
Senior Adviser, Listings Compliance (Sydney)