

ACTIVEPORT GROUP LTD
ACN 636 569 634
SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 13 August 2021 (**Prospectus**) issued by ActivePort Group Ltd (ACN 636 569 634) (**Company**).

This Supplementary Prospectus is dated 24 August 2021 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the 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 in hard copy or as an electronic copy and may be accessed on the Company's website at www.ActivePort.com.au.

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.

The Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor.

1. BACKGROUND

By this Supplementary Prospectus, the Company makes the amendments to the Prospectus as set out in Section 2. The amendments to the Prospectus outlined in Section 2 below should be read in conjunction with the Prospectus.

2. AMENDMENTS TO THE PROSPECTUS

2.1 Investment Overview

Section 3A – Company Overview (Who are the Directors and key management personnel involved in the Company?) of the Prospectus is amended to include the following:

"As noted in Sections 10.1 and 3(a) of Annexure B of the Prospectus, the Company notes that the majority of the Board are not independent directors."

2.2 Market Overview

Section 6.1 of the Prospectus is amended to delete the following:

“As can be seen in the table reproduced below (**Forecast: Enterprise Network Connectivity Growth Trends, Worldwide, 2018 to 2023 (Gartner, (Sept 2019))**), the primary areas of connectivity growth for telecommunications companies are SD-WAN and Cloud Connectivity:

Table 1. Enterprise Network Connectivity End-User Spending and CAGR by Service, 2018-2023 (Millions of U.S. Dollars)

	2018	2019	2020	2021	2022	2023	CAGR 2018-2023
Total Connectivity and Managed Services	146,909.3	144,461.9	145,031.6	144,969.7	145,280.5	145,225.9	-0.2%
Total Managed Services	14,311.2	14,569.7	14,976.3	15,345.5	15,742.4	15,827.5	2.0%
SD-WAN Managed Services	334.9	830.9	1,983.0	3,301.5	4,597.8	5,673.5	76.1%
Traditional Managed Services	13,976.3	13,738.7	12,993.3	12,044.0	11,144.6	10,154.0	-6.2%
Total Connectivity* Services	132,598.1	129,892.2	130,055.3	129,624.2	129,538.1	129,398.4	-0.5%
Internet	44,682.9	44,826.6	46,190.7	47,411.2	48,798.4	50,300.1	2.4%
Cloud Connect**	681.1	936.8	1,187.9	1,419.1	1,638.3	1,838.0	22.0%
Optical/Wavelength Services	6,526.6	6,665.8	6,911.9	7,092.6	7,238.5	7,371.0	2.5%
IP MPLS***	55,191.1	51,719.2	49,291.3	46,741.7	44,656.1	42,621.0	-5.0%
Ethernet WAN	13,163.6	13,950.9	15,045.2	15,981.2	16,712.5	17,262.8	5.6%
Point-to-Point (Excluding Optical Services)	12,352.8	11,792.9	11,428.3	10,978.4	10,494.3	10,005.5	-4.1%

Note: Numbers may not add to totals shown due to rounding.
 IP MPLS = Internet Protocol Multiprotocol Label Switching
 * Excludes managed service spend to avoid overlapping.
 ** Direct Ethernet and MPLS connections to cloud service providers are shown under cloud connect and not added to the numbers in IP MPLS and Ethernet WAN.
 *** Includes spend for a small portion of mobile data-only connections used in Wi-Fi cellular modems.

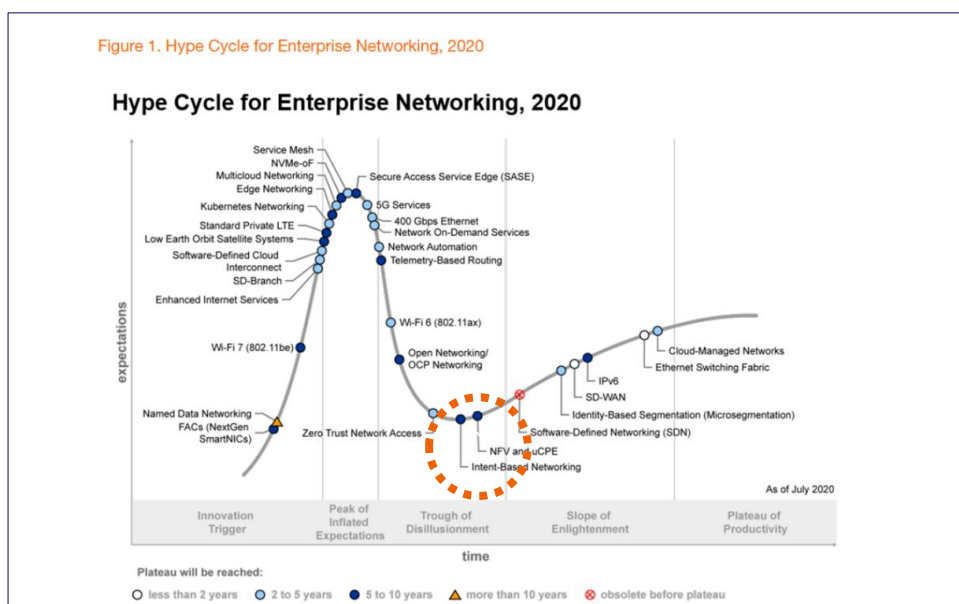
For the avoidance of doubt the Company retracts the deleted statement and advises that investors should not consider this when making a decision to invest in the Company.

2.3 Early Stage Market

- Section 6 of the Prospectus is amended to delete the heading for Section 6.2 “Early Stage Market” with the relevant Section references updated accordingly.
- Section 6.2 of the Prospectus “Early Stage Market” is amended to delete the following:

“As set out below, SD-WAN is coming out of an exploratory or “hype” stage and is at an early stage of general global deployment (**Gartner Hype Cycle for Enterprise Networking, July 2020**).

Figure 1. Hype Cycle for Enterprise Networking, 2020



For the avoidance of doubt the Company retracts the deleted statement and advises that investors should not consider this when making a decision to invest in the Company.

2.4 Background

Section 7.1 is amended to delete the 1st paragraph and replace it with the following:

"ActivePort Pty Ltd began as a privately funded software development company in 2011 and set about building an orchestration system for data networks. In 2019, ActivePort Group Ltd was incorporated and in early 2021 ActivePort Pty Ltd was acquired, after which the ActivePort team took steps to commercialise the product by undertaking a series of capital raisings and acquisitions to prepare for public listing on the ASX.

ActivePort Group was formed to consolidate a group of companies that could sell, deliver and support ActivePort software and raised seed capital of \$750,000. It initially agreed to acquire Vizstone Pty Ltd and ActivePort Pty Ltd subject to IPO and later formed a similar agreement with Starboard IT Pty Ltd. ActivePort Group set about selling ActivePort Software to larger corporates. It was successful in selling the ActivePort software to Tasmanet in Tasmania and pursued a number of other opportunities in the telecommunications, mining, construction and engineering sectors. It formed a relationship with Radian Arc where it engineered and proved a hosting platform for Cloud Gaming that uses ActivePort Software at its core.

Following a successful pre-IPO capital raise, the ActivePort Pty Ltd acquisition was completed to consolidate the technical team, software and IP into ActivePort Group Ltd."

2.5 Corporate Structure

- (a) Section 7.9 is amended to include the following below the group structure diagram:

“Global Edge Network Limited (ACN 152 238 714) (**Global Edge**)

ActivePort has absorbed the Global Edge business and executed on a plan set forth by Global Edge Network Limited to deliver a network of SD-WAN aggregation points that, using the ActivePort Orchestration software, allows customers to self-provision networks global SD-WAN networks. ActivePort has deployed the software and virtual servers required to deliver this service in 59 locations around the world and integrated them with PCCW Global (Australia) Pty Limited's network. ActivePort may choose to release this as a publicly available internet-based service under the Global Edge brand later in FY22 or FY23.”

- (b) Section 7.9(a) is amended to include the following after the 3rd paragraph:

“Vizstone specialises in supplying ICT services to the offshore energy market, managed services and technical resources and service desk networking capabilities and is looking to further their strength in this market in FY22 as well building up their ICT deliveries within the SMB market. Vizstone will focus their growth within Western Australian market and to grow, Vizstone is planning to add to its staffing and is conducting a number of marketing campaigns to increase their brand awareness. With Vizstone as part of the ActivePort group, we can leverage their resources to assist with the deployment of new ActivePort software instances, network connectivity and associated technical infrastructure.

Vizstone Pty Ltd provides ActivePort with technical resources and service desk capability on the West coast of Australia that the Group can leverage to assist with deployment of new ActivePort software instances, network connectivity and associated technical infrastructure. Vizstone will continue to operate as it does today but may expand its team in order to take on the additional work presented by new ActivePort customers.”

- (c) Section 7.9(b) is amended to include the following after the 3rd paragraph:

“Starboard specializes in supplying cloud-based services (Office365; AWS and Azure Hosting), Consulting Services (IT support, project services) and Managed IT services (Backup, disaster recovery, security and 24/7 system management) on the East Coast of Australia. With Starboard as part of the ActivePort group, we can leverage their resources to assist with the deployment of new ActivePort software instances, network connectivity and associated technical infrastructure.

Starboard IT Pty Ltd provides ActivePort with technical resources and service desk capability on the East coast of Australia that the Group can leverage to assist with deployment of new ActivePort software instances, network connectivity and associated technical infrastructure. Starboard will continue to operate as it does today but may expand its team in order to take on the additional work presented by new ActivePort customers.”

- (d) Section 7.9 is amended to include the following after the definition of the Acquisitions:

"The impacts of Covid-19 have provided both Vizstone and Starboard with opportunities to leverage their strengths in virtualisation and cloud technologies to their established clients as well as providing their services to new customers.

There are no existing agreements, common customers or operating relationships between the Global Edge, Vizstone and Starboard. Following acquisition, the founders and managers of the subsidiaries, Vizstone and Starboard, may choose to share resources to give each other coverage in their respective time-zones."

2.6 Radian Arc Referral Agreement

The note in Section 11.3(b) is amended to include the following at the end of the note:

"The process undertaken by the Company was as follows:

- (a) Comparable transactions – the structure of the services agreement with Radian Arc is similar in some respects with the referral agreements reached with PCCW and TTGI, although the Radian Arc agreement is for a fixed term of 3 years. The terms of the overall transaction are comparable with the Company also providing additional technical development services, for a fee.
- (b) Conflicts of interest – the Company was aware of the requirement to manage any potential conflicts of interest and Mr Peter Christie was specifically excluded from the commercial negotiations, which are managed on a weekly basis by the CEO, Mr Karim Nejaim. Mr Peter Christie is not invited and does not participate in those discussions.
- (c) Impact of the transaction – this contract is beneficial to the Company and enables the Company to extend its reach into the market of its SD-WAN and Orchestration software.
- (d) Other options available to the Company – in the limited time in preparation for the IPO the agreement reached with PCCW, TTGI and Radian Arc were considered appropriate at this stage of the Company's development but further opportunities are being explored.
- (e) Expert advice received – the Company has a strong, resourceful team with many years of experience in the IT and Telco markets. No third-party expert advice was required."

2.7 Miscellaneous

- (a) Section 5.8(k) is amended to read as follows:

"declared that the applicant(s) is/are a resident of Australia or New Zealand (except as applicable to the Institutional Offer);".

- (b) For the avoidance of doubt all references within the Prospectus to PCCW are to PCCW Global (Australia) Pty Limited.
- (c) The notes to the table of Performance Rights in Section 7.10.3 should be numbered 1, 2, 3 not (I), 3, 4.
- (d) The "Pro forma Contributed equity" table in Section 8.5(b) is amended to include note (d) as follows:

"Further details of the Lead Manager Mandate are set out in Section 11.1."

3. 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.



Mr Peter Christie
Executive Chairman
For and on behalf of ActivePort Group Ltd