

ACTIVEPORT GROUP LTD
ACN 636 569 634
THIRD SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is the third supplementary prospectus (**Third Supplementary Prospectus**) intended to be read with the prospectus dated 13 August 2021 (**Prospectus**), first supplementary prospectus dated 24 August 2021 (**First Supplementary Prospectus**) and second supplementary prospectus dated 3 September 2021 (**Second Supplementary Prospectus**) issued by ActivePort Group Ltd (ACN 636 569 634) (**Company**).

This Third Supplementary Prospectus is dated 14 September 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 Third Supplementary Prospectus.

This Third Supplementary Prospectus should be read together with the Prospectus, First Supplementary Prospectus and Second Supplementary Prospectus. Other than as set out below, all details in relation to the Prospectus, the First Supplementary Prospectus and Second Supplementary Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Third Supplementary Prospectus. If there is a conflict between the Prospectus, the First Supplementary, the Second Supplementary Prospectus and this Third Supplementary Prospectus, this Third Supplementary Prospectus will prevail.

This Third Supplementary Prospectus will be issued with the Prospectus, the First Supplementary Prospectus and the Second Supplementary 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 Third Supplementary Prospectus are not materially adverse from the point of view of an investor.

1. BACKGROUND

By this Third 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, the First Supplementary Prospectus and the Second Supplementary Prospectus.

2. AMENDMENTS TO THE PROSPECTUS

2.1 Additional Information regarding Performance Rights

New Section 12.4, as disclosed in the Second Supplementary Prospectus, is amended to also include the following after the final paragraph:

*"The following additional information is provided in respect of the Performance Rights proposed to be issued to Messrs Nejaim, Christie, Daly, Middleton, Molkenthin and Toby (together, the **Recipients**):*

- (a) *the number of Performance Rights to be issued to the Recipients is detailed in Section 7.10.3 (Performance Rights) and those Performance Rights have the terms and conditions set out in Section 12.4 (Performance Rights).*
- (b) *the Performance Rights are being issued to the Recipients as part of their respective remuneration packages, in order to link part of the remuneration payable to the Recipients to specific performance milestones (set out in Section 12.4 (Performance Rights)) and to align the goals of the Recipients with Shareholders. As such, the Performance Rights are not ordinary course of business remuneration securities.*
- (c) *As Directors, Messrs Christie, Daly and Nejaim will play key roles in establishing and executing the Company's growth strategy (as set out in Section 7.4), which is directly aligned with the performance milestones for the Performance Rights.*

In addition, as Directors, Messrs Christie, Daly and Nejaim will be responsible for (amongst other things):

- (i) *directing the operations of the Company, formulating the Company's strategic direction and providing recommendations of a strategic nature to Board members;*
- (ii) *reviewing, approving, implementing and monitoring the business plan and annual budget;*
- (iii) *contribution to the development of Board and organisational policies;*
- (iv) *ensuring compliance with legal and regulatory requirements;*
- (v) *monitoring risks facing the Company and its operations;*
- (vi) *identifying skills required by the Board and potential candidates; and*
- (vii) *seeking new opportunities that will fit into the Company's strategy and with the support of the Board, completing any transactions and integrating the new business or product into the Company's operations.*

As Chief Financial Officer, Mr Molkenthin will be responsible for (amongst other things):

- (i) *assisting with the success of the Public Offer and any other transactions which the Company enters into;*
- (ii) *ensuring the continued good financial management of the Company;*
- (iii) *acting as the Company's primary contact with the Company's auditor and financial advisors to ensure timely disclosure of all required financial reporting;*

- (iv) maintaining the Company's accounts and records in accordance with best practice guidelines; and
- (v) preparation of cash flow statements, management accounts, budgets and financial forecasts.

As Chief Technical Officer Mr Middleton will be responsible for (amongst other things):

- (i) coordinating the successful integration of Global Edge, Starboard and Vizstone into the Company's business and integrating any other businesses which the Company acquires or partners with;
- (ii) ensuring the continued development of the ActivePort Software and other products and services to provide to clients;
- (iii) preparation of growth strategies and cost benefit and return on investment analysis;
- (iv) identifying skills and personnel required to continue growing the Company and developing the Company's product and service offerings to clients and potential candidates.

As Company Secretary Mr Toby will be responsible for (amongst other things):

- (i) assisting with the success of the Public Offer and any other transactions which the Company enters into;
 - (ii) ensuring the continued good governance of the Company;
 - (iii) acting as the Company's primary contact for ASX and ASIC to ensure timely disclosure and resolution of any regulatory queries;
 - (iv) maintaining the Company's policies, procedures and corporate secretarial volumes in accordance with best practice guidelines; and
 - (v) preparation of the Board and Shareholder meeting notices and information packs.
- (d) details of the existing total remuneration package and security holdings of the Recipients are set out on pages 7 and 8 of the Prospectus.
- (e) The recipients of the Performance Rights hold the following Securities (excluding the Performance Rights) on a post share split (5:1) basis:
- (i) Mr Christie holds (either directly or indirectly) Shares comprising:
 - (A) 39,000,000 Shares issued on incorporation for \$0.000002 per Share;
 - (B) 250,000 Shares issued under a seed capital raising at \$0.10 per Share;

- (C) 353,250 Shares issued in lieu of accrued salary; and
 - (D) 3,965,010 Shares issued as consideration for the acquisition of Global Edge Network Limited
- (ii) Mr Daly holds (either directly or indirectly) Shares comprising:
 - (A) 609,375 Shares issued in lieu of accrued salary; and
 - (B) 1,233,285 Shares issued as consideration for the acquisition of Global Edge Network Limited.
- (iii) Mr Nejaim holds (either directly or indirectly) 906,563 Shares issued in lieu of accrued salary;
- (iv) Mr Molkenthin does not currently hold (either directly or indirectly) any Securities in the Company;
- (v) Mr Toby holds (either directly or indirectly) 187,500 Shares issued under a pre-IPO capital raising at \$0.16 per Share;
- (vi) Mr Middleton holds (either directly or indirectly) 17,942,880 Shares issued as consideration for the acquisition of ActivePort Pty Ltd;
- (f) the Company considers it necessary and appropriate to further remunerate and incentivise the Recipients to achieve the applicable performance milestones for the following reasons:
 - (i) the issue of Performance Rights to the Recipients will further align the interests of the Recipients with those of Shareholders;
 - (ii) the Performance Rights are unlisted therefore, the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;
 - (iii) the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Recipients; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed.
- (g) The number of Performance Rights to be issued to each of the Recipients was determined by the Board following arm's length negotiations with each of the Recipients, and having regard to:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;

- (ii) the number of securities proposed to be held by the Recipients;
- (iii) the remuneration of the Recipients; and
- (iv) incentives to attract and retain the service of the Recipients, who have the appropriate knowledge and expertise, while maintaining the Company's cash reserves.

In addition to the above, regard was also had to the principles and guidance articulated in ASX Guidance Note 19 with respect to the issue of performance linked securities.

- (h) The Board considers the number of Performance Rights to be appropriate and equitable for the following reasons:
 - (i) the Performance Rights are consistent with ASX's policy regarding the base requirements for performance securities, which are detailed in section 9 of ASX Guidance Note 19;
 - (ii) the number of Shares into which the Performance Rights will convert if the milestones are achieved is fixed (one for one) which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the milestones are achieved. The maximum number of Shares which may be issued if the Performance Rights are converted into Shares (following satisfaction of the milestones) is 23,727,400 Shares (refer to paragraph (vi) below for further detail regarding the dilutive effect);
 - (iii) there is an appropriate link between the milestones and the purposes for which the Performance Rights are being issued and the conversion milestones are clearly articulated by reference to objective criteria;
 - (iv) there is an appropriate link to the benefit of Shareholders and the Company at large through the achievement of the milestones, which have been constructed so that satisfaction of the milestones will be consistent with increases in the value of Company's business;
 - (v) the milestones for the Performance Rights are appropriately linked to the Company's growth (an increase in the Company's revenue, which as noted in the IER should correlate to an increase in Share price);
 - (vi) the Performance Rights which are proposed to be issued represent a small proportion of the Company's issued capital upon listing, representing approximately 9.04% in aggregate on an undiluted basis and 7.89% on a fully diluted basis (assuming the Maximum Subscription is raised under the Public Offer); and
 - (vii) the Independent Expert has concluded that the issue of the Performance Rights to the Recipients is **FAIR AND REASONABLE** to non-associated shareholders.

3. DIRECTORS' AUTHORISATION

This Third 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 Third Supplementary Prospectus with the ASIC.



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