



PROSPECTUS

For an offer of between 50,000,000 Shares and up to 75,000,000 shares at an issue price of \$0.20 per Share to raise between \$10,000,000 and up to \$15,000,000 (Offer).

ActivePort is Australian software used globally to connect customers to the Cloud.

ActivePort. Cloud connectivity made simple.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, you should consult your professional advisers without delay. The Securities offered under this Prospectus should be considered as speculative in nature. The Offer is conditional upon satisfaction of the Conditions, which are detailed further herein. No Shares will be issued pursuant to this Prospectus until those Conditions are met.

Lead Manager:



BRIDGE STREET
CAPITAL PARTNERS

IMPORTANT NOTICE

This Prospectus is dated 13 August 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered as highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not

be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Securities or the offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States of America.

US Securities law matters

This Prospectus may not be distributed to, or relied upon by, persons in the US. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the US Securities Act), and may not be offered or sold in the US or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) unless an exemption is available from the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

(a) it understands that the Securities have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;

(b) it is not in the US;

(c) it has not and will not send this Prospectus or any other material relating to the offer to any person in the US; and

(d) it will not offer or sell the Securities in the US or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Securities are offered and sold.

Each applicant under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

Electronic Prospectus

An electronic copy of this Prospectus can be downloaded from the website of the Company at www.ActivePort.com.au If you are accessing the electronic version of this Prospectus for the purpose of

making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an application form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on + 61 8 9278 2500 during office hours or by emailing the Company at investors@ActivePort.com.au

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.

Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Securities issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities. There are risks associated with an investment in the Company. The Securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Securities. Refer to Section D of the Investment

Overview as well as Section 9 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

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 the Company's management.

The Company cannot and does 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 has 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 the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 9.

Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all

listed companies, the Company will be 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 Shares. Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities 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 CHES and issuer sponsorship. Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. 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.

Images and Diagrams

Images used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have

the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 14.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an application form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including 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 share registry.

You can access, correct, and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance, and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (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 Securities, the Company may not be able to accept or process your application.

Use of Trademarks

This Prospectus includes the Company's registered and unregistered trademarks. All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary, Mr. Jack Toby on +61 417 962 396.

CORPORATE DIRECTORY

Directors

Peter Christie
Executive Chairman

Karim Nejaim
Executive Director

Christopher Daly
Non-Executive Director

Kathryn Soares
Proposed Director

Company Secretary

Jack Toby

Proposed ASX Code

ATV

Registered Office

Level 28, 140 St Georges Terrace
PERTH WA 6000

Telephone: + 61 8 9278 2500
Facsimile: +61 8 9278 2727

Email: investors@ActivePort.com.au
Website: www.ActivePort.com.au

Legal advisers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Telephone: + 61 8 9321 4000

Investigating Accountant

Nexia Perth Corporate Finance Pty Ltd
Level 3, 88 William Street
PERTH WA 6000

Telephone: + 61 8 9463 2463

Auditor*¹

Stantons International Audit & Consulting Pty Ltd
Level 2, 1 Walker Avenue
WEST PERTH WA 6005

Telephone: + 61 8 9481 3188

Nexia Perth Audit Services Pty Ltd
Level 3, 88 William Street
PERTH WA 6000

Telephone: + 61 8 9463 2463

Lead Manager

Bridge Street Capital Partners
Level 14, 234 George Street
SYDNEY NSW 2000

Telephone: + 61 2 9002 5414

Share Registry*

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
PERTH WA 6000

Telephone: 1 300 145 826 (within Australia);
+ 61 3 9415 4836 (outside Australia)

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

*¹Stantons is in the process of resigning as the Company's auditor and will be providing their resignation to ASIC. Once ASIC has approved Stanton's resignation it is anticipated that Nexia Perth Audit Services Pty Ltd will fill the casual vacancy and become the Company's Auditor.

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1. CHAIRMAN'S LETTER

Dear Investor

On behalf of the directors of ActivePort Group Ltd (**Company** or **ActivePort**), it is my pleasure to invite you to become a shareholder.

ActivePort has developed an innovative software product that is used to orchestrate data connections between the offices, factories, sites and branches at the Edge of enterprise networks to core computing services in the Cloud. Software defined wide-area networking (SD-WAN) is revolutionising data communications, making networks easier to connect and cheaper to operate and ActivePort is proud to be at the forefront of this revolution.

ActivePort began a journey to commercialise its technology in 2019 and has achieved some major milestones in the past two years including delivery to its first local and international telecommunications carrier customers, integration with API's offered by a number of major data network operators and partnerships with some significant industry operators that are in-turn introducing ActivePort to their customers globally. In 2021, ActivePort deployed its own network of SD-WAN aggregator nodes. These nodes are deployed in strategic locations to provide our customers with local SD-WAN access from almost anywhere in the world. Once connected, customers can use the ActivePort portal to route data across our carrier partners' networks and inject Cloud services from the nearest point of presence.

ActivePort generates revenue by licensing its software on a per-connection basis, selling data transit capacity on its SD-WAN aggregator network, and providing managed services to assist customers in operating their networks. ActivePort is network independent and device agnostic allowing our customers to create global networks from a blend of services and technologies. This flexibility sets ActivePort apart in the SD-WAN market.

Our CTO, Mark Middleton with his team of skilled engineers, created a world-class software product for network orchestration. The quality and capability of Mark's software has enabled us to attract a team of highly talented individuals to help take the product forward. In particular, we were fortunate to have Karim Nejaim come on board as our CEO in 2020, having previously been Executive President of Product Engineering for Telstra. Karim has taken on the challenging task of building a global business around ActivePort's technology and has made great strides in a short period of time to drive the company forward.

This Prospectus is seeking to raise a minimum of \$10M and a maximum of \$15M via the issue of Shares at an issue price of \$0.20 per Share under the Offer. The purpose of the Offer is to provide funds to implement the Company's business strategies. This Prospectus is issued for the purpose of supporting an application to list the Company on the ASX. This Prospectus contains detailed information about the Company, its business and the Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully. The Shares offered by this Prospectus should be considered highly speculative.

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours sincerely



Peter A. C. Christie
Chairman

2. CEO'S LETTER

Dear Investor

When I first saw ActivePort's software in 2020, I was amazed at what it could do. ActivePort is the right solution at the right time in a telecommunications industry experiencing significant change under the influence of an ever-improving internet and rapid industry migration to cloud computing. So, after over 20 years in the telecommunications industry I took on the role of Managing Director and Chief Executive Officer to build a team capable of delivering ActivePort's technology to the world.

In the short time since I first saw ActivePort in action, the team has grown from a handful of pioneers to over 20 amazing individuals working in Perth, Sydney, Melbourne and Auckland across the four businesses that make up the ActivePort Group. We've also begun to roll-out our technology with a number of new partners and customers from countries including South America, Hong Kong, USA, Singapore, Australia and Canada. Still, we have a lot of work to do to grow the company in Australia and internationally. I am certain that the team I am building has the expertise, tenacity and enthusiasm to implement, sell and support ActivePort's products globally.

ActivePort has created more than just another software product. By combining world-leading SD-WAN technology with network orchestration software, our CTO Mark Middleton and his team have created a new way for our customers to take back control of their networks and migrate with ease to the emerging world of cloud-centric telecommunications.

In plain English, we simplify and automate the complicated task of building global networks, integrating with the cloud, and managing technology – all from one screen.

Our product is attractive to general enterprises, internet service providers and telecommunications companies alike, and is designed to enable easy use in almost any language and any country. As a former telco executive, I can testify that ActivePort fills a real gap in a fast-growing market.

But great technology doesn't sell itself. You need great people and that is why we put people first, always. I am striving to build an inclusive company culture where people thrive as individuals and as a team and where, together, we disrupt the telecommunications market with a technology that makes things simpler and better.

We believe we are early to market with one of the most advanced SD-WAN orchestration software solutions but my personal motto has always been that a product isn't great until a customer says it is. As we begin to roll-out to new customers across the world, we must make sure that they learn to use our technology effectively and experience success. If we can do that well, we can earn their trust, retain their business, and generate great results for our shareholders.

I am excited to be here and invite you on this journey with us as we execute on our mission to "connect the world and make it simple". After all, that is why technology exists in the first place – to change things for the better.

Your sincerely



Karim Nejaim
CEO and MD

3. KEY OFFER INFORMATION

INDICATIVE TIMETABLE¹

Lodgement of Prospectus with the ASIC	13th August 2021
Exposure Period begins	16th August 2021
Opening Date	23rd August 2021
Closing Date ²	6th September 2021
Issue of Shares under the Offer	20th September 2021
Despatch of holding statements	20th September 2021
Expected date for quotation on ASX	27th September 2021

Notes:

1. The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are Australian Western Standard Time. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.
2. If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.

KEY STATISTICS OF THE OFFER

	Minimum Subscription \$10 million ¹	Maximum Subscription \$15 million ²
Offer Price per Share	\$0.20	\$0.20
Shares currently on issue	154,364,993	154,364,993
Options currently on issue	3,150,000	3,150,000
Shares to be issued under the Offer ^{1,2}	50,000,000	75,000,000
Gross Proceeds of the Offer	\$10,000,000	\$15,000,000
Shares to be issued pursuant to the Acquisitions ³	33,125,000	33,125,000
Lead Manager Options to be issued on completion of the Offer ⁴	8,176,230	11,289,700
Performance Rights to be issued to Senior Executives and Directors ⁵	23,727,400	23,727,400
Shares on issue Post-Listing (undiluted)⁶	237,489,993¹	262,489,993²
Market Capitalisation Post-Listing (undiluted)⁷	\$47,497,999	\$52,497,999
Shares on issue Post-Listing (fully diluted)⁶	272,543,623	300,657,093
Market Capitalisation Post-Listing (fully diluted)⁷	\$54,508,725	\$60,131,419

Notes:

1. Assuming the Minimum Subscription of \$10,000,000 is achieved under the Offer.
2. Assuming the Maximum Subscription of \$15,000,000 is achieved under the Offer.

- For personal use only
3. Initial consideration Shares to be issued pursuant to the Acquisitions. Additional Shares may be issued in consideration for the Acquisitions, based on the performance milestones outlined in Section 11.2. The exact number of further Shares to be issued is not able to be determined as at the date of this Prospectus and any additional Shares to be issued would be subject to the Company obtaining shareholder and ASX approval, as required. Please see Section 11.2 for further details.
 4. Refer to Section 12 for the terms of the Shares and Options.
 5. Refer to Section 12 for the terms of these Performance Rights.
 6. Certain Securities on issue post-listing will be subject to ASX imposed escrow. Refer to Section 7.12 for further information regarding the anticipated escrow position.
 7. Assuming a Share price of \$0.20, however the Company notes that the Shares may trade above or below this price.

4. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company Overview		
Who is the issuer of this Prospectus?	ActivePort Group Ltd (ACN 636 569 634) (Company or ActivePort).	Section 7.1
Who is the Company?	<p>The Company is an Australian unlisted public company, incorporated on 2 October 2019.</p> <p>Since incorporation, the Company has acquired the shares and technology of ActivePort Pty Ltd and set about commercialising the ActivePort product suite.</p> <p>ActivePort's core asset, its software, is used to orchestrate network connectivity from a customer premise (Edge) to compute and data services in the Cloud. A connection made using ActivePort software to a network or to a Cloud service is called a "Port" and the Company charges a licence fee for use of its software on a per-port, per-month basis.</p> <p>ActivePort has built and deployed a set of network access points into datacentres at strategic locations around the world. Customers use these points of presence (PoPs) to make software defined wide area network (SD-WAN) connections from their premises into third-party carrier networks for global data transit and Cloud connectivity. ActivePort sells access to these PoPs on a "per dollars per gigabit per second basis".</p> <p>ActivePort has conditionally agreed to acquire two information technology service providers to accelerate its growth and provide a core resource base to support on-boarding of new customers.</p> <p>The team at ActivePort will continue to expand on these three fronts by licensing its software, selling access to its SD-WAN access points and growing its resource base globally to assist with delivery and support.</p>	Section 7.1
Who are the Directors and key management personnel involved in the Company?	<p>The Board consists of:</p> <p>Peter Christie – Executive Chairman</p> <p>Peter is an IT industry expert with over 30 years of experience across the "full stack" of information technology from enterprise application software down through middleware, servers, operating systems, networks, and data centres. Peter has deep expertise across all aspects of the IT industry including software development, global network management and enterprise systems implementation.</p>	Sections 10.1 and 10.2

Karim Nejaim – Executive Director and Chief Executive Officer

Karim has spent the last 25 years in telecommunications, most recently Telstra, where he was Executive Director - Product Engineering until June 2020. Previously, Karim held positions of Director Global Enterprise Product Engineering and Director Network Services and Facilities. Prior to Telstra, Karim held several senior executive roles at Optus and the broader SingTel group, in particular Group Vice President, IP Core Engineering, Vice President, Converged Services Engineering and Head of Strategy and Planning for the Networks Division.

Chris Daly – Non-Executive Director

Chris has 30 years of management and supervisory experience in businesses operating in the contracting, fabrication, sales, equipment rental and construction sectors. Chris has extensive experience in managing businesses with a keen focus on financial management, job costing, business processes and safety and standards accreditation. Chris was previously owner of a multifaceted mining services provider, DSA that was sold to ASX-listed REL in 2011.

Kathryn Soares – Proposed Director

Kathryn is an information technology business owner and manager with 30 years of experience in delivering ICT solutions across multiple industry sectors.

Kathryn started her career with Platinum Technology in Chicago (later CA technologies) before moving to Sun Microsystems in Melbourne. Kathryn's various roles included technical delivery, pre-sales engineer, project management and later Pre-Sales Manager. Kathryn then accepted a role within Siemens as WA Branch Manager going on to work within the local ICT market.

In 2009, Kathryn established Vizstone, a Perth based ICT provider looking after the Energy Market.

Kathryn has a Masters in Digital Communications from Monash University and is a champion for Women in STEM.

The Key Management Personnel consists of:

Mark Middleton – Chief Technical Officer

The architect of the ActivePort Software and founder of ActivePort Group, Mark has a 34-year career as a technologist across software development, data centre infrastructure development, network engineering and wide area networks and software engineering. Mark established Rescue Technology and Acure which he sold to Amcom (now Vocus). Mark has a Bachelor's Degree in Electronic Engineering and Digital Communications from Monash University.

Robert Molkenthin – Chief Financial Officer

Robert brings over 25 years of corporate finance experience from senior CFO positions across

Item	Summary	Further information																												
	<p>Australia, Europe and the USA. He has extensive public company experience, including raising capital, completing IPO's and managing ASX compliance. His track record also includes building international businesses and operating within a globally distributed executive team. Robert holds a BA (Hons) Accountancy, CA Institute of Chartered Accountants in England and Wales.</p> <p>Steven Norris – Head of Global Sales</p> <p>Steven has a 26-year career in Sales, Marketing and Product Management in the IT&T sector. Steven worked at TPG Telecom for 14 years in several roles, most recently as Northern Region Manager, with prior roles as State Manager and Head of Business and Corporate. Previously, Steven was the Solution Sales Manager at Netcomm, the Business Unit Manager at Unitel, and ran product for the system Integration business unit at Commander.</p> <p>Steven brings experience of multi-channel sales with roles responsible for Direct, Wholesale and Dealer in the Systems Integration, Hardware Distribution and Telecommunications sectors.</p> <p>Simon Love - Global Head Infrastructure</p> <p>Simon began his career as a Transmission Engineer 28 years ago and has built a career in leadership roles including Vice-President Fixed and Satellite Services, General Manager Technology Strategy & Planning and Director of Transmission & Access Engineering for Optus. Simon joined ActivePort from his role as General Manager, Fixed Networks for Visionstream. Simon has a Bachelor of Applied Science, Physics from the University of Technology, Sydney.</p> <p>Jack Toby – Company Secretary</p> <p>Jack has extensive experience as Company Secretary and Chief Financial Officer of several listed public companies and major corporations over the last 30 years.</p> <p>Detailed profiles of each of the Directors are set out in Sections 10.1 and 10.2.</p>																													
What are the significant interests of Directors and key management personnel in the Company?	<table><tr><th>Holder</th><th>Shares</th><th>Performance Rights</th><th>Annual Salary</th></tr><tr><td>Peter Christie</td><td>43,568,260</td><td>3,061,600</td><td>240,000</td></tr><tr><td>Chris Daly</td><td>1,842,660</td><td>459,240</td><td>60,000</td></tr><tr><td>Karim Nejaim</td><td>906,563</td><td>10,715,600</td><td>350,000</td></tr><tr><td>Mark Middleton³</td><td>17,942,880</td><td>7,654,000</td><td>301,125</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td></tr></table>	Holder	Shares	Performance Rights	Annual Salary	Peter Christie	43,568,260	3,061,600	240,000	Chris Daly	1,842,660	459,240	60,000	Karim Nejaim	906,563	10,715,600	350,000	Mark Middleton ³	17,942,880	7,654,000	301,125									Section 10.3(a) and 10.3(b)
Holder	Shares	Performance Rights	Annual Salary																											
Peter Christie	43,568,260	3,061,600	240,000																											
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Item	Summary	Further information																
	<table><tr><th>Holder</th><th>Shares</th><th>Performance Rights</th><th>Annual Salary</th></tr><tr><td>Robert Molkenthin</td><td>-</td><td>1,530,800</td><td>288,000</td></tr><tr><td>Kathryn Soares</td><td>8,703,125</td><td>-</td><td>202,000</td></tr><tr><td>Jack Toby</td><td>187,500</td><td>306,160</td><td>60,000</td></tr></table> <p>Please refer to Sections 10.3(a) and 10.3(b) for further details.</p>	Holder	Shares	Performance Rights	Annual Salary	Robert Molkenthin	-	1,530,800	288,000	Kathryn Soares	8,703,125	-	202,000	Jack Toby	187,500	306,160	60,000	
Holder	Shares	Performance Rights	Annual Salary															
Robert Molkenthin	-	1,530,800	288,000															
Kathryn Soares	8,703,125	-	202,000															
Jack Toby	187,500	306,160	60,000															
What are the Company's key objectives post listing?	<p>The Company's key objectives on completion of the Offer are:</p> <p>(a) Build a business development team that is focused on selling new ActivePort orchestration software licences, selling access to the ActivePort network of SD-WAN aggregators and selling capacity on ActivePort Realms.</p> <p>(b) Continue to roll-out new ActivePort SD-WAN aggregation nodes and ActivePort Realms in strategic locations globally;</p> <p>(c) Acquire businesses that extend ActivePort's core sales, delivery and support capability in locations that are strategically aligned with new ActivePort customer deployments;</p> <p>(d) Continue to enhance ActivePort's software by developing new features and by acquiring software that can be integrated with ActivePort to extend its functionality.</p>	Section 7.4																
What are the key advantages of an investment in the Company?	<p>The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages:</p> <p>(a) subject to raising the Minimum Subscription, the Company will have sufficient funds to develop a sales team to sell ActivePort licences globally, and monetise the ActivePort network of SD-WAN aggregators and ActivePort Realms;</p> <p>(b) A public listing will provide ActivePort a "currency" in its ASX-traded shares that can be used to make accretive acquisitions of complimentary information technology services businesses, in locations where ActivePort has sold its core technology; and,</p> <p>(c) ActivePort will have funds to invest in additional R&D to further develop its core software products and integrate with additional global networks via their published APIs.</p>	Section 7.6																

Item	Summary	Further information
What are the significant interests of advisors to the Company?	<p>The Lead Manager, Bridge Street Capital Partners will, subject to the conditions of the Lead Manager Mandate receive:</p> <ul style="list-style-type: none"> (a) a lead management fee of 2% of all funds raised under the Offer; (b) a placement fee of 4% of all funds raised under the Offer; (c) a retainer of \$6,000 plus GST per quarter. (d) Lead Manager Options equivalent to 4.25% of the fully diluted issued capital of the Company post-IPO, exercisable at 100% of the Offer price on or before 30 September 2024 (capped at that number of Options valued at not more than 3.99% of funds raised using a Black & Scholes valuation with a 50% volatility rate). 	Section 5.4
What other allocations will be made under the Offer?	Nil	Section 7.10
What related party agreements are the Company party to?	Please refer to Section 11.	Section 11
B. Industry Overview		
What is the industry in which the Company will operate?	ActivePort is a software developer in the data network orchestration sector of the information technology industry.	Section 6
What products does the company offer its customers?	ActivePort sells licences to use its orchestration software and sells access to its network of SD-WAN aggregation nodes and Cloud Service Injection Realms.	Section 7
Who are the Company's target customers?	ActivePort sells to telecommunications companies (Telco), internet service providers (ISPs), information technology managed service providers (MSPs) and general enterprise.	Section 7
What are the Company's aims and objectives?	ActivePort aims to become a world-leader in the development and sales of data network orchestration and SD-WAN software.	Section 7
C. Business Model		
How does the Company generate revenue?	ActivePort sells licences to use its software and sells data usage capacity on its network or SD-WAN aggregation nodes and Cloud Service Injection Realms. For software licences, customers pay a base licence fee per month plus a per-connection fee per month and so the revenue per customer scales up with the number of connections being orchestrated with ActivePort's software. For network capacity, ActivePort charges per gigabit of data transferred per month between	Section 7.3

Item	Summary	Further information
	customers' networks and ActivePort's aggregators and realms.	
How does this differ from the Company's competitors.	ActivePort licencing and network access pricing models are similar to other providers in this market segment.	Section 7
What are the benefits of the Company's business model to its customers?	ActivePort provides SD-WAN aggregator nodes that integrate via application programming interfaces (APIs) of leading network operators to let customers orchestrate connections between their offices, branches, sites and the Cloud. Customers that use ActivePort's software and services have the opportunity to minimise the burden of migrating from old network technology to new and reduce the operating costs of their networks by adopting new technology orchestrated by ActivePort's software.	Section 7.3
How is the business marketed?	ActivePort sells direct to enterprise customers. It targets Telco providers, ISPs, information technology (IT) service providers and general enterprise. ActivePort is multi-lingual making it easy to deploy in all countries and in any language. The software is sold as a "white-label" solution meaning that customers resell it as their own branded solution.	Section 7.4
How will the Company expand its business globally?	ActivePort has already deployed 59 SD-WAN aggregators to data centres in strategic locations around the world. ActivePort is working closely with channel partners to promote its software to Telco companies and enterprise globally. ActivePort will acquire information technology service providers in locations where it has sold its software to provide local support and help expand the customer base in-region.	Section 7.4
What are the significant dependencies of the Company post-listing?	The key factors that the Company will depend on to meet its objectives are: (a) Regular sales of the ActivePort software to new customers; (b) Continual improvement of the software to maintain competitiveness; (c) Availability of third-party software components at a reasonable price to maintain cost competitive supply of our SD - WAN solution; (d) Availability of skilled software engineers to develop, maintain and support ActivePort's software products; (e) Technical support capacity to ensure customers have adequate resources to assist their end-users to adopt ActivePort products.	Section 7.7
What is the Company's growth strategy?	ActivePort's growth strategy is to expand its sales, support and delivery team across key geographic regions and languages to facilitate take-up of the ActivePort product globally.	Section 7.4

Item	Summary	Further information
What are the key advantages of an investment in the Company?	ActivePort owns an innovative software product that offers high gross margins in a global market that is technically consistent across all countries and customers. If successful, ActivePort licence revenue growth could prove highly scalable.	Section 7.6
D. Key Risks		
Limited History	ActivePort has a limited history and track record. Past growth rates may not be a reliable indication of future growth rates.	Section 9
Customer Relationships	The growth of ActivePort depends in part on increasing the number of its customers and retaining existing customers. ActivePort's ability to maintain levels of customer numbers, or to increase the number of customers, could result in ActivePort's revenue or margin declining or operating results being materially and adversely affected.	Section 9
Reputational Risk	Extended disruption to ActivePort's services within or beyond its control could cause customers to view ActivePort as an operational risk and this could adversely affect ActivePort's ability to retain existing customers or attract new ones.	Section 9
Supplier Relationships	ActivePort is dependent on ongoing relationships with key suppliers, including wholesale suppliers of data and voice networks, power suppliers, product vendors including software component developers and third-party data centre operators. Termination or failure to renew agreements with key suppliers could have a material adverse effect on ActivePort's price-points, operations and financial position.	Section 9
Competition risk	ActivePort provides software and services that are similar to those available from other suppliers. Competition from suppliers that offer an improved or cheaper service could negatively impact ActivePort's revenue and growth.	Section 9
Changes to Laws and Regulations	ActivePort is subject to local laws and regulations in each jurisdiction in which it provides its services. Changes in or extensions of laws and regulations affecting ActivePort's business could restrict or complicate ActivePort's operations. In conducting its operations, the Group is required to comply with a range of laws and regulations applicable to the telecommunications, consumer protection, privacy, competition, employment and workplace safety. A failure to comply with applicable laws and regulations could result in restrictions or fines being imposed on the Group, or legal proceedings being commenced against the Group.	Section 9
COVID-19 risks	The coronavirus disease (COVID-19) is impacting global economic markets. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental	Section 9.2

Item	Summary	Further information
	<p>or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The impact of COVID-19 on Australian business has also had an impact on sales of internet services in Australia. The small to medium business market segment has been adversely affected to a greater extent than other market segments, resulting in reduced new customer sales and higher customer cancellations than pre-COVID-19 averages in this segment. The decrease in customers in this segment has been offset to an extent by increased sales in wholesale and residential markets, however there is a risk that the ongoing impact of COVID-19 on customer demand in the small to medium business market (or in the market for internet services generally) could have an adverse impact on the performance of the Group.</p>	
Technology risks	A failure by ActivePort to adapt to technological changes could have an adverse effect on ActivePort's business, operating results and financial position. The telecommunications and communications industry continues to experience rapid technological change and development. ActivePort is at risk from major technological improvements in alternative services or on its ability to access and adapt to technological changes in a cost-effective manner.	Section 9
Technology Performance	Whilst ActivePort believes it is using proven technologies and has established systems to efficiently carry out its operations, the viability of its endeavours can be affected by force majeure circumstances, incompatibility of hardware or software with customer systems, market access constraints, cost overruns, the performance of associated parties or unforeseen claims and events.	Section 9
Hacking and Vandalism	ActivePort may be adversely affected by malicious third-party applications that interfere with or exploit potential security flaws in its software and infrastructure, which may result in a material adverse effect on ActivePort's reputation, operations and financial position.	Section 9
Catastrophic Loss	Computer viruses, fire and other natural disasters, break-in or other security problems, a failure of power supply, information systems, hardware, software or telecommunication systems or other catastrophic events could lead to interruption, delays or cessation in service to ActivePort's customers and subsequent adverse impact on ActivePort's revenue.	Section 9
Acquisitions	ActivePort's sales targets may be impacted if it is unable to find suitable businesses and acquire them on reasonable terms. Once acquired, businesses might perform worse than expected. As part of its growth strategy, ActivePort may make	Section 9

Item	Summary	Further information
	further acquisitions of complementary businesses or enter into strategic alliances with third parties. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, and retaining key staff.	
Growth	There is a risk that ActivePort may be unable to grow its business through acquisition of new customers or increasing revenue generated from existing customers. A lack of growth may cause future losses.	Section 9
International Expansion	ActivePort has and will continue to attempt to acquire customers in foreign jurisdictions. There is no guarantee that ActivePort will be able to retain or continue to grow its revenues in those jurisdictions. As ActivePort expands into existing or new jurisdictions, there are risks that these initiatives may result in additional operating complexities, new and unique regulatory requirements, unforeseen costs, failure to achieve expected revenue or to achieve the intended outcomes.	Section 9
Insurance	ActivePort will maintain adequate insurance coverage in line with industry practice, but there may be some losses against which it cannot be protected or claims that are refused. If ActivePort incurs uninsured losses or liabilities, its business may be materially, adversely affected.	Section 9
Requirement to raise additional funds	ActivePort may be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be un-satisfactory.	Section 9
Economic risks	ActivePort's performance will be dependent on the general conditions and outlook of the local and global economies. These economies may in turn be affected by levels of business spending, inflation, interest rates, exchange rates and access to debt and capital markets. A prolonged or significant downturn in general economic conditions may have a material adverse impact upon ActivePort's financial performance.	Section 9
Reliance on Key Management	ActivePort's success relies to a significant extent on its key technical experts, management and staff. There is a risk that ActivePort may not be able to find similarly skilled replacements should any of these individuals be unable to fulfill their roles.	Section 9
Other risks	For additional specific risks please refer to Section 9.2. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 9.3 and 9.4.	Sections 9.2, 9.3 and 9.4

Item	Summary	Further information																																																
F. Financial Information																																																		
How has the Company performed historically?	The reviewed historical Financial Information of the Company as at 31 December 2020 is set out in Section 8 and Annexure A	Section 8 and Annexure A																																																
What is the key Financial Information for the Company?	<table><tr><th>Minimum Subscription</th><th>Pro Forma Post IPO Dec HY21 (unaudited) Total \$000's</th><th>Pro Forma Post IPO Jun FY20 (unaudited) Total \$000's</th></tr><tr><td>Revenues</td><td>3,870</td><td>9,962</td></tr><tr><td>Gross Profit</td><td>2,557</td><td>5,275</td></tr><tr><td>Other income</td><td>471</td><td>535</td></tr><tr><td>OPEX</td><td>(4,293)</td><td>(7,229)</td></tr><tr><td>PBT</td><td>(1,265)</td><td>(1,419)</td></tr><tr><td>Tax</td><td>(113)</td><td>(2)</td></tr><tr><td>NPAT</td><td>(1,378)</td><td>(1,421)</td></tr><tr><td>Interest</td><td>68</td><td>159</td></tr><tr><td>Tax</td><td>113</td><td>2</td></tr><tr><td>Depreciation and amortisation</td><td>8</td><td>30</td></tr><tr><td>EBITDA</td><td>(1,189)</td><td>(1,230)</td></tr></table> <table><tr><th>Minimum Subscription</th><th>Pro Forma Post IPO Dec HY21 (unaudited) Total \$000's</th></tr><tr><td>Current Assets</td><td>10,590</td></tr><tr><td>Non-Current Assets</td><td>18,440</td></tr><tr><td>Current Liabilities</td><td>3,825</td></tr><tr><td>Non-Current Liabilities</td><td>1,770</td></tr><tr><td>Net Assets</td><td>23,435</td></tr></table>	Minimum Subscription	Pro Forma Post IPO Dec HY21 (unaudited) Total \$000's	Pro Forma Post IPO Jun FY20 (unaudited) Total \$000's	Revenues	3,870	9,962	Gross Profit	2,557	5,275	Other income	471	535	OPEX	(4,293)	(7,229)	PBT	(1,265)	(1,419)	Tax	(113)	(2)	NPAT	(1,378)	(1,421)	Interest	68	159	Tax	113	2	Depreciation and amortisation	8	30	EBITDA	(1,189)	(1,230)	Minimum Subscription	Pro Forma Post IPO Dec HY21 (unaudited) Total \$000's	Current Assets	10,590	Non-Current Assets	18,440	Current Liabilities	3,825	Non-Current Liabilities	1,770	Net Assets	23,435	Section 8 and Annexure Aza
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How will the Company fund its activities	The Company will fund its activities from the proceeds of this IPO and from sales of its products and services.	Section 8 and Annexure A																																																
G. Offer																																																		
What is being offered?	The Offer is an offer of at least 50,000,000 Shares and up to 75,000,000 Shares at an issue price of \$0.20 per Share to raise between \$10,000,000 and up to \$15,000,000 (before costs).	Section 5.1																																																

Item	Summary	Further information									
Is there a minimum subscription under the Offer?	The minimum amount to be raised under the Offer is \$10,000,000.	Section 5.2									
What are the purposes of the Offer?	<p>The purposes of the Offer are to:</p> <ul style="list-style-type: none"> (a) facilitate an application by the Company for admission to the Official List; (b) position the Company to seek to achieve the objectives stated at Section C of this Investment Overview Section; (c) conduct marketing and customer acquisition initiatives; (d) develop software, products and customer experience platforms; (e) enhance the Company's public profile; (f) provide Stakeholders with access to a liquid market for Shares; (g) provide the Company with access to equity capital markets for potential future capital raising; and (h) provide working capital for the Company. <p>The Board believes that on completion of the Offer, the Company will have sufficient working capital to achieve its objectives.</p>	Section 5.6									
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 5.9									
Who is the lead manager to the Offer?	The Company has appointed Bridge Street Capital Partners Pty Ltd (Lead Manager) as lead manager to the Offer.	Section 5.4									
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 5.12									
How do I apply for Shares under the Offer?	See Section 5.7 of the Prospectus for details of how to apply for Shares under the Offer.	Section 5.7									
What will the Company's capital structure look like on completion of the Offer?	<p>The Company's detailed capital structure on a post-Offer basis is set out in Section 7.10.</p> <table border="1"> <thead> <tr> <th>Capital Structure (post-Offer)</th><th>Minimum Subscription \$10million</th><th>Maximum Subscription \$15million</th></tr> </thead> <tbody> <tr> <td>Ordinary Shares</td><td>237,489,993</td><td>262,489,993</td></tr> <tr> <th>Capital Structure (post-Offer)</th><th>Minimum Subscription</th><th>Maximum Subscription</th></tr> </tbody> </table>	Capital Structure (post-Offer)	Minimum Subscription \$10million	Maximum Subscription \$15million	Ordinary Shares	237,489,993	262,489,993	Capital Structure (post-Offer)	Minimum Subscription	Maximum Subscription	Section 7.10
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Ordinary Shares	237,489,993	262,489,993									
Capital Structure (post-Offer)	Minimum Subscription	Maximum Subscription									

Item	Summary			Further information
		\$10million	\$15million	
	Performance Rights	23,727,400	23,727,400	
	Options	11,326,230	14,439,700	
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 12.2.			Sections 12.2
Will any Shares be subject to escrow?	<p>None of the Shares issued under the Offer will be subject to escrow.</p> <p>The Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX.</p> <p>The Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of admission to the Official List) will be at least 20% of all shares on issue.</p>			Section 7.12
Will the Shares be quoted?	<p>Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.</p> <p>The Options issued to the Lead Manager will not be quoted.</p>			Section 5.10
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section.			Section 3
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares).			Section 5.7
Are there any conditions to the Offer?	<p>No, other than raising the Minimum Subscription and ASX approval for quotation of the Shares, the Offer is unconditional (together, the Conditions).</p> <p>The Offer will only proceed if all Conditions are satisfied. Further details are set out in Section 5.5.</p>			Section 5.5

Item	Summary	Further information																											
H. Use of funds																													
How will the proceeds of the Offer be used?	<p>The Offer proceeds and the Company's existing cash reserves will be used for:</p> <table> <tr> <th>Use</th><th>Minimum Subscription \$10million</th><th>Maximum Subscription \$15million</th></tr> <tr> <td>Business Growth & Acquisitions</td><td>\$1,500,000</td><td>\$2,000,000</td></tr> <tr> <th>Use</th><th>Minimum Subscription \$10million</th><th>Maximum Subscription \$15million</th></tr> <tr> <td>Global Sales Team Development</td><td>\$2,750,000</td><td>\$5,750,000</td></tr> <tr> <td>Product Engineering & Technical Support</td><td>\$2,000,000</td><td>\$3,000,000</td></tr> <tr> <td>Capital Raise and Listing Costs</td><td>\$750,000</td><td>\$1,075,000</td></tr> <tr> <td>Administrative Costs</td><td>\$375,000</td><td>\$375,000</td></tr> <tr> <td>Working Capital</td><td>\$2,625,000</td><td>\$2,800,000</td></tr> <tr> <td>Total</td><td>\$10,000,000</td><td>\$15,000,000</td></tr> </table>	Use	Minimum Subscription \$10million	Maximum Subscription \$15million	Business Growth & Acquisitions	\$1,500,000	\$2,000,000	Use	Minimum Subscription \$10million	Maximum Subscription \$15million	Global Sales Team Development	\$2,750,000	\$5,750,000	Product Engineering & Technical Support	\$2,000,000	\$3,000,000	Capital Raise and Listing Costs	\$750,000	\$1,075,000	Administrative Costs	\$375,000	\$375,000	Working Capital	\$2,625,000	\$2,800,000	Total	\$10,000,000	\$15,000,000	Section 7.7
Use	Minimum Subscription \$10million	Maximum Subscription \$15million																											
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Administrative Costs	\$375,000	\$375,000																											
Working Capital	\$2,625,000	\$2,800,000																											
Total	\$10,000,000	\$15,000,000																											
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 7.7																											
I. Additional information																													
Is there any brokerage, commission, or duty payable by applicants?	No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer. However, the Company will pay to the Lead Manager 6% (ex GST) of the total amount raised under the Prospectus, comprising 2% Management Fee and 4% Placement Fee. The Lead Manager will also receive Options equal to 4.25% of the post-IPO diluted issued capital (i.e., includes all shares and options) of the Company exercisable on or before 30 September 2024 (capped at that number of Options valued at not more than 3.99% of funds raised using a Black & Scholes valuation with a 50% volatility rate).	Section 5.4																											
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful applicants. If the Offer does not proceed, application monies will be refunded (without interest).	Section 5.16																											
What are the tax implications of investing in Shares?	Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.	Section 5.15																											

Item	Summary	Further information
	<p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p> <p>A summary of the general tax implications of participating in the Offer for Australian resident investors is set out in Section 5.15.</p>	
What is the Company's Dividend Policy?	<p>The Company anticipates that significant expenditure will be incurred in the deployment of its core product, "ActivePort" and that this, together with the possible acquisition of additional complimentary businesses, rather than distributing these funds as dividends, is expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>	Section 7.13
What are the corporate governance principles and policies of the Company?	<p>To the extent applicable, in light of the Company's size and nature, the Company has adopted the <i>Corporate Governance Principles and Recommendations (4th Edition)</i> as published by ASX Corporate Governance Council (Recommendations).</p> <p>The Company's main corporate governance policies and practices and the Company's compliance and departures from the Recommendations as at the date of this Prospectus are outlined in Annexure B. In addition, the Company's full Corporate Governance Statement is available from the Company's website www.ActivePort.com.au</p>	Annexure B
Where can I find more information?	<p>(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser;</p> <p>(b) By contacting the Company Secretary, on + 61 8 9278 2500; or</p> <p>(c) By contacting the Share Registry on 1 300 145 826 (within Australia) or + 61 3 9415 4836 (outside Australia).</p>	

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

5. DETAILS OF THE OFFER

5.1 The Offer

The Offer is an initial public offering of between 50,000,000 and up to 75,000,000 Shares at an issue price of \$0.20 per Share to raise between \$10,000,000 (**Minimum Subscription**) and up to \$15,000,000 (**Maximum Subscription**).

The Shares issued under the Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 12.2.

5.2 Minimum subscription

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus, 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.

5.3 Oversubscriptions

No oversubscriptions above the Maximum Subscription will be accepted by the Company under the Offer.

5.4 Lead Manager

The Company has appointed Bridge Street Capital Partners Pty Ltd (ACN 164 702 005) (Corporate Authorised Representative of AFSL 456663) (**Lead Manager**) as lead manager to the Offer (**Lead Manager Mandate**). In consideration for its services, the Company has agreed to pay the following fees to the Lead Manager:

- (a) a lead management fee of 2% of all funds raised under the Offer;
- (b) a placement fee of 4% of all funds raised under the Offer; and
- (c) a retainer of \$6,000 plus GST per quarter commencing immediately after the IPO and ceasing upon the effective date of any termination of the Lead Manager Mandate. The Lead Manager Mandate has a 12 month term from its commencement in consideration for ongoing services to be provided to the Company, including corporate advice, promotional activities, reviewing the Company's presentations and announcements and investor and media relations.

The fees payable to the Lead Manager were negotiated on an arm's length basis.

The Lead Manager will also receive Options upon completion of the Offer. Further details of the Lead Manager Mandate are set out in Section 11.1.

5.5 Conditions of the Offer

The Offer is conditional upon the following events occurring:

- (a) the Minimum Subscription to the Offer being reached; and
- (b) ASX granting unconditional approval for the Company to be admitted to the Official List,

together the **Conditions**.

If these Conditions are not satisfied then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest.

5.6 Purpose of the Offer

The primary purposes of the Offer are to:

- (a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules;
- (b) provide the Company with additional funding for:
 - (i) position the Company to seek to achieve the objectives stated at Section C of this Investment Overview Section;
 - (ii) conduct marketing and customer acquisition initiatives;
 - (iii) develop software, products and customer experience platforms;
 - (iv) enhance the Company's public profile;
 - (v) provide Stakeholders with access to a liquid market for Shares;
 - (vi) provide the Company with access to equity capital markets for potential future capital raising; and
 - (vii) provide working capital for the Company.
- (c) broaden the Company's Shareholder base and provide a liquid market for its Shares.

The Board believes that on completion of the Offer, the Company will have sufficient working capital to achieve its objectives while it is implementing the above.

The Company intends on applying the funds raised under the Offer together with its existing cash reserves in the manner detailed in Section 7.8.

5.7 Structure of the Offer

The Offer is structured as follows:

- (a) the Institutional Offer, which consists of an invitation to certain institutional investors in Australia or New Zealand to apply for Shares (see Section 5.7.1);
- (b) the Public Offer, which is only open to eligible retail investors with a registered address in Australia or New Zealand (see Section 5.7.2); and
- (c) the Priority Offer, which is only open to select investors with a registered address in Australia or New Zealand who have received a personal invitation to participate in the Priority Offer (see Section 5.7.3).

The allocation of Shares within and between the Institutional Offer, the Public Offer and the Priority Offer will be determined by the Company, in consultation with the

Lead Manager, having regard to the allocation policies set out in Sections 5.7.1 to 5.7.3.

The Company in consultation with the Lead Manager reserves the right to close the Offer early, to accept late applications or extend the Offer without notifying any recipient of this Prospectus or any applicant.

5.7.1 Institutional Offer

Who can apply?

The Institutional Offer consists of an invitation to certain institutional investors in Australia or New Zealand to apply for Shares under this Prospectus. Application procedures for the Institutional Offer have been, or will be, advised to the institutional investors by the Lead Manager.

Shares acquired by institutional investors as part of the Institutional Offer will be allotted under this Prospectus.

Allocation policy under the Institutional Offer

The allocation of Shares under the Institutional Offer will be determined by the Company in consultation with the Lead Manager. Participants in the Institutional Offer have been, or will be, advised of their allocation of Shares, if any, by the Lead Manager.

The Company, in consultation with the Lead Manager, has absolute discretion regarding the basis of allocation of Shares among institutional investors and an application may be scaled back or rejected at the discretion of the Company. There is no assurance that any institutional investor will be allocated any Shares, or the number of Shares, for which it has applied for. The allocation policy will be influenced by a range of factors, including:

- (a) the number of Shares bid for by particular applicants;
- (b) the timeliness of the bid by particular applicants;
- (c) the Company's desire for an informed and active trading market following its listing on ASX;
- (d) the Company's desire to establish a wide spread of institutional Shareholders;
- (e) the overall level of demand under the Institutional Offer, the Public Offer and the Priority Offer;
- (f) the size and type of funds under management of particular applicants;
- (g) the likelihood that particular applicants will be long-term Shareholders; and
- (h) any other factors that the Company and the Lead Manager consider appropriate.

5.7.2 Public Offer

Who can apply?

The Public Offer is open to eligible retail investors who have a registered address in Australia or New Zealand. Investors who receive a firm allocation through a Broker will be treated as an applicant under the Public Offer in respect of that allocation.

Investors should contact their Broker to determine whether they may be offered a firm allocation.

How to apply

An original, completed and lodged application form together with payment for the application monies (for applications under the Offer), constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the application form. The application form does not need to be signed to be valid. If the application form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe amend or complete the application form is final. If your BPAY® payment for the application money is different to the amount specified in your application form, the Company may accept your application for the amount of application money provided.

Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and in multiples of \$500 worth of Shares (2,500 Shares) thereafter, payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Application Monies paid by BPAY® must be received by the Share Registry no later than **5:00pm (Perth Time) on 6 September 2021** and it is the Applicants responsibility that this occurs. You should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY®, and policies with respect to processing BPAY® transactions may vary between banks, credit unions or building societies.

The Company accepts no responsibility for any failure to receive application monies by BPAY® before the Offer Closing Date arising as a result of, among other things, processing of payments by financial institutions.

For more information, Applicants should refer to the Offer Website <https://activeportoffer.thereachagency.com/> or contact the ActivePort Offer Information Line on 1 300 145 826 (within Australia) and +61 3 9415 4836 (outside Australia) between 8:30am to 5:00pm (Melbourne Time) Monday to Friday (excluding public holidays).

The Company and the Lead Manager may, subject to the Corporations Act, elect to close the Offer (or any part of it) early or extend the Offer (or any part of it), or accept late applications either generally or in particular cases. Applicants are therefore encouraged to submit their applications as early as possible after the Opening Date.

By making an application, you declare that you were given access to this Prospectus, together with an application form. The Corporations Act prohibits any

person from passing an application form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Company, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your application.

Payment methods

If you are an applicant under the Public Offer, you can pay for Shares applied for online by BPAY® by following the instructions on the online application form. It is the responsibility of the applicant to ensure payments are received by the Closing Date. If you make a BPAY® payment, your bank, credit union or building society may impose a limit on the amount that you can transact on BPAY® and policies with respect to timing for processing BPAY® transactions may vary between bank, credit union or building society.

Applicants making an online payment must use the specific biller code and the unique customer reference number (CRN) generated by the online application.

Payments by cheque will not be accepted.

Payments must be made in Australian dollars. The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their application forms as early as possible. However, the Company reserves the right to extend the Offer or accept late applications.

Acceptance of Applications

An application under the Public Offer is an offer by the applicant to the Company to subscribe for Shares for all or any of the application amount specified in and accompanying the application form at the Offer Price. An application is made by an applicant on the terms and conditions set out in this Prospectus, including any supplementary or replacement prospectus, and the application form. To the extent permitted by law, an application by an applicant under the Offer is irrevocable.

Acceptance of an application will give rise to a binding contract on allocation of Shares to successful applicants.

The Company, in agreement with the Lead Manager, reserves the right to reject any application which is not correctly completed, or which is submitted by a person who they believe is ineligible to participate in the Public Offer, or to waive or correct any errors made by an applicant in completing their application.

The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

Application Monies

Application monies will be held on trust for applicants until the Shares are issued to successful applicants. Application monies will be fully or partially refunded where an application is rejected or accepted in part only or as otherwise set out in this Prospectus. No interest will be paid on refunded amounts.

Allocation policy under the Public Offer

The allocation of Shares under the Public Offer will be determined by the Company in consultation with the Lead Manager.

There is no assurance that any person will be allocated any Shares or the number of Shares for which they apply for under the Public Offer.

The Company reserves the right in its absolute discretion to not issue Shares to applicants under the Public Offer and may reject any application or allocate a lesser number of Shares than those applied for at its absolute discretion.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied or bid for.

5.7.3 Priority Offer

Who can apply?

The Priority Offer is open to selected investors in Australia or New Zealand nominated by the Company in its sole discretion. If you are an applicant under the Priority Offer, you should have received a personalised invitation to apply for Shares under the Priority Offer. Investors who receive a personalised invitation from the Company will be treated as an applicant under the Priority Offer in respect of that allocation.

How to apply

If you have received a personalised invitation to apply for Shares under the Priority Offer and you wish to apply for Shares, you should follow the instructions on your personalised invitation. This will include instructions on how to access the application form.

Applications for Shares under the Priority Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and in multiples of \$500 worth of Shares (2,500 Shares) thereafter, payment for the Shares must be made in full at the Offer Price (\$0.20 per Share). There is no maximum number or value of Shares that may be applied for under the Priority Offer. The Company reserves the right to scale back applicants under the Priority Offer in its absolute discretion. Any amount (greater than \$2.00) applied for in excess of the amount allocated to you will be refunded in full (without interest).

If the amount of your BPAY® payment for application monies (or the amount for which those BPAY® payments clear in time for allocation) is insufficient to pay for the number of Shares you have applied for in your application form, you may be taken to have applied for such lower amount as your cleared application monies will pay for (and to have specified that amount in your application form) or your application may be rejected.

If you are an applicant under the Priority Offer, you must pay for Shares applied for online by BPAY® by following the instructions on the online application form. It is the responsibility of the applicant to ensure payments are received by the Closing Date. If you make a BPAY® payment, your bank, credit union or building society may impose a limit on the amount that you can transact on BPAY® and policies with respect to timing for processing BPAY® transactions may vary between bank, credit union or building society.

Applicants making an online payment must use the specific biller code and the unique customer reference number (CRN) generated by the online application.

Application Monies paid by BPAY® must be received by the Share Registry no later than **5:00pm (Perth Time) on 6 September 2021** and it is the Applicants responsibility that this occurs. You should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY®, and policies with respect to processing BPAY® transactions may vary between banks, credit unions or building societies.

For more information, Applicants should refer to the Offer Website <https://activeportoffer.thereachagency.com/> or contact the ActivePort Offer Information Line on 1 300 145 826 (within Australia) and +61 3 9415 4836 (outside Australia) between 8:30am to 5:00pm (Melbourne Time) Monday to Friday (excluding public holidays).

The Company accepts no responsibility for any failure to receive application monies by BPAY® before the Offer Closing Date arising as a result of, among other things, processing of payments by financial institutions.

Applications under the Offer

Applicants must pay their Application Money by BPAY® in accordance with the instructions on the Online application form accompanying the electronic version of this Prospectus which is available via a link at the Offer Website <https://activeport.com.au/investors/> and follow the instructions on the online application form (which includes the Biller Code and your unique CRN). When completing your BPAY® payment please make sure to use the specific biller code and unique CRN on your application form. If you do not use the correct CRN your application will not be recognised as valid.

An original, completed and lodged application form together with payment for the application monies (for applications under the Offer), constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the application form. The application form does not need to be signed to be valid. If the application form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe amend or complete the application form is final. If your BPAY® payment for the application money is different to the amount specified in your application form, the Company may accept your application for the amount of application money provided.

Payments must be made in Australian dollars. The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their application forms as early as possible. However, the Company reserves the right to extend the Offer or accept late applications.

Allocation policy under the Priority Offer

Allocations under the Priority Offer will be at the absolute discretion of the Company.

5.8 Acknowledgements of Applicants

Each applicant under the Offer will be deemed to have:

- (a) agreed to become a member of the Company and to be bound by the Constitution and the terms and conditions of the Offer;
- (b) acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by the application form and having read them all in full;
- (c) declared that all details and statements in their application form are complete and accurate;
- (d) declared that the applicant(s), if a natural person, is/are over 18 years of age;
- (e) acknowledged that, once the Company or a Broker receives an application form, it may not be withdrawn;
- (f) applied for the number of Shares at the Australian dollar amount shown on the front of the application form;
- (g) agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus) or no Shares at all;
- (h) authorised the Company, the Lead Manager and their respective officers or agents, to do anything on behalf of the applicant(s) necessary for Shares to be allocated to the applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the application form;
- (i) acknowledged that the Company does not intend to pay dividends in the near term and that any dividends paid in the future may not be franked as set out in Section 7.12;
- (j) acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for applicant(s), given the investment objectives, financial situation and particular needs (including financial and taxation issues) of the applicant(s);
- (k) declared that the applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer);
- (l) acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- (m) acknowledged and agreed that if the admission of the Company to the Official List of ASX does not occur for any reason, the Offer will not proceed.

5.9 Underwriting

The Offer is not underwritten.

5.10 ASX listing

Application for Official Quotation by ASX of the Shares pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not grant Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, no Shares will be issued under the Offer and the Company 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 offered for subscription under this Prospectus.

5.11 Issue

Subject to the Minimum Subscription to the Offer being reached and ASX granting conditional approval for the Company to be admitted to the Official List (being, the Conditions set out in Section 5.8), issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. However, the Company will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors, in agreement with the Lead Manager, will determine the recipients of the Shares in their sole discretion in accordance with the allocation policies detailed in Sections 5.7.1 to 5.7.3.

Holding statements for Shares allocated to the Company's sponsored sub-register and confirmation of allocation for Clearing House Electronic Subregister System (CHES) holders will be mailed to applicants being allocated Shares under the Offer as soon as practicable after their issue.

5.12 Applicants outside Australia and New Zealand

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia or New Zealand. Applicants who are resident in countries other than Australia or New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia or New Zealand it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed application form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

5.13 New Zealand

The Public Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014. Refer to the Important Notices Section.

5.14 Commissions payable

The Company reserves the right to pay commissions of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commissions that the Lead Manager and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager pursuant to the Lead Manager Mandate.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

5.15 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all prospective applicants. As such, all prospective investors in the Company are urged to obtain independent taxation and financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

5.16 Discretion regarding the Offer

The Offer may be withdrawn at any time. If the Offer, or any part of it, does not proceed, all relevant application monies will be refunded (without interest) in accordance with applicable laws.

The Company and the Lead Manager also reserve the right to close the Offer (or any part of it) early, extend the Offer (or any part of it), accept late applications or bids either generally or, in particular cases, reject any application or bid, or allocate to any applicant or bidder fewer Shares than applied or bid for.

6. INDUSTRY OVERVIEW

6.1 Market Overview

ActivePort provides a customer-facing network orchestration solution with innovative Cloud Service Injection features that simplifies building, securing and managing complex Cloud-centric networks on a global scale. ActivePort sells its software to telecommunications carriers (**Telcos**), internet service providers (**ISPs**) and enterprise customers generally.

ActivePort software can orchestrate older data communications technology including Multi-protocol Label Switching (**MPLS**) and Point-to-Point Ethernet and blend it with the latest software defined wide area network (**SD-WAN**) technology and Cloud services to provide comprehensive enterprise solutions.

ActivePort participates in the enterprise networking sector of the Telecommunications industry.

Gartner's 2020 Roadmap for Enterprise Networking (October 2020) sets out that: "By 2025, 50% of all organizations will use cloud-based network management platforms as the primary method for configuring and supporting their networks, up from less than 15% today"; and that:

"Managed Software Defined-Wide Area Networking (SD-WAN) is growing at 76% CAGR, and DIY deployments are growing at 23.4% CAGR".

ActivePort's software is designed to facilitate the transition from legacy connectivity systems to new technologies including SD-WAN and Cloud solutions. 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.

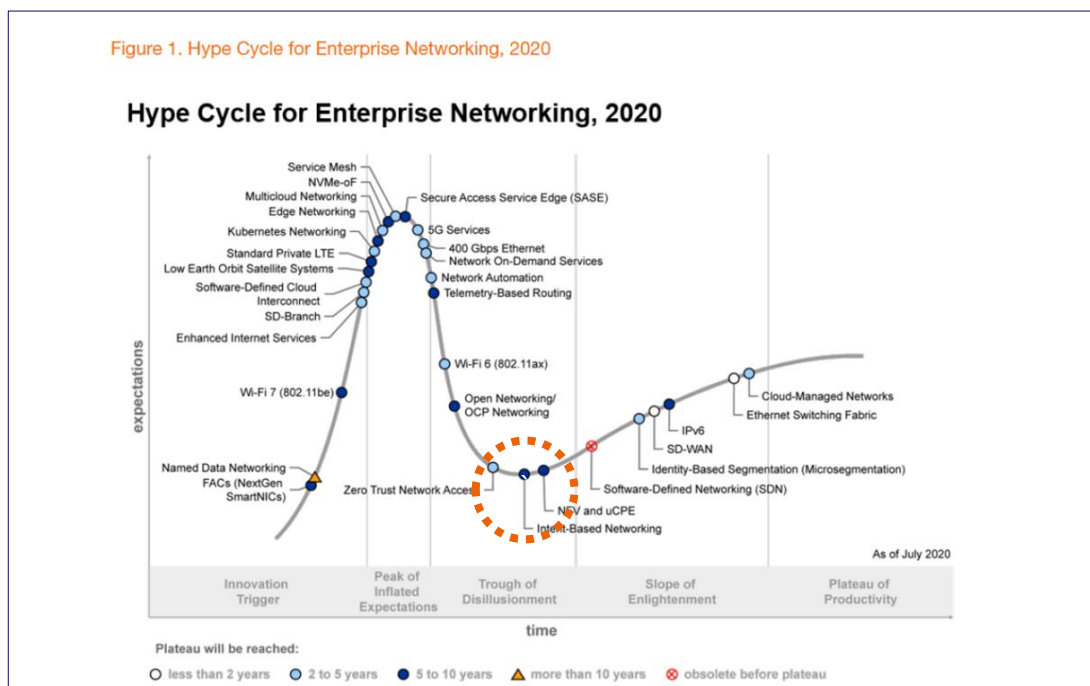
ActivePort is a software company poised to take advantage of these key industry trends.

6.2 Early-Stage Market

Gartner's Critical Capabilities for Network Services, Global (March 2021) sets out that:

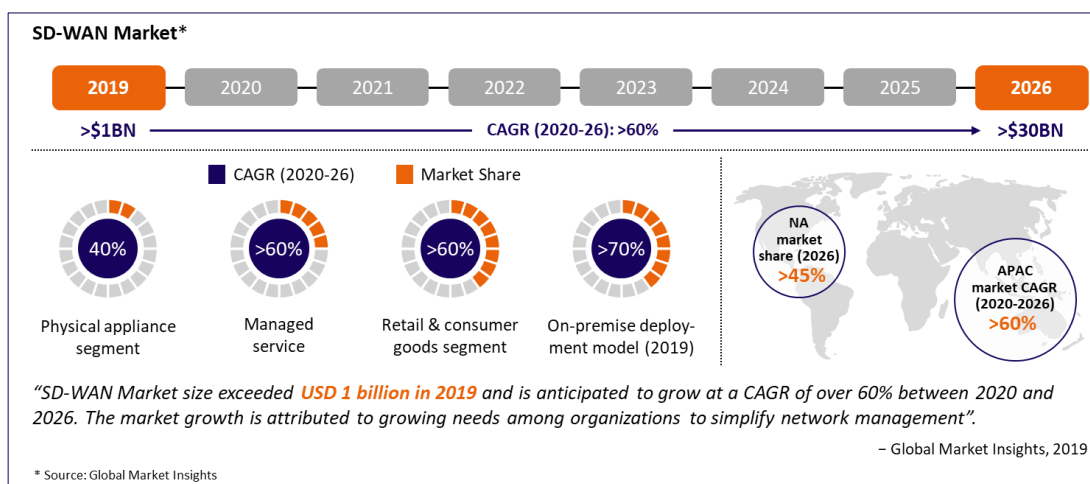
"By 2025, to enhance agility and support for cloud applications, 65% of enterprises will have implemented software-defined wide-area networks (SD-WANs), compared with about 30% in 2020".

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**).



Note: Orange circle added for reference, to denote where the Company considers it sits on the hype cycle as at the date of this Prospectus.

Global Market Insights estimates that the SD-WAN market may grow from US\$1billion in 2019 to more than US\$30billion by 2026.

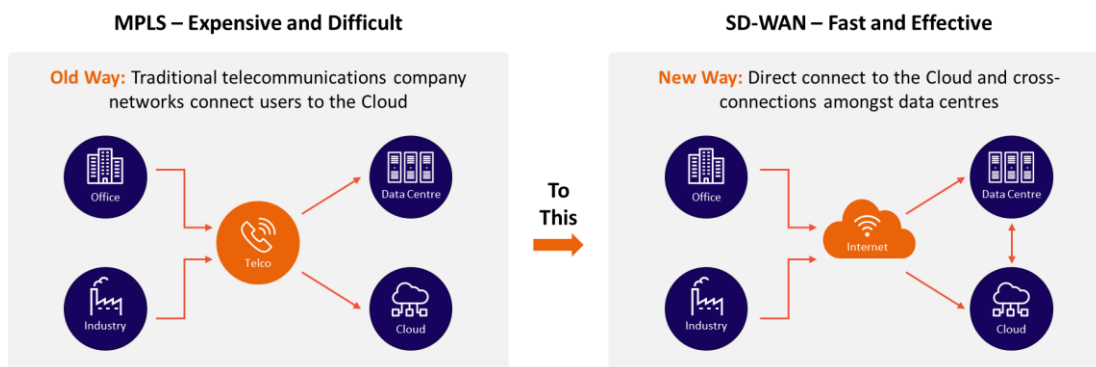


6.3 Industry Trends

Faster networks, at lower cost, have driven the evolution of Cloud services and enabled business to consume all of their information technology as a service

rather than making regular capital investments in their own in-house compute and data storage capacity.

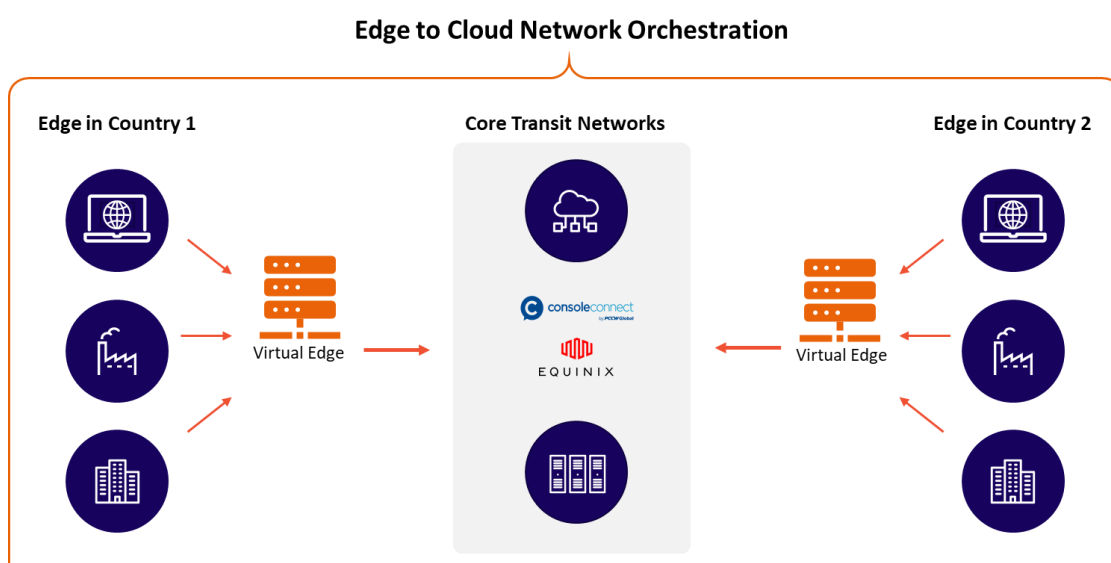
As the Internet has become pervasive, faster, cheaper and more reliable, enterprise has been able to make the next transition away from Telco-centric MPLS networks to Cloud-centric SD-WAN networks.



Just like Cloud, SD-WAN itself can be purchased as a system that is installed in-house or consumed from a third-party provider as a service.

The first wave of SD-WAN service providers offered solutions that automate provisioning of connections between data centres. Well-known brands include self-service solutions such as Hong Kong Telecom's Console Connect and the Equinix Fabric. These services generally provide connections between data centres, allowing customers to connect their core computers together globally and make connections to Cloud providers that are also hosted in data centres around the world.

The next evolution of these services is to take self-service SD-WAN further by connecting the users at the Edge of the network to these core datacentre services. An Edge-to-Cloud customer can connect from a datacentre all the way out to the branch office, site and factory, almost anywhere in the world and deliver Cloud service direct to their users at the network's Edge.











6.4 Telco Automation with APIs

As network automation matures, Telco operators are adopting industry standards for APIs and provisioning protocols then exposing those APIs to orchestration

software vendors to enable direct provisioning of their network services. With API-led provisioning, processes that, in many cases today still take months to complete could take minutes, using orchestration software. As levels of automation increase, Telco's and ISPs will be able to deliver self-service provisioning across each-others' networks delivering tightly coupled Network-to-Network integration (NNI).

The table below identifies some of the recent initiatives by Telcos in various regions globally and in Australia.

	NPIS – NBN Platform Interfacing Service. Allows access to provision an NBN service with direct interface to NBN systems.	
	Open Source MANO: Management and Orchestration based on European Telecommunications Standards Institute.	
	Telekom Malaysia "service Gateway" API interface into HSBB: High Speed Broadband.	
	Network as a Service – Orchestration capability as part of TMF standard.	
	Implementing core technology to automate last mile provisioning.	

As API's that offer NNI mature, the ability for a Telco to deliver a comprehensive service across countries will improve. Exposing these API's to third-party orchestration systems will make purchasing and integrating last-mile network services to other networks and Cloud services easier. Telco's offering API's to their core services should experience lower operating costs and deliver better customer services as the level of manual intervention required to provision last-mile network services is reduced.

6.5 SD-WAN Technology

Like most technology sectors, there are many known brands offering SD-WAN and network orchestration solutions but few are device agnostic meaning they can orchestrate across network hardware provided by many vendors (including Cisco, Juniper, Fortinet, MikroTik and Qnap). Many vendors only offer one-size-fits-all solutions based on a specific set of hardware devices that they manufacture and that only work with their software. Some orchestration software is evolving to support management of multiple hardware brands and on many different networks making it vendor-agnostic and network independent.

Software Defined Wide Area Networking is a technology based on the need to simplify the world of business networking by separating the hardware used in building a network from the software. Simply, SD-WAN allows customers to control their network usage, bandwidth, prioritisation, and security independently of the underlying hardware. Instead, everything is managed in software.

Simply put, the purpose of a Wide Area Network (**WAN**) it is to allow users to connect to any technology service in the world. Historically, companies connected to a head office and/or central datacentre to get access to company systems. All applications were hosted inside the enterprise on computer

equipment owned by the enterprise. Now, most common applications are provided as a service hosted in the Cloud and there are a lot of Clouds. Amazon Web Services Cloud, Google Cloud and Microsoft Azure Cloud are the most common examples. Traffic is not sent to and from your central point, it is sent to the Cloud and many other places. The internet is generally used by SD-WAN to send traffic to applications and services made available in the Cloud. SD-WAN allows customers to move away from Telco-managed networks to self-managed networks where the telco now just provides the underlying point-to-point network carriage but the management and routing layers are managed by the orchestration software.

Once a network is managed in software, the prioritisation of the applications, bandwidth, security and performance can be managed simply and easily.

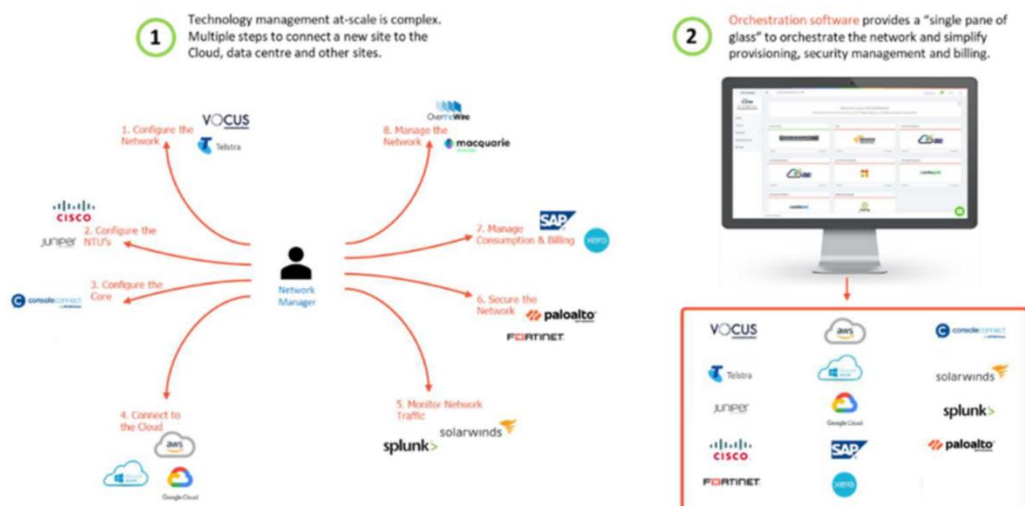
SD-WAN also allows use of the right access type for the right purpose, meaning customers can manage multiple types of network access including 4G/5G, Internet, MPLS, etc. for the right reasons and the right cost.

6.6 Software driven orchestration

Telecommunication companies' margins are under pressure globally. For example, in Europe, revenue is down 1% but EBITDA is down 6% over the same period (Telecom operators: Surviving and thriving through the next downturn - August 2019 McKinsey). Telecommunication companies are looking for opportunities to reduce costs via either efficiency uplift or the introduction of lower cost services.

What is not widely seen outside of large corporate IT departments and telecommunications companies, is that the majority of network configuration tasks are either done manually (for example, a technician typing on a keyboard) or automated for a single vendor only (for example, the Cisco system configures Cisco, the Juniper system configures Juniper, the Fortinet System configures Fortinet etc). To build a network end to end requires the configuration of many different systems provided by many different vendors via many different systems.

Orchestration software offers customers a tool that provides the capability to manage most of the vendors' equipment in one place. This has been enabled as more vendors offered software interfaces to their services and equipment via APIs.



Orchestration tools offer a single pane of glass that allows carriers to lower operating costs and improves customer satisfaction.

To manage multiple networks and vendors is a time-consuming task that is also expensive and prone to error. Orchestration software is also capable of facilitating the global enterprise move to a "Cloud first" strategy, whereby most companies will manage their business-critical applications in a "multi Cloud" environment. Again, using a single pane of glass, it is possible to deploy, manage, configure and maintain these growing multi-Cloud infrastructures all in one place. This in turn, gives control back to our customers to change and switch their providers simply and easily (at least from a technology perspective) and with that, drive the market to a lower price point.

Customers often rank Network Automation in the top 2 most important priorities with networking teams in terms of strategic development. Approximately 50% of all tasks on networks are expected to be automated by 2023 (**Gartner Hype Cycle for Enterprise Networking, July 2020**).

7. COMPANY OVERVIEW

7.1 Background

ActivePort Pty Ltd began as a privately funded software development company in 2017 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.

Throughout 2020, the team grew to include a number of highly skilled executives, managers and technicians. In 2021, ActivePort began to build its business development team to accelerate sales of the technology on a global scale.

Most recently the team delivered a global network of nodes that enable customers to make fast, cost effective SD-WAN data connections from almost anywhere in the world. This global virtual Edge solution is integrated with carriers including PCCW to create a self-service network our customers can use to instantly connect, anywhere.

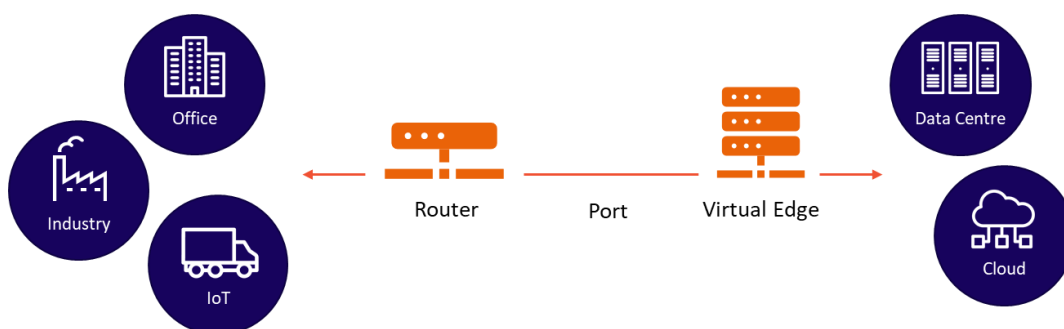
The team at ActivePort will continue to expand on these three fronts by:

- (a) licensing its software;
- (b) selling access to its access points; and
- (c) growing its resource base globally to assist with delivery and support.

7.2 ActivePort Technology

ActivePort's core software product allows users to create, configure, monitor and manage network services and Cloud services on a global scale. The software uses APIs offered by switch, router, infrastructure, network and Cloud providers to make connections and deliver services between core and Cloud services to the Edge of the network at the customer premises.

ActivePort's Orchestration Software



7.3 Business Model

ActivePort is, primarily, a software company and like most software companies, our main priority is to sell licences to use our software because software licencing typically offers high gross margins.

To facilitate use and thereby accelerating licence sales, ActivePort has created a global network of nodes that users can access to make data connections globally. It is important to note that ActivePort does not own or operate the

networks connecting these nodes. Users make the data connections between nodes and out to their Edge devices using third-party network owners that ActivePort is already integrated into. By offering the Virtual Edge but not the network, ActivePort facilitates sales of its software without incurring the operating costs of owning a network. By comparison, the cost of operating a Virtual Edge node is significantly less than the cost of owning a network connecting multiple nodes.



Customers use ActivePort to create and manage network routes, bond Cloud services into their networks and orchestrate other customised services they may use. ActivePort includes the following features:

- (a) **Device Agnostic.** ActivePort can orchestrate networks that use switches and routers from multiple different vendors;
- (b) **Cloud Centric.** Out of the box, ActivePort allows customers to bond most common public Cloud services into their own networks; and
- (c) **Network Independent.** Customers can build a virtual network by combining services from many different network operators to optimise price/performance and maximise global reach.
- (d) ActivePort engages with the market in three ways:
- (e) **Sell Through.** ActivePort delivers its product to Telco providers and internet service providers (**ISPs**) and then working with their sales teams to resell ActivePort as their own branded SD-WAN and network orchestration solution.
- (f) **Sell-With.** ActivePort has established relationships with other technology providers to integrate ActivePort with their own solutions and ActivePort sells to their customers with them.
- (g) **Direct Sales.** ActivePort sells direct to larger enterprise customers where the opportunities arise.

ActivePort generates revenue by selling licences to use its software, selling data transit capacity through its Edge aggregation access nodes and selling managed information technology services. For software licences, customers pay a base licence fee per month plus a per-connection fee per month and so the revenue

per customer scales up with the number of connections being orchestratedated by ActivePort's software. For network capacity, ActivePort charges per gigabit of data transferred per month between customers' networks and ActivePort's nodes.

7.4 Growth Strategies

ActivePort is focussed on delivering its software to the Telco industry first. The Telco industry offers rapid scale-up of port revenue because Telcos have large existing customer-bases that can make immediate use of ActivePort's features. ActivePort is working closely with partners that already sell into the Telco sector and have complementary products to ActivePort's allowing for an acceleration in sales. Sales to Telcos are typically for ActivePort deployed on-premise along with dedicated aggregator nodes and branded as the Telcos own solution.

The second sector ActivePort is targeting are the ISPs. ISPs typically leverage the ActivePort network of aggregator nodes and the SaaS version of ActivePort to rapidly add SD-WAN as a managed service across the internet links they provide. ActivePort is an effective way for ISPs to increase the ARPU on existing network products they sell.

Once a Telco (or ISP) has installed ActivePort, the ActivePort business development team mobilises to train a Telco's sales teams on how to sell ActivePort to their customers. As a Telco's customers take up ActivePort and migrate their network services into the ActivePort orchestration tool, the growth in monthly revenue per Port can accelerate. Telcos can use ActivePort to manage existing devices and services as well as offer new services via ActivePort such as SD-WAN. A typical Telco may have as few as 2,000 active services scaling up to multiple millions, offering significant opportunity for ActivePort to generate revenue immediately following installation.

ActivePort's target market is global. The Company has been successful selling to Telcos in Australia, South America and Asia to-date and is engaged in a number of sales campaigns to Telcos and ISPs across more than 12 countries.

7.5 Competition

There are many vendors of network orchestration, Cloud orchestration and SD- WAN software globally but when narrowed down to ActivePort's key features and service offering, ActivePort's competition is not extensive. For example:

- (a) The majority of vendors in the SD-WAN sector bind their solution to a specific device that you must buy from that vendor. ActivePort is device agnostic;
- (b) Many network orchestration products are offered by network owners and are constrained to only managing services offered on that network. ActivePort orchestrates multiple networks into single, cohesive global solutions;
- (c) Other vendors offer a new product to replace old technology that must be installed in its entirety to function effectively. ActivePort is able to manage old equipment and most network protocols making it easy for customers to gradually migrate to new technology within the ActivePort environment.

- (d) Other vendors offer their products on a one instance per customer basis. ActivePort is multi-tenanted meaning a Telco or ISP can install it once and manage all of their customers within the one ActivePort system.
- (e) Most vendors don't allow re-branding of their product. ActivePort is designed to allow Telcos and ISPs to brand it and sell it as their own solution.

7.6 Investment highlights

- (a) **Innovative Technology.** ActivePort is an innovative product that has had 5 years of development invested into it to reach its current version 6.0. It is aligned with current telco industry trends toward API-based service delivery automation and the global migration from traditional network protocols to the newer and more cost-effective SD-WAN.
- (b) **Large Addressable Market.** The network orchestration market, that ActivePort operates in, is large and growing according to both Global Market Insights and Gartner's.
- (c) **High Gross Margins.** ActivePort generates software licence revenue from network orchestration without the overhead of owning or operating a network. Like many software companies, ActivePort is able to scale up licence revenue without having to scale up the back-office resources proportionately thereby delivering high margins over time.
- (d) **Global Partners.** ActivePort is successfully selling its software through established partners and Telco's and gaining global reach into large existing customer bases where ActivePort can be used.
- (e) **Market Proven.** Active Port's software has been installed globally and there is a growing pipeline of telco and ISP customers. ActivePort is up to version 6.0 and has been in commercial use since 2018.
- (f) **First Mover.** ActivePort is a first-mover in the early stages of the SD-WAN market's growth phase. There are many SD-WAN providers but few that offer all of the core features that make ActivePort an attractive network orchestration tool for the telco and ISP market segments.
- (g) **Experienced Team.** ActivePort's CEO Karim Nejaim, himself one of Australis's most senior telco executives, has assembled an outstanding team of highly experienced technicians, managers, and engineers to deploy and commercialise ActivePort globally.

7.7 Significant Dependencies

The key factors that the Company will depend on to meet its objectives are:

- (a) Regular sales of the ActivePort software to new customers;
- (b) Continual improvement of the software to maintain competitiveness;
- (c) Availability of third-party software components at a reasonable price to maintain cost competitive supply of our SD-WAN solution;
- (d) Availability of skilled software engineers to develop, maintain and support ActivePort's software products;

- (e) Technical support capacity to ensure customers have adequate resources to assist their end-users to adopt ActivePort products.

7.8 Use of Funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves post-admission, over the first two years following admission of the Company to the Official List of ASX as follows:

Funds available	Minimum Subscription ⁴ (\$)	Percentage of Funds (%)	Maximum Subscription (\$)	Percentage of Funds (%)
Existing cash reserves	250,000	2.44%	250,000	1.64%
Funds raised from the Offer ¹	10,000,000	97.56%	15,000,000	98.36%
Allocation of funds				
Business Growth & Acquisitions	1,500,000	14.63%	2,000,000	13.11%
Global Sales Team Development	3,000,000	29.27%	6,000,000	39.34%
Product Engineering & Technical Support	2,000,000	19.51%	3,000,000	19.67%
Capital raise and listing costs ²	750,000	7.32%	1,075,000	7.05%
Administration costs ³	375,000	3.66%	375,000	2.46%
Working capital	2,625,000	25.61%	2,800,000	18.36%
Total⁴	10,250,000	100%	15,250,000	100%

Notes:

1. Refer to the Financial Information set out in Section 8 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer.
2. Capital Raise and Listing Costs includes legal fees, ASX fees, advisor fees, Investigating Accountant fees, Share Registry fees and fees payable to the Lead Manager, Bridge Street Capital Partners as set out in Section 5.4.
3. Administration costs include the general costs associated with the IPO including development of the Prospectus, preparation of the Company for IPO and audit expenses.
4. It is anticipated that the funds raised under the Offer will enable 2 years of full operations (if the Minimum Subscription is raised). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding.

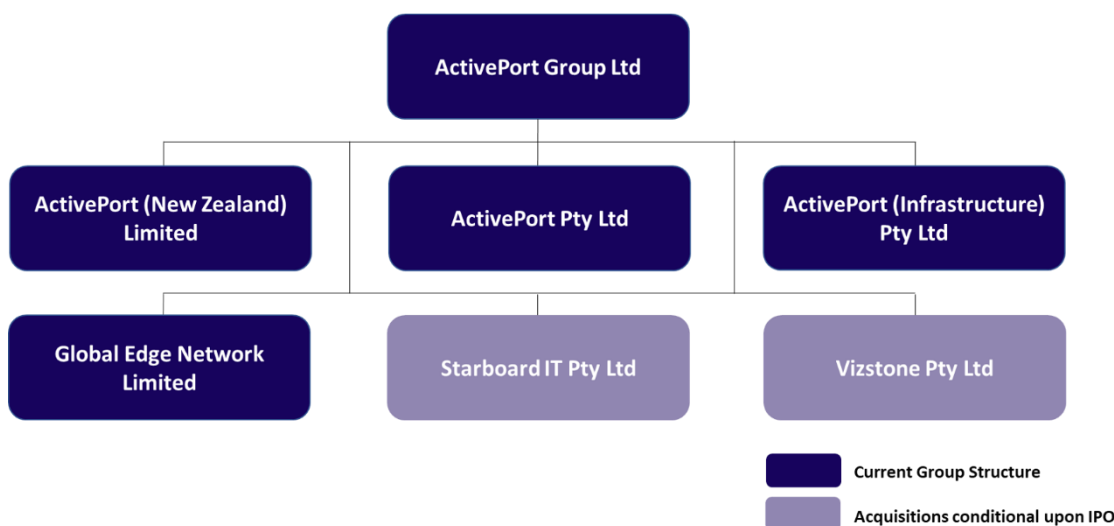
In the event the Company raises more than the Minimum Subscription of \$10,000,000 under the Offer but less than the Maximum Subscription of \$15,000,000, the additional funds raised will be first applied towards the expenses and administration costs of the Offer and then proportionally to the other line items in the above table.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative, and investors are encouraged to read the risk factors outlined in Section 9.

7.9 Corporate Structure

The Company is an Australian unlisted public company incorporated on 2 October 2019 as Vserv Federation Ltd and changed its name to ActivePort Group Ltd on 20 November 2020.



Pursuant to existing term sheets, the Company has agreed to acquire:

- (a) 100% of the issued share capital of Vizstone Pty Ltd (ACN 140 156 592);

Vizstone Pty Ltd are a Western Australian Information and Communications Technology (ICT) solutions provider established approximately 12 years ago providing Cloud, security and Information Technology infrastructure services to Australian businesses.

Vizstone's head office is in Western Australia specialising in the provision of a fully integrated approach that cuts across all ICT services and procurement.

Vizstone are well positioned taking ActivePortal solutions to the Asia Pacific market servicing key industries including mining, oil and gas, corporate, education, government and not-for-profit. Vizstone also service Floating Production Storage and Offloading installations off the coastlines of Western Australia, Victoria, Thailand, Singapore, Vietnam, Brazil, Africa and Malaysia providing specialised solutions for clients.

- (b) 100% of the issued share capital of Starboard IT Pty Ltd (ACN 610 345 161);

Starboard IT Pty Ltd is an Australian company established approximately 5 years ago with the aim to offer better, more personalised IT services.

Based in NSW with offices in Sydney and Melbourne, Starboard IT specialises in the implementation, support and security of IT network and server infrastructure, virtualisation and cloud technologies, positioning them to deliver ActivePortal to a wide range of organisations.

Starboard IT cover a broad range of verticals with a particular focus on the financial services market as well as transport, government and non-profit organisations, servicing businesses ranging from start-ups to ASX200 listed multi-nationals Australia wide.

(together the **Acquisitions**).

The Acquisitions are, among other things, conditional upon the successful listing on the Company on ASX.

Summaries of the Acquisition agreements are contained in Section 11.2.

7.10 Capital Structure

The capital structure of the Company as at the date of this Prospectus and following completion of the Offer (assuming both Minimum and Subscription under the Offer) is summarised below:

7.10.1 Shares

	Minimum Subscription	Maximum Subscription
Shares currently on issue ¹	154,364,993	154,364,993
Shares Pursuant to the Acquisitions ²	33,125,000	33,125,000
Shares to be issued pursuant to the Offer	50,000,000 ³	75,000,000 ⁴
Total Shares on completion of the Offer	237,489,993	262,489,993

Notes:

1. The rights attaching to the Shares are summarised in Section 12.2.
2. This total includes the Shares to be issued as initial consideration for the Acquisitions. Additional Shares may be issued in consideration for the Acquisitions, based on the performance milestones outlined in Section 11.2. The exact number of further Shares to be issued is not able to be determined as at the date of this Prospectus and any additional Shares to be issued would be subject to the Company obtaining shareholder and ASX approval, as required. Please see Section 11.2 for further details.
3. 50,000,000 Shares to be issued at an issue price of \$0.20 per share to raise up to \$10,000,000 under the Offer.
4. 75,000,000 Shares to be issued at an issue price of \$0.20 per share to raise up to \$15,000,000 under the Offer.

A summary of the terms and conditions of the Shares can be found in Section 12.2.

7.10.2 Options

	Minimum Subscription	Maximum Subscription
Options currently on issue ¹	3,150,000	3,150,000
Lead Manager Options ²	8,176,230	11,289,700
Total Options on completion of the Offer	11,326,230	14,439,700

Notes:

1. Comprising:
 - (a) 630,000 Options exercisable at \$0.25 each on or before 31 October 2022;

- (b) 1,890,000 Options exercisable at \$0.30 each on or before 31 October 2023; and
- (c) 630,000 Options exercisable at \$0.35 each on or before 31 October 2024.
2. Exercisable at \$0.40 each on or before 30 September 2024.

A summary of the terms and conditions of the Lead Manager Options can be found in Section 12.3.

7.10.3 Performance Rights

Recipient	FY2022 ¹	FY2023 ²	Total	% of capital Min Subscription ³	% of capital Max Subscription ³
Karim Nejaim (Director)	5,357,800	5,357,800	10,715,600	4.51%	4.08%
Peter Christie (Director)	1,530,800	1,530,800	3,061,600	1.29%	1.17%
Chris Daly (Director)	229,620	229,620	459,240	0.19%	0.17%
Mark Middleton (Chief Technical Officer)	3,827,000	3,827,000	7,654,000	3.22%	2.92%
Robert Molkenthin (Chief Financial Officer)	765,400	765,400	1,530,800	0.64%	0.58%
Jack Toby (Company Secretary)	153,080	153,080	306,160	0.13%	0.12%
Total	11,863,700	11,863,700	23,727,400	9.98%	9.04%

Notes:

- (i) 60% of the performance rights will be Class A Performance Rights, with 20% being Class B Performance Rights and the remaining 20% being Class C Performance Rights.
3. 60% of the performance rights will be Class D Performance Rights, with 20% being Class E Performance Rights and the remaining 20% being Class F Performance Rights.
4. Undiluted issued capital percentages.

A summary of the terms and conditions of the Performance Rights can be found in Section 12.4.

7.11 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer at minimum and maximum IPO subscription, are set out in the respective tables below.

As at the date of the Prospectus

Shareholder ¹	Shares	Performance Rights	Percentage (%) (undiluted) ²	Percentage (%) (fully diluted) ³
Herdsmen Lake Capital Pty Ltd / Herdsmen Lake	43,568,260	3,061,600	28.22%	25.73%

Shareholder ¹	Shares	Performance Rights	Percentage (%) (undiluted) ²	Percentage (%) (fully diluted) ³
Capital Asia Pte Ltd / Pacczila Pty Ltd ⁴				
Mark Scott Middleton and Andrea Jane Middleton <Middleton Family Trust A/C> ⁵	17,942,880	7,654,000	11.62%	14.12%
Grant Alan Farrow <G Farrow Family Trust A/C> ⁶	17,942,880	-	11.62%	9.90%

On completion of the issue of Shares under the Offer with Minimum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)

Shareholder ¹	Shares	Performance Rights	Percentage (%) (undiluted) ²	Percentage (%) (fully diluted) ³
Herdsmen Lake Capital Pty Ltd / Herdsmen Lake Capital Asia Pte Ltd / Pacczila Pty Ltd ⁴	43,568,260	3,061,600	18.35%	17.11%
Mark Scott Middleton and Andrea Jane Middleton <Middleton Family Trust A/C> ⁵	17,942,880	7,654,000	7.56%	9.39%
Grant Alan Farrow <G Farrow Family Trust A/C> ⁶	17,942,880	-	7.56%	6.58%

On completion of the issue of Shares under the Offer with Maximum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)

Shareholder ¹	Shares	Performance Rights	Percentage (%) undiluted ²	Percentage (%) fully diluted ³
Herdsmen Lake Capital Pty Ltd / Herdsmen Lake Capital Asia Pte Ltd / Pacczila Pty Ltd ⁴	43,568,260	3,061,600	16.60%	15.51%
Mark Scott Middleton and Andrea Jane Middleton, Middleton Family Trust A/C ⁵	17,942,880	7,654,000	6.84%	8.51%
Grant Alan Farrow, G Farrow Family Trust A/C ⁶	17,942,880	-	6.84%	5.97%

Notes:

1. No Options are held by the substantial Shareholders.
2. Undiluted percentages include the Shares currently on issue and the Shares expected to be issued pursuant to the Acquisitions.
3. Fully diluted percentages take into account:
 - (a) Performance Rights issued to Directors and key management personnel;

- (b) Shares to be issued as a result of the Offer and in relation to the Acquisitions; and
- (c) Options on issue upon completion of the Offer (including the Lead Manager Options).
4. Herdsman Lake Capital Pty Ltd and its wholly owned subsidiary Herdsman Lake Capital Asia Pte Ltd which holds 43,318,260 Shares and Pacczilla Pty Ltd <Pacczilla Super Fund A/C> which holds 250,000 Shares. Mr Christie is a Director of Herdsman Lake Capital Pty Ltd and Pacczilla Pty Ltd <Pacczilla Super Fund A/C>.
 5. Mr Middleton's shareholding is held indirectly through Mr Mark Scott Middleton & Ms Andrea Jane Middleton <Middleton Family A/C>.
 6. Mr Farrow's shareholding is held indirectly through Grant Alan Farrow, <G Farrow Family Trust A/C>.

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

7.12 Restricted Securities

Subject to the Company being admitted to the Official List and completing the Offer, certain Shares will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval).

The Company confirms its 'free float' (the percentage of the Shares that are not restricted and are held by shareholders who are not related parties (or their associates) of the Company) at the time of admission to the Official List of ASX will be not less than 20% in compliance with ASX Listing Rule 1.1 Condition 7.

7.13 Dividend Policy

The Company anticipates that significant expenditure will be incurred in the deployment of ActivePort infrastructure, and the business development effort required to attract customers. These activities, together with the possible acquisition of additional subsidiaries, are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

8. FINANCIAL INFORMATION

8.1 Introduction

The Financial Information set out in this Section includes the following:

- (a) statement of profit or loss and other comprehensive income for ActivePort for the period ended 30 June 2020 (FY2020) and for the half year ended 31 December 2020 (HY2021) (Section 8.6);
- (b) statement of cash flows for ActivePort for FY2020 and HY2021 (Section 8.7);
- (c) summary historical statement of financial position for ActivePort as at the end of each of FY2020 and HY2021 (Section 8.8);

(collectively the **Historical Financial Information**); and

- (d) a pro forma consolidated statement of profit or loss and other comprehensive income (Section 8.3) and pro forma consolidated statement of financial position (Section 8.4) of ActivePort following IPO and supporting notes, for both the Minimum and Maximum Subscriptions.

(collectively the **Pro Forma Consolidated Financial Information**).

The Historical and Pro Forma Consolidated Financial Information should be read together with the other information contained in this Prospectus, including:

- (i) management's discussion and analysis set out in this Section 8;
- (e) the risk factors described in Section 9;
- (f) the Independent Limited Assurance Report on the historical and pro forma consolidated financial information set out in Annexure A of the Prospectus; and
- (g) the other information contained in this Prospectus.

Investors should note that historical results are not a guarantee of future performance.

The Company was incorporated on 2 October 2019. The Financial Information for FY2020 is for the period from incorporation date to 30 June 2020. HY2021 is for the half year ended 31 December 2020.

8.2 Basis of preparation of the Historical and Pro Forma Consolidated Financial Information

The Financial Information included in this Section has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board and the Corporations Act. The Historical and Pro Forma Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act. Future consolidated general-purpose financial statements of ActivePort will be prepared in accordance with the Corporations Act, Australian Accounting Standards and the authoritative

pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with IFRS as issued by the International Accounting Standards Board.

The Directors are responsible for the inclusion of all Financial Information in this Prospectus. Investors should note that historical financial performance is not a guide for future financial performance. The Historical and Pro Forma Financial Information has been reviewed by Nexia whose Independent Limited Assurance Report is contained in Annexure A of the Prospectus. Investors should note the scope and limitations of that report. The information in this Section should also be read in conjunction with the risk factors set out in Section 9 and other information contained in this Prospectus.

The following historical Financial Information has been derived from the audited financial statements of ActivePort for FY2020 and the reviewed financial statements of ActivePort for HY2021.

All amounts disclosed in this Section are presented in Australian Dollars unless otherwise noted.

Stantons have audited the Historical Financial Information for the period ended 30 June 2020 and reviewed the half year ended 31 December 2020. The auditor's opinion was that the financial report gave a true and fair view of the Group's financial position as at 30 June 2020, and of its financial performance for the period then ended complying with Australian Accounting Standards and the Corporations Regulations 2001.

The unqualified audit opinion for FY2020 included an emphasis of matter regarding going concern, stating that the ability of the Company to continue as a going concern and be able to pay its liabilities as and when they fall due is dependent upon the Company earning sufficient revenue from its operations, raising further capital and meeting the Company's liabilities and commitments as they fall due. In the event that the Company is not successful in deriving cash from its operations or in raising further capital, the Company may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values. The review report for HY2021 noted that nothing had come to their attention that causes them to believe the financial statements are materially misstated.

The Acquisitions have been audited for FY2019 and FY2020 and reviewed for HY 2021 by Nexia Audit (Vizstone Pty Ltd) and Nexia Sydney Audit Pty Ltd (**Nexia Sydney**) (Starboard IT Pty Ltd). The audit opinions and review conclusions were unqualified.

8.3 Pro Forma consolidated statement of profit or loss and other comprehensive income for HY 2021 and FY 2020

Set out below is a summary pro forma consolidated historical statement of profit or loss and other comprehensive income for HY 2021 and FY 2020 to include the acquisitions of ActivePort Pty Ltd, Starboard IT Pty Ltd and Vizstone Pty Ltd, as if these events had occurred on 1 July 2019, as well as one-off costs relating to the Offer. Note: FY19 has not been presented as ActivePort Group Ltd was not incorporated until 2 October 2019.

8.3.1 Pro forma consolidated statement of profit or loss and other comprehensive income for HY 2021

The tables below sets out the reviewed historical statement of profit or loss and other comprehensive income for HY 2021, with adjustments for subsequent events, pro forma adjustments for the Acquisitions and the Offer with a minimal impact on NPAT and EBITDA. It therefore shows a pro forma consolidated statement of profit or loss and other comprehensive income for the half year ended 31 December 2020.

The pro forma consolidated statement profit or loss and other comprehensive income is provided for illustrative purposes only and is not represented as being necessarily indicative of ActivePort's view of its future financial performance.

The first table shows the pro forma consolidated statement of profit or loss and other comprehensive income following a Minimum Subscription of \$10,000,000. The second table shows the pro forma statement of financial position following a Maximum Subscription of \$15,000,000.

8.3.1.1 Pro forma consolidated statement of profit or loss and other comprehensive income for HY 2021 (Minimum Subscription):

Minimum offer 31 Dec 2020	HY 2021	Subsequent Events	Pro forma acquisitions ^(a)		Pro Forma adj	Pro Forma Post IPO
	ActivePort Group Ltd		Starboard IT Pty Ltd	Vizstone Pty Ltd		
	reviewed \$000's	unaudited \$000's	unaudited \$000's	unaudited \$000's	unaudited \$000's	unaudited \$000's
Revenue	-	309	1,546	2,015	-	3,870
Cost of Sales	-	(62)	(89)	(1,162)	-	(1,313)
Gross Profit	-	247	1,457	853	-	2,557
Other Income	25	20	237	189	-	471
Operating expenditure (OPEX)	(851)	(337)	(1,313)	(1,234)	(558) ^(b)	(4,293)
Net profit before tax	(826)	(70)	381	(192)	(558)	(1,265)
Income tax expense	-	-	(113)	-		(113)
Net profit after tax (NPAT)	(826)	(70)	268	(192)	(558)	(1,378)
Add back:						
Interest Expense	-	57	1	10	-	68
Depreciation and amortisation	-	5	3	-	-	8
Income tax expense	-	-	113	-	-	113
EBITDA	(826)	(8)	385	(182)	(558)	(1,189)

Note:

(a) The standalone financial statements of the Acquisitions have been audited for FY2019 and FY2020 and reviewed for HY 2021 by Nexia Audit and Nexia Sydney. The pro forma adjustments above have been based on these audited/reviewed numbers assuming the acquisitions occurred on 1 July 2020. Refer to Section 8.5 which points out that a Purchase Price Allocation was not performed in accordance with AASB 3.

(b) Annual on-going costs of the new consolidated group being listed on the ASX.

8.3.1.2 Pro forma consolidated statement of profit or loss and other comprehensive income for HY 2021 (Maximum Subscription):

Maximum offer 31 Dec 2020	HY 2021	Subsequent Events	Pro forma acquisitions ^(a)		Pro Forma adj	Pro Forma Post IPO
	ActivePort Group Ltd		Starboard IT Pty Ltd	Vizstone Pty Ltd		
	reviewed \$000's	unaudited \$000's	unaudited \$000's	unaudited \$000's	unaudited \$000's	unaudited \$000's
Revenue	-	309	1,546	2,015	-	3,870
Cost of Sales	-	(62)	(89)	(1,162)	-	(1,313)
Gross Profit	-	247	1,457	853	-	2,557
Other Income	25	20	237	189	-	471
Operating expenditure (OPEX)	(851)	(337)	(1,313)	(1,234)	(565) ^(b)	(4,300)
Net profit before tax	(826)	(70)	381	(192)	(565)	(1,272)
Income tax expense	-	-	(113)	-	-	(113)
Net profit after tax (NPAT)	(826)	(70)	268	(192)	(565)	(1,385)
Add back:						
Interest Expense	-	57	1	10	-	68
Depreciation and amortisation	-	5	3	-	-	8
Income tax expense	-	-	113	-	-	113
EBITDA	(826)	(8)	385	(182)	(565)	(1,196)

Note:

(a) The standalone financial statements of the Acquisitions have been audited for FY2019 and FY2020 and reviewed for HY 2021 by Nexia Audit and Nexia Sydney. The pro forma adjustments above have been based on these audited/reviewed numbers assuming the acquisitions occurred on 1 July 2020. Refer to Section 8.5 which points out that a Purchase Price Allocation was not performed in accordance with AASB 3.

(b) Annual on-going costs of the new consolidated group being listed on the ASX.

8.3.2 Pro forma consolidated statement of profit or loss and other comprehensive income for FY 2020

The tables below sets out the reviewed historical statement of profit or loss and other comprehensive income for FY 2020, with adjustments for subsequent events, pro forma adjustments for the Acquisitions and the Offer with a minimal impact on NPAT and EBITDA. It therefore shows a pro forma consolidated statement profit or loss and other comprehensive income for the period ended 30 June 2020.

The pro forma consolidated statement profit or loss and other comprehensive income is provided for illustrative purposes only and is not represented as being necessarily indicative of ActivePort's view of its future financial performance.

The first table shows the pro forma consolidated statement of profit or loss and other comprehensive income following a Minimum Subscription of \$10,000,000. The second table shows the pro forma statement of financial position following a Maximum Subscription of \$15,000,000.

8.3.2.1 Pro forma consolidated statement of profit or loss and other comprehensive income FY 2020 (Minimum Subscription):

Minimum offer 30 June 2020	FY 2020	Subsequent Events	Pro forma acquisitions ^(a)		Pro Forma adj	Pro Forma Post IPO
	ActivePort Group Ltd		Starboard IT Pty Ltd	Vizstone Pty Ltd		
	audited \$000's	unaudited \$000's	unaudited \$000's	unaudited \$000's	unaudited \$000's	unaudited \$000's
Revenue	-	333	3,116	6,513	-	9,962
Cost of Sales	-	(146)	(122)	(4,419)	-	(4,687)
Gross Profit	-	187	2,994	2,094	-	5,275
Other Income	75	16	226	218	-	535
Operating expenditure (OPEX)	(633)	(558)	(3,109)	(2,371)	(558) ^(b)	(7,229)
Net profit before tax	(558)	(355)	111	(59)	(558)	(1,419)
Income tax expense	-	-	(2)	-	-	(2)
Net profit after tax (NPAT)	(558)	(355)	109	(59)	(558)	(1,421)
Add back:						
Interest Expense	-	91	2	66	-	159
Depreciation and amortisation	5	11	14	-	-	30
Income tax expense	-	-	2	-	-	2
EBITDA	(553)	(253)	127	7	(558)	(1,230)

Note:

(a) The standalone financial statements of the Acquisitions have been audited for FY2019 and FY2020 and reviewed for HY 2021 by Nexia Audit and Nexia Sydney. The pro forma adjustments above have been based on these audited/reviewed numbers assuming the acquisitions occurred on 1 July 2019. Refer to Section 8.5 which points out that a Purchase Price Allocation was not performed in accordance with AASB 3.

(b) Annual on-going costs of the new consolidated group being listed on the ASX.

8.3.2.2 Pro forma consolidated statement of profit or loss and other comprehensive income for FY 2020 (Maximum Subscription):

Maximum offer 30 June 2020	FY 2020	Subsequent Events	Pro forma acquisitions ^(a)		Pro Forma Adj unaudited	Pro Forma Post IPO unaudited
	ActivePort Group Ltd		Starboard IT Pty Ltd	Vizstone Pty Ltd		
	audited \$000's	unaudited \$000's	unaudited \$000's	unaudited \$000's	unaudited \$000's	unaudited \$000's
Revenue	-	333	3,116	6,513	-	9,962
Cost of Sales	-	(146)	(122)	(4,419)	-	(4,687)
Gross Profit	-	187	2,994	2,094	-	5,275
Other Income	75	16	226	218	-	535
Operating expenditure (OPEX)	(633)	(558)	(3,109)	(2,371)	(565) ^(b)	(7,236)

	FY 2020	Subsequent Events	Pro forma acquisitions ^(a)		Pro Forma Adj unaudited	Pro Forma Post IPO unaudited
Maximum offer 30 June 2020	ActivePort Group Ltd		Starboard IT Pty Ltd	Vizstone Pty Ltd		
	audited	unaudited	unaudited	unaudited	unaudited	unaudited
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Net profit before tax	(558)	(355)	111	(59)	(565)	(1,426)
Income tax expense	-	-	(2)	-	-	(2)
Net profit after tax (NPAT)	(558)	(355)	109	(59)	(565)	(1,428)
Add back:						
Interest Expense	-	91	2	66	-	159
Depreciation and amortisation	5	11	14	-	-	30
Income tax expense	-	-	2	-	-	2
EBITDA	(553)	(253)	127	7	(565)	(1,237)

Note:

- (a) The standalone financial statements of the Acquisitions have been audited for FY2019 and FY2020 and reviewed for HY 2021 by Nexia Audit and Nexia Sydney. The pro forma adjustments above have been based on these audited/reviewed numbers assuming the acquisitions occurred on 1 July 2019. Refer to Section 8.5 which points out that a Purchase Price Allocation was not performed in accordance with AASB 3.
- (b) Annual on-going costs of the new consolidated group being listed on the ASX.

8.4 Pro Forma consolidated statement of financial position

The table below sets out the reviewed historical statement of financial position of ActivePort as of 31 December 2020, with adjustments for subsequent events, pro forma adjustments for the Acquisitions and the Offer impacting equity (further described below). It therefore shows a pro forma consolidated statement of financial position as at 31 December 2020.

The pro forma consolidated statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of ActivePort's view of its future financial position.

The first table shows the pro forma statement of financial position following a Minimum Subscription of \$10,000,000. The second table shows the pro forma statement of financial position following a Maximum Subscription of \$15,000,000.

8.4.1 Pro Forma consolidated statement of financial position as at HY 2021 (Minimum Subscription)

Minimum Offer 31 Dec 2020	HY2021 reviewed \$000's	Subsequent Events unaudited \$000's	Pro Forma Acquisitions unaudited ² \$000's	Pro Forma Adjustments unaudited \$000's	Pro Forma Post IPO unaudited \$000's
Current assets					
Cash and cash equivalents	57	399	721	8,578	9,755
Trade and other receivables	27	229	579	-	835
Funds held in trust	1,958	(1,958)	-	-	-
Total current assets	2,042	(1,330)	1,300	8,578	10,590
Non-current assets					
Goodwill	-	11,125	7,253	-	18,378
Deferred tax assets	-	-	42	-	42
Right-of-use-assets	-	20	-	-	20
Total non-current assets	-	11,145	7,295	-	18,440
Total assets	2,042	9,815	8,595	8,578	29,030
Current liabilities					
Trade and other payables	2,762	(817)	1,431	-	3,376
Borrowings	-	296	57	(250)	103
Provisions	24	10	306	-	340
Lease liabilities	-	6	-	-	6
Total current liabilities	2,786	(505)	1,794	(250)	3,825
Non-current liabilities					
Borrowings	-	1,578	176	-	1,754
Lease liabilities	-	16	-	-	16
Total non-current liabilities	-	1,594	176	-	1,770
Total liabilities	2,786	1,089	1,970	(250)	5,595
Net assets / (liabilities)	(744)	8,726	6,625	8,828	23,435
Equity					
Contributed equity ¹	582	12,226	6,625	8,987	28,420
Capital and reserves attributable to members	59	-	-	399	458
Accumulated losses	(1,385)	(3,500)	-	(558)	(5,443)
Total Equity	(744)	8,726	6,625	8,828	23,435

Notes:

1. Includes \$3.898 million pre-IPO capital raise and \$6.755 million consideration shares issued on the acquisition of ActivePort Pty Ltd in January 2021.
2. The standalone financial statements of the Acquisitions have been audited for FY2019 and FY2020 and reviewed for HY 2021 by Nexia Audit and Nexia Sydney. The pro forma adjustments above have been based on these audited/reviewed numbers assuming the acquisitions occurred on 31 December 2020. Refer to Section 8.5 which points out that a Purchase Price Allocation was not performed in accordance with AASB 3.

8.4.2 Pro Forma statement of financial position (Maximum Subscription)

Maximum Offer 31 Dec 2020	HY2021 reviewed \$000's	Subsequent Events unaudited \$000's	Pro Forma Acquisitions unaudited ² \$000's	Pro Forma Adjustments unaudited \$000's	Pro Forma Post IPO unaudited \$000's
Current assets					
Cash and cash equivalents	57	399	721	13,265	14,442
Trade and other receivables	27	229	579	-	835
Funds held in trust	1,958	(1,958)	-	-	-
Total current assets	2,042	(1,330)	1,300	13,265	15,277
Non-current assets					
Goodwill	-	11,125	7,253	-	18,378
Deferred tax assets	-	-	42	-	42
Right-of-use-assets	-	20	-	-	20
Total non-current assets	-	11,145	7,295	-	18,440
Total assets	2,042	9,815	8,595	13,264	33,717
Current liabilities					
Trade and other payables	2,762	(817)	1,431	-	3,376
Borrowings	-	296	57	(250)	103
Provisions	24	10	306	-	340
Lease liabilities	-	6	-	-	6
Total current liabilities	2,786	(505)	1,794	(250)	3,825
Non-current liabilities					
Borrowings	-	1,578	176	-	1,754
Lease liabilities	-	16	-	-	16
Total non-current liabilities	-	1,594	176	-	1,770
Total liabilities	2,786	1,089	1,970	(250)	5,595
Net assets / (liabilities)	(744)	8,727	6,625	13,514	28,122
Equity					
Contributed equity ¹	582	12,226	6,625	13,530	32,963
Capital and reserves	59	-	-	550	609

Maximum Offer 31 Dec 2020	HY2021 reviewed \$000's	Subsequent Events unaudited \$000's	Pro Forma Acquisitions unaudited ² \$000's	Pro Forma Adjustments unaudited \$000's	Pro Forma Post IPO unaudited \$000's
attributable to members					
Accumulated losses	(1,385)	(3,500)	-	(565)	(5,450)
Total Equity	(744)	8,726	6,625	13,515	28,122

Note:

1. Includes \$3.898 million pre-IPO capital raise and \$6.755 million consideration shares issued on the acquisition of ActivePort Pty Ltd in January 2021.
2. The standalone financial statements of the Acquisitions have been audited for FY2019 and FY2020 and reviewed for HY2021 by Nexia Audit and Nexia Sydney. The pro forma adjustments above have been based on these audited/reviewed numbers assuming the acquisitions occurred on 31 December 2020. Refer to Section 8.5 which points out that a Purchase Price Allocation was not performed in accordance with AASB 3.

8.5 Subsequent events and Pro Forma Adjustments

This prospectus contemplates transactions subsequent to 31 December 2020 which have or are to take place on or before the completion of the Offer. These transactions are reflected in the pro forma statement of financial position as "Subsequent Events" and "Pro Forma Adjustments".

(a) Subsequent Events

- (i) On 22 January 2021, the Company acquired 100% of the issued capital of ActivePort Pty Ltd. Consideration for the acquisition was the issue of 8,443,708 ActivePort Group Ltd ordinary shares (consideration shares). The value of the consideration shares is \$6,754,966.
- (ii) Subsequent to 31 December 2020, \$3.898 million was raised (at \$0.16 per share) of which \$3.5 million was spent on continued product development, professional fees related to the acquisitions, legal advisory fees and working capital.

(b) Pro forma Transactions

(i) The Offer

The Minimum Subscription pro forma statement assumes the Minimum Subscription of \$10,000,000 less the cost of the capital raise and IPO totalling \$1,172,870.

The Maximum Subscription pro forma statement assumes the Maximum Subscription of \$15,000,000 less the cost of the capital raise and IPO totalling \$1,485,787.

(ii) Issue of Lead Manager Options & Performances Rights to Directors and Key Management Personnel

Lead Manager Options equivalent to 4.25% of the fully diluted issued capital of the Company post-IPO, exercisable at 100% of the Offer price on or before 30 September 2024 (capped at that number of Options valued at not more than 3.99% of funds raised using a Black & Scholes valuation with a 50% volatility rate).

The effect of the Subsequent Events and Pro forma Transactions on cash and cash equivalents, goodwill, contributed equity, accumulated losses, and reserves is as follows:

Pro forma Cash and Cash Equivalents:

	Pro Forma (unaudited) Minimum Offer \$000's	Pro Forma (unaudited) Maximum Offer \$000's
Cash and cash equivalents as at 31 Dec 2020 (reviewed)	57	57
Subsequent events:		
Acquisition of ActivePort Pty Ltd ^(a)	1	1
Pre-IPO capital raise ^(b)	3,898	3,898
Pre-IPO expenditure ^(b)	(3,500)	(3,500)
	399	399
Pro forma acquisition adjustments:		
Starboard IT Pty Ltd ^(c)	650	650
Vizstone Pty Ltd ^(c)	71	71
	721	721
Pro forma adjustments:		
Proceeds from the Offer ^(f)	10,000	15,000
Cash costs associated with the Offer ^(g)	(1,172)	(1,485)
Loan repayment	(250)	(250)
	8,578	13,265
Pro forma cash and cash equivalents	9,755	14,442

Notes:

- 1.1 Pursuant to the acquisition of ActivePort Pty Ltd. Refer to details in Section 8.5(a)(i).
- 1.2 Refer to details in Section 8.5(a)(ii) above.
- 1.3 Pursuant to the Acquisitions which is further explained in Sections 11.2 (a) and 11.2(b).

Pro forma Goodwill:

	Pro Forma (unaudited) Minimum Offer \$000's	Pro Forma (unaudited) Maximum Offer \$000's
Goodwill as at 31 Dec 2020 (reviewed)	-	-
Subsequent events:		
ActivePort Pty Ltd ^(a)	8,743	8,743
Global Edge Network Limited ^(b)	2,382	2,382
	11,125	11,125
Pro forma acquisition adjustments:		
Starboard IT Pty Ltd ^(c)	3,060	3,060
Vizstone Pty Ltd ^(c)	4,193	4,193
	7,253	7,253
Pro forma Goodwill	18,378	18,378

Notes:

1. Pursuant to the acquisition of ActivePort Pty Ltd. Refer to details in Section 8.5(a)(i).
2. Pursuant to the acquisition of Global Edge Network Limited in which 39,287,515 shares were issued in exchange for 100% of the Global Edge issued share capital.
3. Pursuant to the Acquisitions which is further explained in Sections 11.2(a) and 11.2(b).

As a result of the acquisitions closing so close to the listing date and without complete financial information, a Purchase Price Allocation (PPA) under AASB 3 – Business Combinations has not been completed for the Acquisitions. When preparing the Pro forma Consolidated Financial Information, ActivePort has allocated the purchase price to the book values of the assets and liabilities of the Acquisitions with the resultant balance being applied to goodwill.

ActivePort will undertake a full evaluation of the identifiable intangible assets acquired by its balance date of 30 June 2022, in accordance with AASB 3. The goodwill amount as currently presented includes any fair value movements of assets and liabilities as well as value of identified intangible assets. The goodwill and the assets and liabilities are reported as provisional amounts and are reflected in the Pro forma Historical Balance Sheet at 31 December 2020 as shown in Section 8.4.

Pro forma Contributed equity:

	Pro Forma (unaudited) Minimum Offer \$000's	Pro Forma (unaudited) Maximum Offer \$000's
Issued share capital as at 31 Dec 2020 (reviewed)	582	582
Subsequent events:		
Acquisition of ActivePort Pty Ltd ^(a)	6,756	6,756
Pre-IPO capital raise	3,898	3,898
Global Edge Network Limited ^(b)	1,572	1,572
	12,226	12,226
Pro forma acquisition adjustments:		
Starboard IT Pty Ltd ^(c)	3,500	3,500
Vizstone Pty Ltd ^(c)	3,125	3,125
	6,625	6,625
Pro forma adjustments:		
Issue of shares pursuant to the Offer	10,000	15,000
Costs associated with the Offer	(614)	(920)
Issue of Lead Manager options ^(d)	(399)	(550)
	8,987	13,530
Pro forma Issued share capital	28,420	32,963

	Pro Forma (unaudited) Minimum Offer Number	Pro Forma (unaudited) Maximum Offer Number
Issued shares as at 31 Dec 2020	113,695,030	113,695,030
Subsequent events:		
Acquisition of ActivePort Pty Ltd ^(a)	8,443,708	8,443,708
Pre-IPO capital raise	24,368,750	24,368,750
Global Edge Network Limited ^(b)	7,857,505	7,857,505
	40,669,963	40,669,963
Pro forma acquisition adjustments:		
Starboard IT Pty Ltd ^(c)	17,500,000	17,500,000
Vizstone Pty Ltd ^(c)	15,625,000	15,625,000
	33,125,000	33,125,000
Pro forma adjustments:		
Issue of shares pursuant to the Offer	50,000,000	75,000,000
	50,000,000	75,000,000
Pro-forma Issued share capital (undiluted)	237,489,993	262,489,993

Notes:

- (a) Pursuant to the acquisition of ActivePort Pty Ltd. Refer to details in Section 8.5(a)(i).
- (b) Pursuant to the acquisition of Global Edge Network Limited in which 39,287,515 shares were issued in exchange for 100% of the Global Edge issued share capital.
- (c) Pursuant to the Acquisitions which is further explained in Sections 11.2(a) and 11.2(b).

Pro forma Accumulated losses

	Pro Forma (unaudited) Minimum Offer \$000's	Pro Forma (unaudited) Maximum Offer \$000's
Accumulated losses as at 31 Dec 2020 (reviewed)	1,385	1,385
Subsequent events:		
Acquisition of ActivePort Pty Ltd ^(a)	1,989	1,989
Costs incurred during capital raise period	3,500	3,500
Global Edge Network Limited	811	811
Consolidation eliminations	(2,800)	(2,800)
	3,500	3,500
Pro forma acquisition adjustments:		
Starboard IT Pty Ltd ^(b)	(440)	(440)
Vizstone Pty Ltd ^(b)	1,080	1,080
Consolidation eliminations	(640)	(640)
	-	-
Pro forma adjustments:		
Costs associated with the Offer	558	565
	558	565

	Pro Forma (unaudited) Minimum Offer \$000's	Pro Forma (unaudited) Maximum Offer \$000's
Pro forma accumulated losses	5,443	5,450

Notes:

- (a) Pursuant to the acquisition of ActivePort Pty Ltd. Refer to details in Section 8.5(a)(i).
(b) Pursuant to the Acquisitions which is further explained in Sections 11.2 (a) and 11.2(b).

Pro forma Reserves:

	Pro Forma (unaudited) Minimum Offer \$000's	Pro Forma (unaudited) Maximum Offer \$000's
Reserves as at 31 Dec 2020 (reviewed)	59	59
Pro forma adjustments:		
Fair value of issue of Lead Manager Options ^(a)	399	550
Pro forma reserves	458	609

Notes:

1. Further details of the options issued to the Lead Manager are set out in Section 8.5(b).

8.6 Summary historical statement of profit or loss and other comprehensive income for financial year 2020 and HY 2021

	HY 2021 (Reviewed) (AUD \$)	FY 2020 (Audited) (AUD \$)
Revenue from continuing operations	-	-
Cost of goods sold	-	-
Gross Profit	-	-
Other income	24,939	74,803
Operating expenses	851,485	633,369
Loss before income tax	(826,546)	(558,566)
Income tax expense	-	-
Loss for the year attributable to members	(826,546)	(558,566)
Total comprehensive loss for the year attributable to members	(826,546)	(558,566)
The total comprehensive loss attributable to the Company	(826,546)	(558,566)

The above historical Financial Information has been derived from the audited financial statements of ActivePort for FY2020 and the reviewed financial statements for HY2021, which were reported on by Stantons.

8.7 Summary historical statement of Cash Flows

The table below presents the summary historical statement of cash flows for FY2020 and HY2021.

	HY 2021 (Reviewed) (AUD \$)	FY 2020 (Audited) (AUD \$)
Cash flow from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(210,112)	(433,953)
Government grants received	24,928	39,330
Interest received	11	19
Net cash inflow/(outflow) from operating activities	(185,173)	(394,604)
Cash flow from investing activities		
Payments for property, plant and equipment	-	(5,225)
Net cash used in investing activities	-	(5,225)
Cash flow from financing activities		
Issue of shares (net of issue costs)	110,000	531,728
Net cash inflow from financing activities	110,000	531,728
Net increase in cash and cash equivalents	(75,173)	131,899
Cash and cash equivalents at beginning of year/ date of incorporation	131,899	-
Cash and cash equivalents at end of year	56,726	131,899

The above historical Financial Information has been derived from the audited financial statements of ActivePort for FY2020 and the reviewed financial statements for HY2021, which were reported on by Stantons.

8.8 Summary historical statement of financial position

The table below presents the summary historical statement of financial position for the financial year ended 30 June 2020 and the half year ended 31 December 2020.

	HY 2021 (Reviewed) (AUD \$)	FY 2020 (Audited) (AUD \$)
Current assets		
Cash and cash equivalents	56,726	131,899
Trade and other receivables	27,153	35,454
Funds held in trust	1,958,400	-
Total current assets	2,042,279	167,353
Total assets	2,042,279	167,353
Current liabilities		
Trade and other payables	2,761,589	184,178
Provisions	24,074	10,013
Total current liabilities	2,785,663	194,191
Total liabilities	2,785,663	194,191
Net liabilities	(743,384)	(26,838)

	HY 2021 (Reviewed) (AUD \$)	FY 2020 (Audited) (AUD \$)
Equity		
Contributed equity	582,277	531,728
Accumulated losses	(1,385,112)	(558,566)
Capital and reserves attributable to members	59,451	-
Total Equity	(743,384)	(26,838)

The above historical Financial Information has been derived from the audited financial statements of ActivePort for FY2020 and the reviewed financial statements for HY2021, which were reported on by Stantons.

8.9 Summary of significant accounting policies

(a) Basis of preparation

(i) General-purpose financial report

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The financial statements are presented in Australian Dollars ("AUD").

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- (A) financial assets and liabilities (including derivative instruments); and
- (B) certain classes of property, plant and equipment and investment property – measured at fair value.

(iii) **New and amended standards adopted by the entity**

The Group has adopted AASB 16: Leases using modified retrospective approach with the cumulative effect of initially applying AASB 16 recognised as at 31 December 2020. In accordance with AASB 16, the comparatives for the 2020 reporting period have not been restated. The impact of the adoption of this standard and the respective account policies is disclosed below.

Changes in accounting policy

The Group has recognised a lease liability and right-of-use asset for all leases (with exception of short-term and low value leases) recognised as operating leases under AASB 117: Leases where the Group is a lessee.

Lease liabilities are measured at the present value of the remaining lease payments. The Group's incremental borrowing rate as at 31 December 2020 was used to discount the lease payments.

The right-of-use assets were measured at their carrying values as if AASB 16 Leases had been applied since the commencement date but discounted using the Group's incremental borrowing rate per lease term as at 31 December 2020. The right-of-use assets have been recognised in the statement of financial position as at 31 December 2020.

The following practical expedients have been used by the Group in applying AASB 16 for the first time:

- (A) For a portfolio of leases that have been reasonably similar characteristics, a single discount rate has been applied.
- (B) Leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same way as short-term lease.
- (C) The use of hindsight to determine lease terms or contracts that have options to extend or terminate.
- (D) The Group's weighted average incremental borrowing rate on 1 July 2019 applied to the lease liabilities was 3.50%.

(iv) **New and amended standards not yet adopted**

A number of new standards, amendments to standards and interpretations issued by AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these financial statements. The Board expects no impact on the financial statements of the Group.

(v) **Going Concern Assessment**

The financial report has been prepared on a going concern basis, which assumes the Group will be able to realise its assets and discharge its liabilities in the normal course of business.

Management has considered the impacts of Government restrictions in response to the COVID-19 pandemic. Despite the measures taken impacting how the Group and its employees operate, the Group has continued to trade and has been able to meet ongoing customer contract obligations, and source new sales contracts. Management has fully considered the impact of the pandemic when considering the Group's ability to continue as a going concern.

The ability of the Group to continue as a going concern and to pay its debts as and when they become due and payable is dependent upon the Group earning sufficient revenue, ensuring that they continue to minimise their costs, and manage working capital effectively. The Directors have a reasonable expectation that the business will be able to do this, and therefore have adopted the going concern basis in preparing this financial report.

(vi) **Comparative balances**

The comparative balances are for the period from incorporation from 2 October 2019 to 30 June 2020.

(vii) **Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(b) **Principles of consolidation and equity accounting**

(i) **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where

necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position.

(ii) **Foreign currency translation**

(A) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in the Australian dollar (\$) ("AUD"), which is the Group's functional and presentation currency.

(B) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation difference on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as financial assets are recognised in other comprehensive income.

(C) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (A) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (B) income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (C) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(iii) **Revenue recognition**

AASB 15 establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers and requires application of a five-step process to identify the contract with the customer, identify performance obligations in the contract, determine transaction price, allocate the transaction price to the performance obligations and recognise revenue when performance obligations are satisfied.

Revenue is recognised for the major business activities as follows:

(A) **Software, subscription and virtual products**

For software, subscription and virtual products, the performance obligation is satisfied when access is facilitated.

All revenue is stated net of the amount of goods and services tax (GST).

(B) **Interest income**

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(C) **Government incentives**

Government incentives are recognised when received.

(iv) **Business combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- (A) fair values of the assets transferred;
- (B) liabilities incurred to the former owners of the acquired business;
- (C) equity interests issued by the group;
- (D) fair value of any asset or liability resulting from a contingent consideration arrangement, and
- (E) fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- (i) consideration transferred;
- (ii) amount of any non-controlling interest in the acquired entity; and
- (iii) acquisition-date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(v) **Leases**

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- (A) leases of low value assets; and
- (B) leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- (A) amounts expected to be payable under any residual value guarantee;
- (B) the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option; and
- (C) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- For personal use only
- (A) lease payments made at or before commencement of the lease;
 - (B) initial direct costs incurred; and
 - (C) the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- (A) if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- (B) in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
- (C) if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on

the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

(vi) **Employee benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(vii) **Impairment**

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets are impaired. In the case of financial assets classified as available for sale, a significant or prolonged decline in the fair value of an asset below its cost is considered as an indicator that the assets are impaired. If any such evidence exists for financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss and other comprehensive income – is removed from equity and recognised in the profit or loss and other comprehensive income statement. Impairment losses recognised in the statement of profit and loss and other comprehensive income on equity instruments classified as available for sale are not reversed through the profit or loss and other comprehensive income.

(viii) **Income tax**

The income used for tax calculations is made up of current tax income and deferred tax income.

(ix) **Current Tax**

Current tax assets are measured at the amounts expected to be recovered from the Australian Taxation Office.

(x) **Deferred Tax**

Deferred income tax expense reflect the movements in deferred tax asset and deferred tax liability balances during the year as well as unutilised tax losses.

Except for business combination, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or tax profit and loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Tax losses have not been recognised in the current year.

(xi) **Offsetting balances**

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement of simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where; (1) a legally enforceable right of set-off exists; and (2) the deferred tax assets and liabilities relate to the income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

ActivePort and its subsidiaries have not applied tax consolidation legislation.

(xii) **Good and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(xiii) **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(xiv) **Financial instruments**

(i) **Classification and measurement**

Under AASB 9, the Group initially measures a financial asset as its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Financial assets are then subsequently measured at fair value through profit or loss ("FVTPL"), amortised cost, or fair value through other comprehensive income ("FVOCI").

(ii) **Initial recognition and measurement**

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

(iii) **Subsequent measurement**

The Group's financial assets at amortised cost includes trade and other receivables.

(iv) **Impairment of financial assets**

For trade receivables, the Group applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(v) **Financial Liabilities**

(A) **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, borrowings and lease liabilities.

(B) Subsequent measurement

(I) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

(II) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(III) Compound instruments

The component parts of compound instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another

financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss and other comprehensive income upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the Convertible Notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the Convertible Notes using the effective interest method.

(vi) **Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

(vii) **Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

(A) **Plant and Equipment**

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in

excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset is charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

(B) **Depreciation**

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a diminishing balance basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(viii) **Intangible assets**

(A) **Goodwill**

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(B) **Customer contracts**

Customer contracts are initially recorded at cost. Assets deemed to have an indefinite life are tested annually for impairment and carried at cost less accumulated impairment losses. Assets deemed to have a finite life are amortised over their expected economic life to the Group and then recorded at cost less accumulated amortisation and impairment losses.

(ix) **Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(x) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(xi) **Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(xii) **Fair value of assets and liabilities**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques.

These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- (A) Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- (B) Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- (C) Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the

asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

(A) Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

(B) Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

(C) Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (A)** if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (B)** if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(xiii) **Critical accounting estimates and judgements**

(i) **COVID-19**

The impact of COVID-19 on the global economy and how governments, businesses and consumers will respond is uncertain. This uncertainty is reflected in the Group's assessment of expected credit losses, which is subject to a number of management estimates and judgements.

(ii) **Deferred taxation**

Under normal circumstances, the benefits of deferred tax losses not brought to account can only be realised in the future if:

- (A) assessable income is derived of a nature, and of an amount sufficient to enable the benefit from the deductions to be realised
- (B) conditions for deductibility imposed by law are complied with; and
- (C) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

The directors on a regular basis will assess the recognition of the deferred tax assets.

(iii) **Income tax**

The Group is subject to income taxes in Australia. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(iv) **Leases**

On adoption of AASB 16 Leases from 1 July 2019, the Group was required to determine the measurement of lease liabilities based on the present value of remaining lease payments, discounted using the Group's incremental borrowing rate at commencement date. Judgement is required in determining an appropriate incremental borrowing rate, and the Group has determined the rate based on the effective interest rate of its most recent borrowings, adjusted to the specific term of each lease. In determining the lease term, management considered all relevant facts and circumstances that create an economic incentive to either exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if it is reasonably certain to be extended. The assessment is reviewed if a significant event or significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee.

(v) **Revenue from contracts with customers**

Key judgements in the recognition of revenue from contracts with customers include the identification of performance obligations within the contracts, allocation of the transaction price within the contract to the identified performance obligations, treatment of the upfront project fees and treatment of any variable consideration subsequent to initial commencement.

(vi) **Impairment of trade receivables**

Whilst there is an inherent uncertainty on the recoverability of trade receivables, the directors understand that the full debt is likely to be received and therefore no provision for impairment has been brought to account for the year ended 30 June 2020 (30 June 2019: nil).

8.10 **Explanation for certain non-IFRS financial measures**

To assist in Activeport's evaluation of the performance of its business, the Company uses certain measures to report on its business that are not recognised under IFRS. These measures are collectively referred in this Section 8 and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC as "non-IFRS financial measures".

Although Activeport believes that these measures provide useful information about its financial performance, they should be considered as supplements to the statement of profit or loss measures that have been presented in accordance with IFRS and not as a replacement for them. Because these non-IFRS financial measures are not based on IFRS, they do not have standard definitions, and the way Activeport calculated these measures may differ from similarly titled measures used by other companies. Investors and readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial measures. The principal non-IFRS financial measures that are referred to in this Prospectus are detailed below:

- (a) **EBITDA** and EBITDA margin. EBITDA is earnings or losses before interest (net finance expense), taxation, depreciation and amortisation. EBITDA margin is EBITDA expressed as a percentage of total revenue. Activeport uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation. EBITDA can be useful to help understand the cash generation potential of the business. EBITDA and EBITDA margin should not be considered as an alternative to measures of cash flow under IFRS and investors should not consider EBITDA in isolation, or as a substitute for, an analysis of the results of Activeport's operations;
- (b) **EBIT** is earnings or losses before interest (net finance expense) and taxation.

9. RISK FACTORS

9.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company and its activities are set out in Section 4. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 9, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 9 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 9, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 9 and all other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

9.2 Company Specific Risks

Risk Category	Risk
Limited History	The Company was only recently incorporated on 20 October 2019 and has only limited operating history and limited historical financial performance.
Contractual Risk	<p>The Company enters into long term contracts to rent use of its information technology infrastructure to customers. This recurring revenue is fundamental to the ongoing ability for the Company to generate revenue.</p> <p>While the contracts typically have 5 year terms, customers can terminate for a range of reasons including non-performance and breach.</p> <p>Maintaining performance against contracts and retaining customers is essential to the ongoing ability of the Company to remain a going concern.</p>
Customer relationships	The growth of the Company depends in part on increasing the number of its customers. The Company's ability to maintain levels of customer numbers, or to increase the number of customers further, in applicable business sectors and geographical areas is likely to be subject to limits.

Risk Category	Risk
	<p>There is a risk that one or more customers may terminate their contracts early or that, upon expiration of their existing contracts, they may choose not to renew arrangements with the Company or that the subsequent terms may be less favourable to the Company.</p> <p>Failure to maintain customer relationships or renew agreements could result in the Company's revenues declining and operating results being materially and adversely affected.</p>
Supplier relationships	<p>The Company plans to utilise wholesale infrastructure providers to deliver services into the Company's national and international network. This includes suppliers of data and voice networks, as well as third party data centres.</p> <p>The Company is dependent on ongoing mutually beneficial relationships with such key suppliers. Termination or failure to renew agreements with such suppliers could impact on the provision of services by the Company, which would be likely to have a material adverse effect on the Company's operations and financial position.</p> <p>In addition, any change to applicable rates and charges by key suppliers could impact on the Company's gross margin and profitability.</p>
Privacy and Data Collection Risk	<p>It is possible that the Group's procedures and systems may not stop or detect cyberattacks, data theft and hacking from obtaining unauthorised access to confidential data collected by the Group. If such activities were successful, any data security breaches or the Group's failure to protect confidential information could result in loss of information integrity, and breaches of the Group's obligations under applicable laws or customer agreements.</p> <p>The collection, use, storage and disclosure of personal and sensitive information in Australia is governed by the <i>Privacy Act 1988 (Cth)</i> (Privacy Act) and the Australian Privacy Principles contained at Schedule 1 of the Privacy Act (Australian Privacy Principles). Failures or breaches of data protection systems can result in reputational damage, regulatory impositions (such as for breaches of the Privacy Act or Australian Privacy Principles) and financial loss, including claims for compensation by customers or penalties by telecommunication regulators or other authorities.</p>
Reputational	<p>Extended disruption to ActivePort's services within or beyond its control could cause customers to view ActivePort as an operational risk and this could adversely affect ActivePort's ability to retain existing customers or attract new ones.</p>
Changes to laws or regulations	<p>The Company is subject to local laws and regulations in each jurisdiction in which it provides its services. Future laws or regulations may be introduced concerning various aspects of the Company's business, all of which may impact its operations. Changes in or extensions of laws and regulations affecting the Company's business could restrict or complicate the Company's business and significantly increase its compliance costs.</p> <p>For example, the Company will need to consider and respond to ongoing changes to data retention laws and the impact these laws may have on The Company's business.</p>

Risk Category	Risk
Technological developments	<p>If the Company fails to adapt to technological changes, this could have an adverse effect on the Company's business, operating results and financial position.</p> <p>The ability to improve the Company's existing products and services and develop new products and services is subject to risks inherent in the development process. The Company's products and services may be shown to be ineffective, not capable for adaptation to its customer's business, or unable to compete with superior or cheaper products or services marketed by third parties.</p> <p>There is no assurance that the Company will be successful in maintaining its market share or that it will be able to develop and introduce competitive technological advances in a timely and cost-effective way.</p>
Leases	<p>ActivePort derives a portion of its revenue from datacentres and in data centre racks where it owns the equipment but leases the premises or rack. Failure to renegotiate leases at the time of renewal or some other event causing ActivePort to lose access to the equipment in these facilities may adversely impact ActivePort's business.</p>
Hacking and vandalism	<p>The Company may be adversely affected by malicious third party applications that interfere with, or exploit, security flaws in the company's software and infrastructure. Viruses, worms and other malicious software programs could, among other things, jeopardise the security of information stored in a customer's or the Company's computer systems. If the Company's efforts to combat these malicious applications are unsuccessful, or if its software or infrastructure has actual or perceived vulnerabilities, the Company's business reputation and brand name may be harmed, which may result in a material adverse effect on the Company's operations and financial position.</p>
Protection of Intellectual Property Rights	<p>The commercial value of the Company's intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.</p> <p>It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's</p>

Risk Category	Risk
	favour, the costs of such litigation may be potentially significant and may divert management's attention from normal commercial operations.
Rapid growth risk	The Company aims to experience rapid growth in the scope of its operating activities which may expand operations in new jurisdictions. This growth is anticipated to result in an increased level of responsibility where if unable to be managed, will result in not being able to take advantage of market opportunities and execute its business plan or respond to competitive pressure.
Competition	<p>The market in which the Company operates includes large and well-funded technology companies whose resources exceed those currently available to the Company. In recent years, these competitors have strategically focused resources on the application market and have established extensive experience in developing and marketing applications. There can be no assurance that the Company will be able to match or compete with the efforts of such competitors that release competing products to market.</p> <p>Rival product offerings by existing and new competitors as well as technology developments by competitors may have an adverse effect on the Company's business operations, financial performance and prospects as well as on the value and market price of the Company's shares. This risk may influence the Company's customer acquisition cost and customer lifetime value.</p>
Catastrophic loss	<p>Computer viruses, fire and other natural disasters, break-ins, or a failure of power supply, information systems, hardware, software or telecommunication systems or other catastrophic events could lead to interruption, delays or cessation in service to the Company's customers. This may result in actual or consequential loss to the Company. The Company may be unable to operate its business, potentially putting The Company in breach of its contractual obligations, damaging its reputation and adversely affecting its ability to generate revenue.</p> <p>The Company may not have adequate disaster recovery plans to prevent or minimise loss. The Company also cannot guarantee that it will be able to obtain sufficient insurance to cover loss arising from a catastrophic event, the result of which could have a material adverse effect on the Company's business and financial performance.</p>
Future acquisitions	As part of its growth strategy, the Company may make further acquisitions of complementary businesses or enter into strategic alliances with third parties. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term constraints on working capital requirements, and retaining key staff. ActivePort's revenue growth targets may be impacted if it is unable to find suitable businesses and acquire them on reasonable terms. Once acquired, businesses might perform worse than expected.

Risk Category	Risk
Growth	There is a risk that ActivePort may be unable to grow its business through acquisition of new customers or increasing revenue generated from existing customers. A lack of growth may cause future losses.
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company.</p>
Requirement to raise additional funds	ActivePort may be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be unsatisfactory.
COVID-19 Risk	<p>The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The COVID-19 pandemic may also give rise to issues, delays or restrictions in product processing and packaging and the Company's ability to deliver products to customers, which may result in cost increases or adverse impacts on sales. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.</p> <p>The Company has implemented a wide range of strategies to mitigate the risks posed by COVID-19. The Company began implementing specific COVID-19 OHS policies in early March 2020 to ensure that risk around COVID-19 is minimised for all employees and contractors. These measures included the adoption of hygiene, health and work practice advice from relevant state and federal governments across its global operations. The Company's head office staff located in Perth, Western Australia and Sydney, New South Wales moved to a work-from-home basis, and rostering of staff working in the office, as and when required by local governments.</p> <p>The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.</p>

Risk Category	Risk
Foreign Jurisdiction Risk	The Company may expand its operations internationally. There is a risk investing in international operations may not be profitable or succeed due to poor execution or external factors beyond ActivePort's control including obtaining appropriate licences and consents for ActivePort's business, taxation, working conditions, insurance, demand for services, contractors, potential acquisitions, growth, counterparties, intellectual property, technical failure, operational failure, disputes, litigation, non-payment, currency exchange rates, debt and interest rates, financial performance, legal compliance, political unrest and operational management.

9.3 Industry Specific Risks

Category of Risk	Risk
Product liability	As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any.
Disputes	<p>The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes.</p> <p>Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date hereof.</p>
Loss of Customers	The Company has established important relationships through development of its business to date. The loss of one or more customers through termination or expiry of contracts may adversely affect the operating results of the Company.
Litigation	The Company is exposed to possible litigation risks including, but not limited to, intellectual property ownership disputes, security breaches, contractual claims, environmental claims, occupational health and safety claims and employee claims. Further, the Company 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 is not currently engaged in any litigation.
Data loss, theft or corruption	The Company stores all data, which includes both operational, informational and accounting data, in the "Cloud", reducing the risk on the data from the resilience and security of its own systems and networks. In the past, exploitation or hacking of any of the Company's systems or networks could lead to corruption, theft or loss of the data which could have had a material adverse effect on the Company's business, financial condition and results. This risk has now been minimised. Further, if the Company's systems, networks or technology are subject

Category of Risk	Risk
	to any type of 'cyber' crime, its technology may be perceived as unsecure which may lead to a decrease in the number of customers. The Company has not been hacked, but it is possible that the Company may experience negative publicity if their systems are able to be hacked at some point in the future.
Foreign exchange	The Company will be operating in a variety of jurisdictions, outside of Australia and as such, expects to generate revenue and incur costs and expenses in foreign currencies. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the US dollar relative to the Australian dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company.
Insurance coverage	<p>The Company intends to insure its operations in accordance with industry practice. The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company proposes to arrange and maintain insurance coverage for its employees, as well as directors and officers liability insurance, however it does not currently propose to arrange and maintain business interruption insurance or insurance against claims for certain property damage. The Company will need to review its insurance requirements periodically. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company's financial position and financial performance may be adversely affected.</p> <p>The Company considers that it has sufficient insurance policies in place in respect of its business and assets. However, 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.</p>

9.4 General Risks

Category of Risk	Risk
Additional requirements for capital	The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
Economic conditions and other global or national issues	General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour

Category of Risk	Risk
	unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.
Currently No Market	<p>There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.</p> <p>The price at which the Company's Shares trade on ASX after listing may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.</p> <p>There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.</p>
Market conditions	<p>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:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>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 or defence 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.</p> <p>Further, the value of the Shares may fluctuate more sharply than that of other securities, given the low per Share pricing of the Shares under the Prospectus, and the fact that investment in the Company is highly speculative.</p>
Price of Shares	<p>Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook both in Australia and Internationally; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates;

Category of Risk	Risk
	<p>(d) changes in investor sentiment toward particular market sectors;</p> <p>(e) the demand for, and supply of, capital;</p> <p>(f) global pandemics; and</p> <p>(g) terrorism or other hostilities.</p> <p>As a company listed on ASX, the Company will be subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price. The price at which Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer price. There is no assurance that the price of the Shares will increase or not decrease following the commencement of quotation on ASX, even if the Company's earnings increase.</p> <p>Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Please refer to Section 7.12 for further details on the Shares likely to be classified by the ASX as restricted securities.</p>
Taxation risk	<p>The acquisition and disposal of Shares will have tax consequences for investors, which will vary depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of Securities from a taxation viewpoint and generally.</p>

9.5 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative. There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

10. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

10.1 Directors and Key Personnel

The Board of the Company consists of:

(a) **Peter Christie – Executive Chairman**

Peter is an IT industry expert with 30 years of experience across the full stack of information technology from enterprise applications down through middleware, servers, operating systems, networks and data centres. Peter began his career as a software engineer in the banking sector and has held business development and solution architecture positions with many global technology corporations including Unisys, Informix (IBM), Logica, ABB, Tibco and Orange.

Peter successfully formed and listed Australia's first modular data centre operator, The Data Exchange Network (DXN) on the ASX and as CEO, delivered and certified a world-first mixed Tier-III and Tier-IV engineering solution for low-cost, scalable data centre construction.

Peter has extensive experience in capital raising, IPO's and senior management of listed technology companies. He has a Bachelor's degree in Economics and Computer Science from Flinders University. Peter is also non-executive Chairman of Radian Arc Pty Ltd and NEXION Group Ltd (ASX:NNG).

The Board considers that Mr. Christie is not an independent Director.

(b) **Chris Daly – Non-Executive Director**

Chris has 30 years of management and supervisory experience in businesses operating in the contracting, fabrication, sales, equipment rental, mining and construction sectors.

Chris founded Dewatering Services Australia (DSA) in 2003, was the Managing Director and grew the company into a multifaceted mining services provider. DSA was sold to ASX-listed REL in 2011 where Chris continued to expand the business nationally as the Chief Executive of the Pipelines Division.

Chris has extensive experience in managing businesses with a keen focus on financial management, job costing, business processes and safety system development including Australian Standards accreditation. Chris has a strong background in design, estimating and management of infrastructure installation projects and more recently in development and construction of multi-level commercial and domestic buildings.

Chris is also a non-executive Director of NEXION Group Ltd (ASX: NNG).

The Board considers that Mr. Daly is an independent Director.

(c) **Karim Nejaim – Executive Director and Chief Executive Officer**

Karim has spent the last 25 years in telecommunications, most recently Telstra, where he was Executive Director - Product Engineering until June 2020 and previously held positions of Director Global Enterprise Product Engineering and Director Network Services and Facilities. Prior to Telstra,

Karim held several senior executive roles at Optus and the broader SingTel group, in particular Group Vice President, IP Core Engineering, Vice President, Converged Services Engineering and Head of Strategy and Planning for the Networks Division.

The Board considers that Mr. Nejaim is not an independent Director.

(d) **Kathryn Soares – Proposed Director**

Kathryn is an information technology business owner and manager with 30 years of experience in delivering ICT solutions across multiple industry sectors.

Kathryn started her career with Platinum Technology in Chicago (later CA technologies) before moving to Sun Microsystems in Melbourne. Kathryn's various roles included technical delivery, pre-sales engineer, project management and later Pre-Sales Manager. Kathryn then accepted a role within Siemens as WA Branch Manager going on to work within the local ICT market.

In 2009, Kathryn established Vizstone, a Perth based ICT provider looking after the Energy Market.

Kathryn has a Masters in Digital Communications from Monash University and is a champion for Women in STEM.

The Board considers that Ms. Soares will not be an independent Director.

10.2 Key Management

(a) **Mark Middleton – Chief Technology Officer**

Mark has a 34-year career as a technologist well versed in all aspects of software development, network engineering and data centre infrastructure development. Mark worked for Novell in the 90's before establishing Rescue Technology and Acure which he later sold to Amcom (now Vocus). Mark is an expert in wide area networks and architect of the ActivePort software.

(b) **Robert Molkenhain – Chief Financial Officer**

Robert brings over 25 years of corporate finance experience from senior CFO positions across Australia, Europe and the USA. Previous experience includes raising capital, completing IPOs and managing ASX compliance. Robert's track record also includes building international businesses and operating within a globally distributed executive team.

(c) **Steven Norris – Head of Global Sales**

Steven has a 26-year career in Sales, Marketing and Product Management in the IT&T sector. Steven worked at TPG Telecom for 14 years in several roles, most recently as Northern Region Manager, with prior roles as State Manager and Head of Business and Corporate. Previously, Steven was the Solution Sales Manager at Netcomm, the Business Unit Manager at Unitel, and ran product for the system Integration business unit at Commander.

- 10.2.2** Steven brings experience of multi-channel sales with roles responsible for Direct, Wholesale and Dealer in the Systems Integration, Hardware Distribution and Telecommunications sectors.

(a) **Simon Love - Global Head Infrastructure**

Simon began his career as a Transmission Engineer 28 years ago and has built a career in leadership roles including Vice-President Fixed and Satellite Services, General Manager Technology Strategy & Planning and Director of Transmission & Access Engineering for Optus. Simon joined ActivePort from his role as General Manager, Fixed Networks for Visionstream. Simon has a Bachelor of Applied Science, Physics from the University of Technology, Sydney.

(b) **Jack Toby – Company Secretary**

Jack is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Institute of Chartered Accountants in England and Wales and an Associate member of the Australian Computer Society. Jack has extensive experience as Company Secretary and Chief Financial Officer of several listed public companies and major corporations for over the last 30 years.

The Company is aware of the need to have sufficient management to properly supervise its operations, expansion and research and development, and the Board will continually monitor the management roles in the Company. The Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management oversight of the Company's activities.

10.3 Disclosure of Interests

(a) **Remuneration**

Details of the Directors' remuneration for the previous two completed and the current financial year (on an annualised basis) are set out in the table below:

Director	Remuneration for the period ended 30 June 2020 ¹	Remuneration for the financial year ending 30 June 2021 ¹	Proposed remuneration for financial year ended 30 June 2022 ¹
Current Directors			
Peter Christie ²	180,000	240,000	240,000
Chris Daly	37,500	60,000	60,000
Karim Nejaim ³	-	417,500	350,000
Kathryn Soares ⁴	-	-	202,000

Notes:

- All amounts are exclusive of superannuation.
- During FY20 and FY21, Mr Christie's salary was wholly paid through an employment agreement between Mr Christie and the Company. For FY22 Mr Christie's remuneration is comprised of the following:
 - \$180,000 for his role as director of Corporate Development; and

2. \$60,000 for his role as Executive Chairman.
3. Mr Nejaim's remuneration is comprised of:
\$290,000 for his role as Chief Executive Officer; and
\$60,000 for his role as Managing Director.

Mr Nejaim executive services agreement also provides for a performance-based bonus, which subject to satisfying key performance indicators, will be not less than \$150,000 (which may be paid in cash and/or satisfied by way of an issue of shares). Please see Section 11.4(a) for further details.

4. Ms Soares is a proposed Director. Upon appointment Ms Soares' remuneration will be comprised of:
 - (a) \$142,000 for her role as Managing Director of Vizstone; and
 - (b) \$60,000 for her role as a Director.

The Company's constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is \$500,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting. The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

Director	Appointed	Retired
Peter Christie	2 October 2019	N/A
Chris Daly	18 November 2019	N/A
Karim Nejaim	20 May 2021	N/A
Kathryn Soares	Post IPO	N/A
Stuart Korchinski	18 December 2019	20 May 2021

(b) **Interests in Securities**

As at the date of this Prospectus

As at the date of this Prospectus, the Directors have relevant interests in securities as follows:

Director	Shares	Performance Rights	Percentage Undiluted ⁴	Percentage Fully Diluted ⁵
Peter Christie ¹	43,568,260	3,061,600	28.22%	25.73%
Chris Daly ²	1,842,660	459,240	1.19%	1.27%
Karim Nejaim	906,563	10,715,600	0.59%	5.91%
Kathryn Soares ³	-	-	0.00%	0.00%

Post-completion of the Offer – Minimum Subscription

Director	Shares	Performance Rights	Percentage Undiluted ³	Percentage Fully Diluted ⁴
Peter Christie ¹	43,568,260	3,061,600	18.35%	17.11%
Chris Daly ²	1,842,660	459,240	0.78%	0.84%
Karim Nejaim	906,563	10,715,600	0.38%	4.26%
Kathryn Soares ³	8,703,125	-	3.66%	3.19%

Post-completion of the Offer – Maximum Subscription

Director	Shares	Performance Rights	Percentage Undiluted ³	Percentage Fully Diluted ⁴
Peter Christie ¹	43,568,260	3,061,600	16.60%	15.51%
Chris Daly ²	1,842,660	459,240	0.70%	0.77%
Karim Nejaim	906,563	10,715,600	0.35%	3.87%
Kathryn Soares ³	8,703,125	-	3.32%	2.89%

Notes:

1. Mr Christie's holdings are held indirectly through Herdsman Lake Capital Pty Ltd and its wholly owned subsidiary Herdsman Lake Capital Asia Pte Ltd which holds 43,318,260 Shares and Pacczilla Pty Ltd <Pacczilla Super Fund A/C> which holds 250,000 Shares. Mr Christie is a Director of Herdsman Lake Capital Pty Ltd and Pacczilla Pty Ltd <Pacczilla Super Fund A/C>.
2. Mr Daly's shareholding is held indirectly through Claude L. Daly & Sons Pty Ltd <Chris Daly Family A/C>.
3. Ms Soares will receive her Shares pursuant to a share exchange agreement in which ActivePort is acquiring the issued share capital of Vizstone Pty Ltd, Ms Soares will indirectly hold (as a director, secretary and shareholder of 101IC Pty Ltd and as a director of Vizstone Holdings Pty Ltd (101IC Pty Ltd is also a 50% shareholder in Vizstone Holdings Pty Ltd)) an interest in 8,703,125 shares in ActivePort Group Ltd. The share exchange agreement is conditional, among other things, on ActivePort receiving a conditional approval letter from ASX.
4. Undiluted percentages include the Shares currently on issue and the Shares expected to be issued pursuant to the Acquisitions.
5. Fully diluted percentages take into account:
 - (a) Performance Rights issued to Directors and key management personnel;
 - (b) Shares to be issued as a result of the Offer and in relation to the Acquisitions; and
 - (c) Options on issue upon completion of the Offer (including the Lead Manager Options).

The fully diluted percentages do not take into account any Deferred Consideration Shares to be issued in relation to the Acquisitions as the number of Deferred Consideration Shares cannot be accurately determined as at the date of this Prospectus.

10.4 Agreements with Directors and Related Parties

The Company's policy in respect of related party arrangements is:

- (a) director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

10.5 Executive Employment Agreements

The Company has entered into consultancy agreements with are contained in Section 11.4(a).

10.6 Non-Executive Directors

The Company has entered into agreements with each of Peter Christie and Chris Daly which set out the terms of their appointment as non-executive Directors of the Company.

Further details of the Consulting Agreements, including the consulting fees are contained in Section 11.4.

10.7 Other Key Management Personnel

Other key management personnel are employed under individual employment agreements. These agreements include:

- (a) a total fixed annual remuneration or set hourly rate inclusive of superannuation and other fixed payments and benefits that the Company is legally obliged to offer;
- (b) a discretionary right at the option of the Company to participate via invitation or eligibility in incentive plans;
- (c) termination with notice by either party and in the case of the Company, payment in lieu of notice;
- (d) the Company being able to terminate without notice in certain circumstances including breach of contract, criminal activity or serious misconduct;
- (e) a non-compete and non-solicitation undertaking from the employees for up to 12 months; and
- (f) leave entitlements of 20 working days annually.

10.8 Chief Financial Officer & Company Secretary

The Chief Financial Officer, Mr Robert Molkenthin has been engaged by the Company via his entity, Captiva Investments Pty Ltd (**Captiva**) and receives \$24,000 (plus GST) per month. The consulting and services agreement with Captiva contains provisions considered standard for an agreement of its nature (including confidentiality and intellectual property provisions).

The Company Secretary, Mr. Jack Toby has been engaged by the Company via his entity, Jaguar Enterprises Pty Ltd as trustee for the Enterprise Trust trading as Board Support and receives \$5,000 (plus GST) per month.

10.9 Corporate Governance

ASX Corporate Governance Council Principles and Recommendations

The Company's Corporate Governance Statement and table of departures and explanations (from the recommendations of the ASX Corporate Governance Council) are listed in Annexure B to this prospectus.

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (**Recommendations**), except as noted in Annexure B to this Prospectus

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.activeport.com.au/investors

11. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

11.1 Lead Manager Mandate

The Company has signed a mandate letter to engage Bridge Street Capital Partners Pty Ltd (**Bridge Street**) to act as lead manager of the Offer (**Lead Manager Mandate**). The material terms and conditions of the Lead Manager Mandate are summarised below:

Item	Description									
Fees	Lead Manager Fee Bridge Street Capital Partners, the Lead Manager, will, subject to the conditions of the Lead Manager Mandate receive: (a) a lead management fee of 2% of all funds raised under the Offer; (b) a placement fee of 4% of all funds raised under the Offer; (c) options equal to 4.25% of the post-transaction diluted issued capital exercisable at a 100% premium to the IPO price on or before 30 September 2024, capped at that number of Options valued at no more than 3.99% of funds raised using a Black & Scholes valuation with a 50% volatility rate. (Lead Manager Options).									
	<table><tr><th></th><th>Minimum Raise (A\$10m)</th><th>Maximum Raise (A\$15m)</th></tr><tr><td>Lead Management and Placement Fees</td><td>\$600,000</td><td>\$900,000</td></tr><tr><td>Lead Manager Options</td><td>8,176,230</td><td>11,289,700</td></tr></table>		Minimum Raise (A\$10m)	Maximum Raise (A\$15m)	Lead Management and Placement Fees	\$600,000	\$900,000	Lead Manager Options	8,176,230	11,289,700
	Minimum Raise (A\$10m)	Maximum Raise (A\$15m)								
Lead Management and Placement Fees	\$600,000	\$900,000								
Lead Manager Options	8,176,230	11,289,700								
	See Section 12.3 for further details.									
Retention of Services	<p>The Company will retain Bridge Street as a corporate advisor for a minimum of 1 year after listing on the ASX.</p> <p>The Company will pay the Lead Manager \$6,000 (plus GST) per quarter for 12 months.</p>									
Term / Termination	Either party may terminate the agreement by providing the other party with written notice.									
Right of First Refusal	Provided completion of the transaction, the Lead Manager will have the right to participate as lead manager or joint lead manager of any capital raising undertaken by the company during the two years from the date that the Shares commence trading on the ASX.									

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

11.2 Acquisition Agreements

11.2.1 Starboard Acquisition Agreement

The Company has entered into a binding terms sheet (**Starboard Acquisition Agreement**) with Starboard IT Pty Ltd (ACN 610 345 161) (**Starboard**), the material terms of which are summarised below:

Item	Description
Acquisition	The Company has agreed to acquire 100% of the fully paid ordinary shares in the capital of Starboard free from encumbrances.
Consideration	<p>The consideration payable by the Company to Starboard for the acquisition comprising fully paid ordinary shares in the capital of the Company at a deemed issue price of \$0.20 per share (Starboard Purchaser Shares) is as follows:</p> <p>(a) (Initial Consideration): the issue of 17,500,000 Starboard Purchaser Shares on completion of the Starboard Acquisition (Starboard Completion);</p> <p>(b) (Tranche 1 Consideration): that number of Starboard Purchaser Shares, with a deemed issue price of \$0.20 per Starboard Purchaser Share, equivalent to 1x revenue valuation for any revenue invoiced in financial year 2021 (being from 1 July 2020 to 30 June 2021) by Starboard which exceeds \$3,500,000 (Tranche 1 Purchaser Shares);</p> <p>(c) (Tranche 2 Consideration): that number of Purchaser Shares calculated using the following formula:</p> $\frac{(\text{Vendor's FY22 revenue} - (\text{Vendor's FY21 revenue} \times 1.1)) \times 1}{80\% \text{ of Purchaser's 3 month VWAP}}$ <p>The value of the numerator:</p> $\text{Vendor's FY22 revenue} - (\text{Vendor's FY21 revenue} \times 1.1) \times 1$ <p>in this formula is capped at \$5,000,000 for the purposes of calculating the number of Tranche 2 Purchaser Shares to be issued (if any);</p> <p>(d) (Tranche 3 Consideration): on achievement of at least \$14,000,000 of reported Revenue for the financial year ending June 30, 2023, that number of Purchaser Shares calculated as \$2,000,000 divided by 80% of the Company's 3-month VWAP (April to June 2023); and</p> <p>(together the Initial Consideration, Tranche 1, 2, & 3 Consideration, the Consideration).</p> <p>For the purposes of calculating the Tranche 2 & 3 Consideration, Revenue includes all revenue earned by Starboard and any revenue earned by any business acquired by Starboard using the Company's cash reserves and debt instruments but not acquired using scrip of the Company.</p> <p>The parties further acknowledge and agree that the Company will not be required to issue the Starboard Purchaser Shares for the Tranche 1, 2 & 3 Consideration until the reported Revenue for the purposes of the calculation of the Tranche 1, 2, & 3 Consideration has been verified by the Company's auditor based on Starboard's audited accounts.</p> <p>The parties acknowledge and agree that the Company may, in its sole discretion, opt to satisfy a percentage, up to 100%, of the Tranche 1, 2, and/or 3 Consideration in cash (Cash Payment). Where a Cash Payment is made, this will have the effect of reducing the relevant Tranche 1, 2 and/or 3 Consideration by that amount.</p>

Item	Description
	<p>The parties acknowledge and agree that the Starboard Purchaser Shares that the Company may issue to Starboard in relation to the Tranche 1, 2 and 3 Consideration will be subject to the Company obtaining shareholder approval for the issue of those Starboard Purchaser Shares at its next general meeting (which must be held within 90 days of the Company being required to the issue the relevant Starboard Purchaser Shares as part of the Consideration, or such other time as agreed between the parties).</p> <p>The parties acknowledge and agree that up to \$600,000 of the initial consideration may be paid in cash or un-escrowed shares rather than escrowed shares, subject to ASX rules, the Company obtaining shareholder approval and agreement by Starboard and the Company.</p>
Conditions Precedent	<p>Starboard Completion is conditional upon the satisfaction or waiver of the following conditions precedent:</p> <ul style="list-style-type: none"> (a) completion of a legal and technical due diligence by the Company on Starboard's business and operations, to the sole satisfaction of the Company, within 30 days following the signing of the Starboard Acquisition Agreement (the Company is entitled to the benefit of this condition); (b) ASX granting conditional approval for the Company to be admitted to the official list of ASX and for its securities to be granted quotation on terms and conditions acceptable to the Company; (c) The Company obtaining all necessary shareholder, regulatory and third-party approvals pursuant to the ASX Listing Rules, the <i>Corporations Act 2001</i> (Cth) and any other law to allow The Company to lawfully complete the matters set out in the Starboard Acquisition Agreement; (d) all Shareholders accepting offers for their respective shares in Starboard by execution of separate instruments of transfer for their Starboard Purchaser Shares in favour of the Company (as transferee) which have been duly executed by the relevant Shareholder in relation to the Starboard Purchaser Shares (as transferor) (Transfer Forms); <p>The conditions must be satisfied (or waived) before 180 days of execution of the agreements.</p> <p>Any Party may terminate this Terms Sheet by written notice to the other, following which this Terms Sheet will be at an end and the Parties will be released from their obligations under this Terms Sheet and to each other without any further liability to the other for any reason whatsoever (save for their obligations which survive termination and any accrued rights arising from any breach of this Terms Sheet before termination).</p> <p>For the avoidance of doubt each condition is for the benefit of both Parties unless specifically identified as being for the benefit of only one Party.</p> <p>The Parties must use their best endeavours to ensure that the conditions precedent are satisfied as soon as practicable, and in any event before the end date.</p>

The Starboard Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

11.2.2 Vizstone Acquisition Agreement

The Company has entered into share exchange deed (**Vizstone Acquisition Agreement**) with Vizstone Pty Ltd (ACN 140 156 592) (**Vizstone**), the material terms of which are summarised below:

Item	Description
Acquisition	The Company has agreed to acquire 100% of the fully paid ordinary shares of each of the shareholder of Vizstone free from encumbrances.
Consideration	<p>The consideration payable by the Company to Vizstone for the acquisitions comprising fully paid ordinary shares in the capital of the Company at a deemed issue price of \$0.20 per share (Vizstone Purchaser Shares) is as follows:</p> <p>(a) Initial Vizstone Consideration: the issue of 15,625,000 Vizstone Purchaser Shares on completion of the Vizstone Acquisition (Vizstone Completion);</p> <p>(b) Tranche 1 Vizstone Consideration: that number of Vizstone Purchaser Shares calculated using the following formula:</p> $\frac{(\text{Vendor's FY22 revenue} - (\text{Vendor's FY21 revenue} \times 1.1) \times 1)}{80\% \text{ of Purchaser's 3 month VWAP}}$ <p>The value of the numerator:</p> <p><i>Vendor's FY22 revenue – (Vendor's FY21 revenue x 1.1) x 1</i></p> <p>in this formula is capped at \$5,000,000 for the purposes of calculating the number of Tranche 2 Vizstone Purchaser Shares to be issued (if any);</p> <p>(c) Tranche 2 Vizstone Consideration: on achievement of at least \$14,000,000 of reported Revenue for the financial year ending June 30, 2023, that number of Vizstone Purchaser Shares calculated as \$2,000,000 divided by 80% of the Company's 3-month VWAP (April to June 2023); and</p> <p>(together the Initial Vizstone Consideration, Tranche 1 Vizstone Consideration & Tranche 2 Vizstone Consideration, the Vizstone Consideration).</p> <p>For the purposes of calculating the Tranche 2 Vizstone Consideration, Revenue includes all revenue earned by Vizstone and any revenue earned by any business acquired by Vizstone using the Company's cash reserves and debt instruments but not acquired using scrip of the Company.</p> <p>The parties further acknowledge and agree that the Company will not be required to issue the Vizstone Purchaser Shares for the Tranche 1 & 2 Vizstone Consideration until the reported Revenue for the purposes of the calculation of the Tranche 1 & 2 Vizstone Consideration has been verified by the Company's auditor based on Vizstone's audited accounts.</p> <p>The parties acknowledge and agree that the Company may, in its sole discretion, opt to satisfy a percentage, up to 100%, of the Tranche 1 and/or 2, Vizstone Consideration in cash (Cash Payment). Where a Cash Payment is made, this will have the effect of reducing the relevant Tranche 1 and/or 2 Consideration by that amount.</p> <p>The parties acknowledge and agree that the Vizstone Purchaser Shares that the Company may issue to the Vizstone in relation to the Tranche 1 and 2 Vizstone Consideration will be subject to the Company obtaining shareholder approval for the issue of those Vizstone Purchaser Shares at its next general meeting (which</p>

Item	Description
	must be held within 90 days of the Company being required to the issue the relevant Vizstone Purchaser Shares as part of the Consideration, or such other time as agreed between the parties).
Conditions Precedent	<p>Vizstone Completion is conditional upon the satisfaction or waiver of the following conditions precedent:</p> <ul style="list-style-type: none"> (a) the Company receiving a letter from ASX confirming that ASX will grant conditional quotation of the Vizstone Shares on the official list of ASX, on terms acceptable to the Company; (b) the Company confirming in writing to Vizstone, that it is satisfied in its sole discretion with its due diligence review of the business, assets, operations, financial position and financial performance of Vizstone; (c) the Company successfully completing a capital raising in an amount of not less than \$5 million; (d) the Company obtaining, in a form satisfactory to the Company, all third party approvals, consents and regulatory approvals necessary to allow the Company to complete the matters set out in Vizstone Acquisition Agreement; (e) no breach of any warranty given by Vizstone occurring prior to Vizstone Completion; and (f) no event, occurrence or matter, which individually or when aggregated with all such events, occurrences or matters of a similar kind, taking place at any time prior to the completion date which has a material adverse effect.
Condition Subsequent	<p>Notwithstanding that Vizstone Completion may have taken place, the exchange of the Vizstone Shares for the Initial Vizstone Consideration is conditional upon the lawful execution of:</p> <ul style="list-style-type: none"> (a) Vizstone executive service agreements with Kathryn Soares and Ben Chan; and (b) the director appointment letter for Kathryn Soares to become a Director of the Company.
Termination	<p>Either party may, provided it has satisfied its obligations, by written notice prior to Vizstone Completion, terminate the Vizstone Acquisition Agreement if the other party:</p> <ul style="list-style-type: none"> (a) is in breach of any of the warranties made by that party in the Vizstone Acquisition Agreement; or (b) is in material default of any term of the Vizstone Acquisition Agreement.
Board Representative	<p>As soon as practicable after Vizstone Completion has occurred, the Company shall procure that Kathryn Soares is appointed to the board of directors of the Company as a director, subject to the receipt of a consent to act duly executed by Kathryn Soares. The appointment and/or re-election of Kathryn Soares will be subject to the Constitution, the ASX Listing Rules and any other applicable laws.</p>

The Vizstone Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

The agreements the subject of the Condition Subsequent also contain provisions considered standard for agreements of their nature. Please refer to Section 10.3(a) for further details of Ms Soares' remuneration.

11.3 Operational Agreements

(a) TTGI / PCCW Referral Agreements

The Company has entered into a referral agreements (**Referral Agreements**) with Turnium Technology Group Inc (**TTGI**) and PCCW Global (Australia) Pty Limited (**PCCW**), the material terms of which are summarised below:

Item	Description
Term	The Referral Agreements shall continue until validly terminated.
Termination	Either Party may terminate the Referral Agreements: (a) without cause by giving the other party 30 days written notice; or (b) with immediate effect where a party becomes or appears to become insolvent or bankrupt.
Licence	Each party grants the other party a non-exclusive non-transferable license to market and promote the other party's services to prospective customers and to refer its existing customers to use the other party services.
Fees	The Party receiving the referral shall pay to the party providing the referral compensation for each contract entered into between the party receiving the referral and a client that was introduced by the party providing the referral.

The Referral Agreements otherwise contains provisions considered standard for agreements of their nature (including representations and warranties and confidentiality provisions).

(b) Radian Arc Referral Agreement

The Company has entered into a services agreement (**Radian Arc Agreement**) with Radian Arc Limited (**Radian Arc**), the material terms of which are summarised below:

Item	Description
Term	The Radian Arc Agreement remains in effect for 3 years, unless terminated earlier. The agreement will automatically be renewed unless a party provides the other party with 90 days written notice of termination of the agreement, the Radian Arc Agreement will continue to be in effect by additional periods of 12 months from when the Radian Arc Agreement otherwise would have ended.
Termination	Either party may terminate the agreement immediately if a Party materially breaches the Radian Arc Agreement, on the condition that the non-defaulting Party gives reasonable written notice and reasonable time to comply.
Services Provided	The Company will provide Radian Arc with ActivePort SD-WAN and ActivePortal orchestration software for resale to

Item	Description
	Radian Arc customers at the prices fixed by the Radian Arc Agreement.
Licence	The Company grants to Radian Arc and Radian Arc customers a non-exclusive right of access and use of the ActivePort SD-WAN and ActivePortal orchestration software.
Fees	Radian Arc will make a payment to the Company based on the number of Radian Arc customers using the Company's ActivePort SD-WAN and ActivePortal orchestration software.
Development Fee	Radian Arc will make a monthly payment to the Company for the development of the systems to be used by Radian Arc. This monthly payment shall be recoupable against the fees to be paid to the Company based on the number of Radian Arc customers using the Company's ActivePort SD-WAN and ActivePortal orchestration software.

The Radian Arc Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

Note: The Company notes that Executive Chairman of the Company, Peter Christie, is also a director of Radian Arc Limited. The Radian Arc Agreement was negotiated at arm's length with Peter Christie not being involved in the negotiations for either the Company or Radian Arc.

(c) **Master Customer Agreement**

The Company enters into a standard master customer agreement with each customer (**Customer Agreement**), the material standard terms and conditions of which are summarised below:

Item	Description
Fees	The customer will be charged fees for services performed by the Company as agreed by the parties in the service order (excluding out of pocket expenses).
Term	The Agreement shall remain in effect for a period of 5 years.
Termination	The Agreement may be terminated by either party by notice in writing, which notice must be received by the other party at least 90 days prior to the end of the Term.
Services	Services provided under the Customer Agreement include services provided to the customer pursuant to a service order executed by the parties and could include all or part of, colocation services, maintenance services, and consulting services.

The Customer Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

11.4 Agreements with Directors

(a) Karim Nejaim – Chief Executive Officer

The Company has entered into an executive services agreement with Mr Nejaim (**Nejaim ESA**), the material terms and conditions of which are summarised below:

Item	Description
Term	The Nejaim ESA commences 1 August 2021 and will continue until the date the Nejaim ESA is validly terminated in accordance with the Nejaim ESA.
Salary	\$290,000 per annum (exclusive of superannuation).
Performance Bonus	<p>The Nejaim ESA contains a performance-based bonus payable on the achievement of key performance indicators (Performance Based Bonus). The Performance Based Bonus may be paid in cash and/or by way of the issue of securities, as detailed below:</p> <ul style="list-style-type: none"> (i) any Shares to be issued the subject of this Performance Based Bonus may be subject to the receipt of approval from the Shareholders of the Company; (ii) the deemed issue or acquisition price of the Shares the subject of the Performance Based Bonus will be 30-day volume weighted average price (VWAP) of Shares traded on ASX prior to last day of the financial year in which the performance of the Employee was measured; and (iii) the issue or acquisition of the Shares the subject of the Performance Based Bonus will be subject to the Employee confirming his election to be issued or acquire the Shares; and. (iv) if the employment of Mr Nejaim is terminated by the Company before a period of 2 years (730 days) after the date the Company is admitted to the ASX official list and subject to the restrictions in the termination provisions set out in the Corporations Act and the ASX Listing Rules (which may cap the amount of the payment in which case the maximum amount under the cap is the amount that can be paid to the Employee, the Employee shall be paid an additional amount in cash equal to the amount calculated as 12,500,000 shares of the Company multiplied by the greater of the IPO share price or 5 day volume weighted average of Shares traded on ASX prior to the date the notice of termination is given by the Company to the Employee. <p>The minimum Performance Based Bonus will be \$150,000 at the end of every 12-month period completed within the Term.</p>
Termination by Company	With or without cause, by giving 3 months' notice to the Mr Nejaim unless the Company elects terminate the engagement immediately and pay Mr Nejaim the equivalent of the fee that would otherwise have been payable.
Termination by Mr Nejaim	(a) By giving 3 months' notice to the Company; or

Item	Description
	(b) Where the Company commits any serious or persistent breach of any provisions of the Nejaim ESA and the breach is not remedied by the Company with 28 days of receipt of written notice from Mr Nejaim.

The Nejaim ESA otherwise contains provisions considered standard for an agreement of this nature (including representations and warranties and confidentiality provisions).

(i) **Peter Christie – Director of Corporate Development**

The Company has entered into an Executive Services Agreement with Mr Christie (**Christie ESA**), the material terms and conditions of which are summarised below:

Item	Description
Term	The Christie ESA commenced on 2 October 2020 and continues until the date the Christie ESA is validly terminated in accordance with the Christie ESA.
Salary	\$180,000 per annum (exclusive of superannuation).
Performance Bonus	<p>The Christie ESA contains a performance-based bonus payable on the achievement of key performance indicators (Performance Based Bonus).</p> <p>If the employment of Mr Christie is terminated before the period of 2 years after the Company is listed on the ASX and subject to the restrictions in the termination provisions set out in the Corporations Act and the ASX Listing Rules (which may cap the amount of the payment in which case the maximum amount under the cap is the amount that can be paid to Mr Christie) Mr Christie shall be paid on termination an additional amount in cash equal to the amount calculated as 4 million Shares multiplied by the higher of the price at which Shares were offered to the public under the initial public offer or the 5 day volume weighted average of Shares traded on ASX prior to the date the notice of termination is given by the Company to Mr Christie.</p>
Termination by Company	With or without cause, by giving 6 months' notice to the Consultant unless the Company elects terminate the engagement immediately and pay the Consultant the equivalent of the fee that would otherwise have been payable.
Termination by Mr Christie	<p>(a) By giving 6 months' notice to the Company; or</p> <p>(b) Where the Company commits any serious or persistent breach of any provisions of the Christie ESA and the breach is not remedied by the Company with 28 days of receipt of written notice from Mr Christie.</p>

The Christie ESA otherwise contains provisions considered standard for an agreement of this nature (including representations and warranties and confidentiality provisions).

(ii) **Executive Director Appointments**

The Company has also entered into an executive director appointment agreement with Mr Nejaim to act in the capacity of Managing Director; Mr Christie to act in the capacity of Executive Chairman and Ms Soares to act as an Executive Director (**Executive Appointment Letters**), the material terms and conditions of which are summarised below:

Fees	Messrs Christie and Nejaim and Ms Soares (once appointed) will each be paid \$60,000 per annum (including any applicable statutory superannuation) (exclusive of GST).																																
Performance Bonus	<p>The Executive Appointment Letters for Messrs Christie and Nejaim contain revenue based performance bonuses for the 2022 and 2023 financial years. The number of Performance Rights and their class are set out in the table below:</p> <table><tr><th colspan="4">Performance Rights to be issued (m)</th></tr><tr><th>Executive</th><th>FY22</th><th>FY23</th><th>Total</th></tr><tr><td>Karim Nejaim</td><td>5,357,800</td><td>5,357,800</td><td>10,715,600</td></tr><tr><td>Peter Christie</td><td>1,530,800</td><td>1,530,800</td><td>3,061,600</td></tr></table> <p>The above number of performance rights represents the aggregate amount of performance rights to be issued to Messrs Christie and Nejaim. For each financial year the performance rights will fall into 3 classes (total of 6 classes across the 2 financial years). The proportion of performance rights in each class is set out along with the relevant milestones in the below table.</p> <table><tr><th>Performance Rights Class</th><th>A</th><th>B</th><th>C</th></tr><tr><td>Proportion FY22 Performance Rights in each Class</td><td>60%</td><td>20%</td><td>20%</td></tr><tr><th>Performance Rights Class</th><th>D</th><th>E</th><th>F</th></tr><tr><td>Proportion FY23 Performance Rights in each Class</td><td>60%</td><td>20%</td><td>20%</td></tr></table> <p>Ms Soares will not be issued with any Performance Rights. Please see Section 12.4 for further information in relation to the Performance Rights.</p>	Performance Rights to be issued (m)				Executive	FY22	FY23	Total	Karim Nejaim	5,357,800	5,357,800	10,715,600	Peter Christie	1,530,800	1,530,800	3,061,600	Performance Rights Class	A	B	C	Proportion FY22 Performance Rights in each Class	60%	20%	20%	Performance Rights Class	D	E	F	Proportion FY23 Performance Rights in each Class	60%	20%	20%
Performance Rights to be issued (m)																																	
Executive	FY22	FY23	Total																														
Karim Nejaim	5,357,800	5,357,800	10,715,600																														
Peter Christie	1,530,800	1,530,800	3,061,600																														
Performance Rights Class	A	B	C																														
Proportion FY22 Performance Rights in each Class	60%	20%	20%																														
Performance Rights Class	D	E	F																														
Proportion FY23 Performance Rights in each Class	60%	20%	20%																														

The Executive Appointment Letter otherwise contains provisions considered standard for agreements of this nature.

(c) **Non-Executive Director Appointment**

The Company has entered into a non-executive director appointment agreement with Mr Daly to act in the capacity of non-executive Director (**NED Appointment Letter**). Mr Daly will receive the remuneration set out in Section 10.3(a). The NED Appointment Letter otherwise contains provisions considered standard for agreements of this nature.

11.5 Deeds of indemnity, insurance and access

The Company will enter into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

12. ADDITIONAL INFORMATION

12.1 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.

12.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. 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 attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are ignored when calculating the proportion.

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the

amount paid or credited as paid is of the total amounts paid and payable in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they believe to be justified subject to the requirements of the Corporations Act. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement on such terms and conditions as the Directors think fit, (a) a dividend reinvestment plan which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

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

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being

wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

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.

12.3 **Lead Manager Options**

The Lead Manager will be issued Options equal to 4.25% of the Company's fully diluted share capital on completion of the IPO, capped at that number of Options valued at no more than 3.99% of funds raised using a Black & Scholes valuation with a 50% volatility rate. This will result in between 8,176,230 and 11,289,700 Lead Manager Options being issued.

Set out below are the terms and conditions of the Lead Manager Options:

(a) **Entitlement**

Each Option entitles the holder to subscribe for 1 Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (g), the amount payable upon exercise of each Option will be \$0.40.

(c) **Expiry Date**

The Options will expire at 5.00 pm, Western Standard Time on or before 30 September 2024. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Quotation**

The Company may, in its absolute discretion and subject to the requirements of ASX Listing Rule 2.5, apply for official quotation of the Options on the ASX. In the event that the Options are granted official quotation on the ASX in the future, the Company is under no obligation to maintain the quotation and may take any action that may result in termination of quotation of the Options by the ASX.

(e) **No obligation**

For the avoidance of doubt, paragraph (e)(iii) does not create any obligation on the Company to issue a disclosure document (whether at its cost or otherwise).

(f) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues

of capital that may be offered to Shareholders during the currency of the Options without exercising the Options.

(g) **Reorganisation of capital**

In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the ASX Listing Rules at the time of the reorganisation, but in all other respects the terms of exercise will remain unchanged.

(h) **Notice of Exercise**

The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option Certification and payment to the Company for the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by them.

(i) **Exercise Date**

The notice of exercise of Options may be deemed by the Company to be received at the end of the calendar month in which it is actually received and the Company shall comply with the ASX Listing Rules with respect to the issue of resultant Shares and the issue of a statement of shareholding.

(j) **Shares issued on exercise**

Shares issued pursuant to an exercise of Options shall rank, from the date of issue, equally with the existing Shares of the Company in all respects.

(k) **Quotation**

If admitted to the official list of ASX at the time, the Company shall make an application to have those Shares issued pursuant to an exercise of Options listed for official quotation by ASX.

(l) **Bonus issue**

If there is a bonus share issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

(m) **Change in exercise price**

There is no right to change the exercise price of the Options nor the number of underlying Shares over which the Options can be exercised.

(n) **Transferability**

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

12.4 Performance Rights

Set out below is a summary of the key terms and conditions of the Performance Rights.

(a) Key Terms

ActivePort Software means the software known as "ActivePort" which is solely marketed, and revenue is solely generated, through those entities within the Group who have Activeport in their company name (as at the date of this Prospectus these entities are ActivePort Group Ltd and ActivePort Pty Ltd). As such the contracts which the Company derives revenue from the "ActivePort" software will all only be signed with these entities (quarantining them from the other subsidiaries).

Contracted Recurring Consolidated Revenue for a financial year means consolidated revenue generated from on-going contracts with customers as recorded in the Group's contracts register, in accordance with AASB 15 Revenue from Contracts with Customers.

Total Pro-forma Revenue for a financial year means the total consolidated revenue for that financial year of ActivePort plus the pre-acquisition revenue for that financial year of any subsidiaries acquired during that financial year.

(b) Vesting Conditions

The Performance Rights shall vest, subject to the Vesting Calculation, when the following vesting conditions have been achieved:

- (i) **Class A Performance Rights:** the Company achieving a Total Pro-forma Revenue during the financial year ending on 30 June 2022 of at least 135% of the total ActivePort consolidated revenue for the previous financial year (**FY22 Deadline**);
- (ii) **Class B Performance Rights:**
 - (A) the vesting condition for some or all of the Class A Performance Rights is achieved; and
 - (B) the value of the ActivePort Contracted Recurring Consolidated Revenue is at least 30% of the value of the Total Pro-forma Revenue counted towards the Class A Performance Rights Vesting Condition;
- (iii) **Class C Performance Rights:**
 - (A) the vesting condition for some or all of the Class A Performance Rights is achieved; and
 - (B) at least 25% of the Class B contracted recurring revenue is derived directly from use of ActivePort Software;

- (iv) **Class D Performance Rights:** the Company achieving a Total Pro-forma Revenue during the financial year ending on 30 June 2023 of at least 135% of the total ActivePort consolidated revenue for the financial year ending on 30 June 2022 (**FY23 Deadline**);
- (v) **Class E Performance Rights:**
- (A) the vesting condition for some or all of the Class D Performance Rights is achieved; and
 - (B) the value of the ActivePort Contracted Recurring Consolidated Revenue is at least 50% of the value of the Total Pro-forma Revenue counted towards the Class D Performance Rights Vesting Condition; and
- (vi) **Class F Performance Rights:**
- (A) the vesting condition for some or all of the Class D Performance Rights is achieved; and
 - (B) at least 30% of the Class E contracted recurring revenue is derived directly from use of ActivePort Software,
- (each a **Vesting Condition**).

Where the Total Pro-forma Revenue achieved by the FY22 and FY23 Deadlines as a percentage of the respective comparison revenue target is:

- (i) less than 135% of the previous financial year's total reported revenue - no Performance Rights will vest; or
- (ii) 135% or more of the previous financial year's total reported revenue, then such proportion (limited to a maximum of 100%) of the Class A and Class D Performance Rights will vest pro-rata to the amount by which the Total Pro-forma Revenue achieved exceeds 135% of the Total Pro-forma Revenue for the previous financial year, as a percentage of 135% of the Total Pro-forma Revenue for the previous financial year.

For the purposes of the calculation pursuant to this paragraph:

- (A) the Total Pro-forma Revenue applied to the Class A Performance Rights' Vesting Condition and vesting conditions that are dependent of the Class A vesting condition, is limited to a maximum of \$30,000,000; and
- (B) the Total Pro-forma Revenue applied to the Class D Performance Rights Vesting Condition and vesting conditions that are dependent of the Class D vesting condition, is limited to a maximum of \$75,000,000,

(**Vesting Calculation**).

(b) **Independent Verification**

A Performance Right Vesting Condition will only be achieved, or achieved as a percentage of its target, after the Company's independent external auditor, either:

- (i) verifies that based on Company's audited accounts and as required, the audited accounts of any subsidiaries acquired by the Company: or
- (ii) provides another form of verification acceptable to ASX confirming that;
 - (A) the relevant Vesting Condition has been met, or achieved as a percentage of its target; and
 - (B) the revenue generated to meet the relevant revenue Vesting Condition meets the definition of Total Pro-forma Revenue.

(c) **Notification to holder**

The Company shall notify the holder in writing when Performance Rights vest and the number of Performance Rights that have vested.

(d) **Exercise**

Subject to paragraph (m) and to paragraph (n) and to paragraph (o), after being notified when Vesting for a class of Performance Rights has occurred, the holder is entitled to give a written notice or separate written notices to the Company that it wishes to exercise the vested Performance Rights that have vested in whole or in part, setting out the number of Performance Rights to be exercised at that particular time (**Exercise Notice**). If the Exercise Notice is for a part exercise of the Performance Rights, the balance of the Performance Rights held can be the subject of separate Exercise Notices that can be given by the holder in the future. Upon the receipt by the Company of the Exercise Notice, the holder will be issued one fully paid ordinary share in the capital of the Company (**Share**) for each exercised Performance Right.

(e) **Lapse of a Performance Right**

A Performance Right will automatically lapse upon the earlier to occur of:

- (i) 31 October 2022 for Class A, B and C Performance Rights and 31 October 2023 for Class D, E and F Performance Rights;
- (ii) if the relevant Vesting Condition attached to a class of Performance Rights has not been achieved by the relevant Deadline, then the relevant Performance Rights will automatically lapse. For the avoidance of doubt, a Performance Right will not lapse in the event the relevant Vesting Condition is met before the relevant Vesting Deadline and the Shares the subject of an Exercise Notice are deferred in accordance with paragraph (q) below; and

- (iii) the holder ceasing to be an officer (and employee, if applicable) of the Company, unless otherwise determined by the Board at its absolute discretion.

(f) **Consideration**

The Performance Rights will be issued for nil consideration and no consideration will be payable upon the issue of Shares pursuant to an Exercise Notice.

(g) **Share ranking**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other existing Shares.

(h) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for official quotation of a Share issued pursuant to an Exercise Notice on the ASX within the time period required by the Listing Rules.

(i) **Timing of issue of Shares on Conversion**

Within five (5) Business Days after the date that the Company receives an Exercise Notice, the Company will:

- (i) issue the number of Shares required by the Exercise Notice;
- (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 Notice.

If a notice delivered under paragraph (j)(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.

(j) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(k) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(l) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable Listing Rules and the Corporations Act at the time of reorganisation.

(m) **Adjustment for bonus issue**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(n) **Dividend and voting rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(o) **Change in control**

Subject to paragraph (q), upon:

- (i) a bona fide takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
 - (B) having been declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iii) in any other case, a person obtains Voting Power (as defined in the Corporations Act) in the Company that the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board,

then, to the extent that any Performance Rights have not vested when such bid has been made or such orders have been granted (as the case may be), all Performance Rights will automatically vest on an accelerated basis and be deemed to have been exercised, unless the holder gives a written notice to the Company that it chooses not to

exercise the Performance Rights in which case the Performance Rights will lapse

(p) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the issue of a Share pursuant to an Exercise Notice would result in any person being in contravention of section 606(1) of the Corporations Act (**General Prohibition**) then the exercise of that Performance Right shall be deferred until such later time or times that the exercise of that Performance Right would not result in a contravention of the General Prohibition. In assessing whether an exercise of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the exercise of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the exercise of a Performance Right will not result in any person being in contravention of the General Prohibition;
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (q)(i) within 7 days if the Company considers that the exercise of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the exercise of a Performance Right will not result in any person being in contravention of the General Prohibition.

(q) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(r) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(s) **Amendments required by ASX**

The terms of the Performance Rights may be amended as necessary by the board of Directors in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

(t) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms.

(u) **Subdivision 83A-C**

The Performance Rights will be issued under a scheme to which Subdivision 83A-C of the *Income Tax Assessment Act 1997* specifically applies (subject to the conditions in that Act).

12.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
- (c) its formation or promotion; or
- (d) 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 a Director or proposed Director:

- (e) as an inducement to become, or to qualify as, a Director; or
- (f) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

12.6 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 (but not a sub-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:
 - (i) the formation or promotion of the Company;
 - (ii) any property acquired or proposed to be acquired by the Company in connection with:
 - (iii) its formation or promotion; or
 - (iv) the Offer; or
 - (v) 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:

- (d) the formation or promotion of the Company; or
- (e) the Offer.

Nexia has acted as investigating accountant and has prepared the Independent Limited Assurance Report which is included in Annexure A. The Company estimates it will pay Nexia a total of \$15,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Nexia has not received any fees from the Company for any other services.

Stantons has acted as auditor to the Company for the audit for the year ended 30 June 2020 and the half year review ended 31 December 2020 for ActivePort Group Ltd and ActivePort Pty Ltd. The Company paid Stantons a total of \$50,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Stantons has not received any other fees from the Company for any other services.

Nexia Audit has acted as auditor for the Acquisition of Viztone and will be appointed as auditor for ActivePort Group Ltd and ActivePort Pty Ltd. The Company estimates it will pay Nexia Audit a total of \$115,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Nexia Audit has not received any other fees from the Company for any other services.

Nexia Sydney has acted as auditor for the Acquisition of Starboard. The Company estimates it will pay Nexia Sydney a total of \$45,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Nexia Sydney has not received any other fees from the Company for any other services.

Bridge Street Capital Partners Pty Ltd is acting as lead manager to the Offer. The Company will pay a capital raising fee of 6% of the total amount raised under the Prospectus (plus GST) (being between \$600,000 and \$900,000). Those fees are set out in Section 5.4 following the successful completion of the Offer for its services as Lead Manager to the Offer. The Company will be responsible for paying all capital raising fees that Bridge Street Capital Partners and the Company agree with any other financial service licensees.

Steinepreis Paganin has acted as the Australian legal advisers to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$120,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received any fees from the Company for any other services.

12.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offer or of the Shares), the Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties

involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

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; in light of the above, only 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; and
- (b) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Nexia has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Annexure A in the form and context in which the information and report is included.

Stantons, Nexia Audit and Nexia Sydney have given their written consents to being named as auditor of the Company and for the Acquisitions (Nexia Audit for Vizstone and Nexia Sydney for Starboard) in this Prospectus and the inclusion of the audited Financial Information of the Company contained in the Investigating Accountants Report included in Annexure A to this Prospectus in the form and context in which it appears.

Bridge Street has given its written consent to being named as the Lead Manager to the Company in this Prospectus.

Steinepreis Paganin has given its written consent to being named as the Australian legal advisers to the Company in relation to the Offer in this Prospectus.

Computershare has given its written consent to being named as the share registry to the Company in this Prospectus.

12.8 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be as follows:

- (a) Minimum Subscription approximately \$1,108,000; and
- (b) Maximum Subscription approximately \$1,413,000,

and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
ASIC fees	3,200	3,200
ASX fees	145,500	150,500
Lead Manager Fees	600,000	900,000
Legal Fees	120,000	120,000
Investigating Accountant's Fees	15,000	15,000
Auditor's Fees	160,000	160,000

Item of Expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
Miscellaneous	64,300	64,300
TOTAL	1,108,000	1,413,000

12.9 Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be 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 Securities. Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

The Company has established a policy to ensure compliance with ASX Listing Rule disclosure including, but not limited to, Listing Rule 3.1 and accountability at senior executive level for that compliance. This policy is periodically reviewed to ensure that it is operating effectively and whether any changes are required. The terms of the policy are:

- (a) All directors, executives and staff are required to abide by all legal requirements, the Listing Rules of the Australian Stock Exchange and the highest standards of ethical conduct. This includes compliance with the continuous disclosure requirements of the listing rules.
- (b) The Company recognises the importance of its market announcements being accurate, balanced and expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.
- (c) Directors, senior executives and employees are each responsible to inform the Board of any circumstances which could impact the Company's compliance with these requirements.
- (d) The Company ensures that all market announcements are prepared by suitably qualified staff or consultants and are reviewed by the Board or by the appropriate Director.
- (e) The Board delegates authority to approve and authorise ASX announcements on behalf of the Company to appropriate individuals.
- (f) The Company has highlighted to all directors, senior executives and staff, the importance of safeguarding the confidentiality of corporate information and avoiding premature disclosure. The Company restricts analyst briefings and responses to security holder questions to the appropriately qualified staff.

- For personal use only
- (g) The Board constantly monitors market developments to ensure that there has not emerged a false market in the Company's securities and will respond appropriately if a false market occurs.
 - (h) The Company Secretary is the person responsible for overseeing and co-ordinating disclosure of information to ASX as well as communicating with the ASX.

The Board receives copies of all material market announcements promptly after they have been made.

The Company releases a copy of presentation materials on the ASX Market Announcements Platform before any presentation.

13. DIRECTORS' AUTHORISATION

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 to the lodgement of this Prospectus with the ASIC.



Peter Christie,
Chairman.
For and on behalf of ActivePort Group Ltd

14. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

Acquisitions means the Company's proposed acquisitions of Starboard and Vizstone.

ASIC means 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 or Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Business Days 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.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **ActivePort** means ActivePort Group Ltd (ACN 636 569 634).

Conditions has the meaning set out in Section 5.5.

Consideration Shares means a total of 33,125,000 Shares to be issued to the Vendors for the Acquisitions.

Constitution means the constitution of the Company.

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

Deferred Consideration Shares means those Shares to be issued in relation to the Acquisitions based on the criteria detailed in Section 11.2.

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

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

Financial Information means the historical audited and pro forma financial information of the Company contained in Section 8.

Group means the Company and its subsidiaries.

Lead Manager or **Bridge Street** means Bridge Street Capital Partners Pty Ltd (ACN 164 702 005) (Corporate Authorised Representative of AFSL 456663).

Lead Manager Mandate means the agreement with the Lead Manager summarised in Section 11.1.

Lead Manager Option means an Option to be received by the Lead Manager (or its nominee).

Maximum Subscription means the maximum amount to be raised under the Offer, being \$15,000,000.

Minimum Subscription means the minimum amount to be raised under the Offer, being \$10,000,000.

Nexia means Nexia Corporate Finance Pty Ltd (ACN 009 342 661).

Nexia Audit means Nexia Perth Audit Services Pty Ltd (ACN 145 447 105).

Nexia Sydney means Nexia Sydney Audit Pty Ltd (ACN 606 785 399).

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 5.1.

Offer Price means \$0.20 per Share.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Option Holder means a holder of an Option.

Performance Right means a performance right convertible into a Share having the terms set out in Section 12.4.

Prospectus means this prospectus.

Recommendations has the meaning set out in Section 10.9.

Registry means Computershare Investor Services Pty Limited.

Section means a Section of this Prospectus.

Securities means Shares and Options and Performance Rights.

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

Shareholder means a holder of Shares.

Stantons means Stantons International Audit and Consulting Pty Ltd (ACN 144 581 519).

Starboard means Starboard IT Pty Ltd (ACN 610 345 161).

Vendors means the Starboard Vendors and the Vizstone Vendors.

Vizstone means Vizstone Pty Ltd (ACN 140 156 592).

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

10 August 2021

The Directors
ActivePort Group Ltd.
Level 28, 140 St Georges Terrace
PERTH WA 6000

Dear Directors

Independent Limited Assurance Report on ActivePort Group Ltd Historical and Pro Forma Consolidated Historical Financial Information

1. Introduction

Nexia Perth Corporate Finance Pty Ltd ("Nexia Perth") have been engaged by ActivePort Group Ltd ("ActivePort" or the "Company") to prepare this Independent Limited Assurance Report ("Report") in relation to certain financial information of ActivePort, for the Initial Public Offering ("IPO") of shares in ActivePort, for inclusion in the prospectus, pursuant to which the Company is offering up to 75,000,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$10,000,000 and a maximum of \$15,000,000 ("Public Offer").

Expressions and terms defined in the Prospectus have the same meaning in this Report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License under the Corporations Act 2001. Nexia Perth Corporate Finance Pty Ltd holds the appropriate Australian Financial Service License under the Corporations Act 2001.

The Report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Nexia Perth Corporate Finance Pty Ltd had not been requested to consider the prospects for ActivePort, nor the merits and risk associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently, Nexia Perth Corporate Finance Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than responsibility for this Report.

Background

ActivePort is a telecommunications software provider to telecommunication companies, internet service providers and system integrators.

**Nexia Perth Corporate
Finance Pty Ltd**

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GPO Box 2570, Perth WA 6001
p +61 8 9463 2463
f +61 8 9463 2499
e info@nexiaperth.com.au
w nexia.com.au

Nexia Perth Corporate Finance Pty Ltd (ABN 84 009 342 661) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

ActivePort's core asset, its software, is used to orchestrate network connectivity from a customer premise (Edge) to compute and data services in the Cloud. A connection made using ActivePort software to a network or to a Cloud service is called a "Port" and the Company charges a license fee for use of its software on a per-port, per-month basis.

ActivePort has built and deployed a set of network access points into datacentres at strategic locations around the world. Customers use these points of presence (PoPs) to make software defined wide area network (SD-WAN) connections from their premises into third-party carrier networks for global data transit and Cloud connectivity. ActivePort sells access to these PoPs on a "per dollars per gigabit per second basis".

2. Scope

Historical Financial Information

You have requested Nexia Perth Corporate Finance Pty Ltd to review the following historical financial information of the Company included in Section 8 of the Prospectus:

- The Historical Statements of Profit or Loss and Other Comprehensive Income of ActivePort for the period ended 30 June 2020 (audited) and for the half year ended 31 December 2020 (reviewed);
- The Historical Statements of Cash Flows of ActivePort for the period ended 30 June 2020 (audited) and for the half year ended 31 December 2020 (reviewed); and
- The Historical Statement of Financial Position of ActivePort as at 30 June 2020 (audited) and for the half year ended 31 December 2020 (reviewed).

(together the "Historical Financial Information" attached at Section 8 of the Prospectus).

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

The Historical Financial Information has been extracted from:

- The Historical financial statements of the Company for the period ended 30 June 2020, which was audited by Stantons International Audit and Consulting Pty Ltd ("Stantons International") in accordance with Australian Auditing Standards. The audit report issued for the period ended 30 June 2020 was unmodified. The audit opinion contained an emphasis of matter regarding material uncertainty related to going concern, on the basis that the ability of the Company to continue as a going concern is dependent upon Company generating sufficient cash flows from its existing business, and/or raising further equity or loan funds to meet the Company's liabilities and commitment as they fall due;
- The Historical financial statements of the Company for the half year ended 31 December 2020, which was reviewed by Stantons International in accordance with ASRE 2410 – *Review of a Financial Report Performed by the Independent Auditor of the Entity*. The review report issued for the half year ended 31 December 2020 was unmodified.

The Historical Statements of Profit or Loss and Other Comprehensive Income of ActivePort for the period ended 30 June 2020 and for the half year ended 31 December 2020 are included in section 8.6 of the Prospectus and are presented without adjustment.

The Historical Statements of Cash Flows of ActivePort for the period ended 30 June 2020 and half year ended 31 December 2020 are included in section 8.7 of the Prospectus and are presented without adjustment.

The Historical Statement of Financial Position of the Company as at 30 June 2020 and 31 December 2020 is included in section 8.8 of the Prospectus and is presented without adjustment.

Pro Forma Consolidated Historical Financial Information

You have requested Nexia Perth Corporate Finance Pty Ltd to review the pro forma consolidated historical Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2020 and pro forma consolidated Statement of Financial Position as at 31 December 2020 referred to as "the Pro Forma Consolidated Historical Financial Information".

The Pro Forma Consolidated Historical Financial Information has been derived from the Historical Financial Information of ActivePort, after adjusting for the effects of pro forma adjustments described in section 8.5 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in section 8.5 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Consolidated Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, and/or cash flows.

3. Directors' responsibility

The directors of ActivePort Group Ltd are responsible for the preparation and presentation of the Historical and Pro Forma Consolidated Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Consolidated Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Consolidated Historical Financial Information that are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

5. Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in section 8 of the Prospectus, and comprising:

- The Historical Statements of Profit or Loss and Other Comprehensive Income of ActivePort for the half year ended 31 December 2020;
- The Historical Statements of Cash Flows of ActivePort for the half year ended 31 December 2020; and
- The Historical Statement of Financial Position of the Company as at 31 December 2020;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 8.2 of the Prospectus.

Pro Forma Consolidated Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Consolidated Financial Information being the pro forma consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2020 and pro forma consolidated Statement of Financial Position as at 31 December 2020 are not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 8.2 of the Prospectus.

6. Restriction on use

Without modifying our conclusions, we draw attention to section 8.2 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Nexia Perth Corporate Finance Pty Ltd has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. Nexia Perth Corporate Finance Pty Ltd has not authorised the issue of the Prospectus. Accordingly, Nexia Perth Corporate Finance Pty Ltd make no representation regarding, and take no responsibility for, and other documents or material, or omission from, the Prospectus.

7. Declaration of interest

Nexia Perth Corporate Finance Pty Ltd is a member of Nexia International Ltd. Nexia Perth does not have any interest in the outcome of the proposed Offer other than in connection with the preparation of this Report for which professional fees will be received.

8. Other disclosures

This Report has been prepared, and included in the Prospectus, to provide general information only and does not take into account the objectives, financial situation or needs of any specific investors. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in the Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or need.

9. Financial Services Guide

Refer to Appendix 1 attached to this Report.

Yours faithfully

Nexia Perth Corporate Finance Pty Ltd



Muranda Janse Van Nieuwenhuizen
Director

Perth
10 August 2021

Enclosed: Appendix 1 Financial Services Guide

FINANCIAL SERVICES GUIDE

Nexia Perth Corporate Finance Pty Ltd ABN 84 009 342 661 ('NPCF', 'we' or 'us' or 'our' as appropriate), Australian Financial Services Licence ("AFSL") Number 289358 has been engaged by ActivePort Group Ltd to provide an Independent Limited Assurance Report ('ILAR' or 'our Report') for the inclusion in the prospectus.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is signed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services license.

This FSG includes information about:

- NPCF and how they can be contacted;
- the services NPCF is authorised to provide;
- how NPCF are paid;
- any relevant associations or relationships of NPCF;
- how complaints are dealt with as well as information about internal and external dispute resolution systems, and how you can access them; and
- the compensation arrangements that NPCF has in place.

Where you have engaged NPCF we act on your behalf when providing financial services. Where you have not engaged NPCF, NPCF acts on behalf of our client when providing these financial services and are required to provide you with a FSG because you receive a report or other financial services from NPCF.

Financial Services that NPCF is Authorised to Provide

NPCF holds an AFSL authorising it to carry on a financial services business to provide financial product advice for securities and deal in a financial product by arranging for another person to issue, apply for, acquire, vary or dispose of a financial product in respect of securities to retail and wholesale clients.

We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

NPCF's Responsibility to You

NPCF has been engaged by the directors of ActivePort Group Ltd ("ActivePort" or the "Client") to provide general financial product advice in the form of an independent Accountant's report to be included in the Prospectus.

NPCF is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

Fees NPCF May Receive

NPCF charges fees for preparing Reports. These fees will usually be agreed with, and paid by the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay NPCF approximately \$15,000 (excluding GST and out of pocket expenses) for preparing the Report. NPCF and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection With any engagement for the provision of a report. We have received a fee from ActivePort for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals

NPCF does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and Relationships

Through a variety of corporate and trust structures NPCF is controlled by and operates as part of the Nexia Perth Pty Ltd (or the "Nexia Perth Entity"). NPCF's directors and authorised representative may be directors in the Nexia Perth Entity. Mrs Muranda Janse Van Nieuwenhuizen, authorised representative of NPCF and director in the Nexia Perth Entity, has prepared this Report. The financial product advice in the Report is provided by NPCF and not by the Nexia Perth Entity.

From time to time NPCF, the Nexia Perth Entity and related entities ("Nexia Entities") may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

Over the past two years \$nil (excluding GST) in professional fees has been invoiced and/or received from the Client in relation to the provision of Independent Accountant's Reports.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Proposed Transaction.

Complaints Resolution

If you have a complaint, please let NPCF know. Formal complaints should be sent in writing to:

Nexia Perth Corporate Finance Pty Ltd
Compliance Officer
GPO Box 2570
Perth WA 6001

If you have difficulty in putting your complaint in writing, please telephone the Compliance Officer, Mr Henko Vos, on +61 8 9463 2463 and he will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External Complaints Resolution Process

If NPCF cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Australian Financial Complaints Authority ("AFCA"). The AFCA is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about the AFCA is available at the AFCA website <https://www.afca.org.au/> or by contacting them directly at:

Australian Financial Complaints Authority Limited
GPO Box 3, Melbourne, Victoria 3001
Telephone: 1300 56 55 62
Facsimile (03) 9613 6399
Email: info@afca.org.au

The Australian Securities and Investments Commission also has a free call info line on 1300 300 630 which you may use to obtain information about your rights.

Compensation Arrangements

NPCF has professional indemnity insurance cover as required by the *Corporations Act 2001* (Cth).

Contact Details

You may contact NPCF at:
Nexia Perth Corporate Finance Pty Ltd
GPO Box 2570
PERTH WA 6001
Phone: +618 9463 2463

1. Introduction

The following Corporate Governance statement has been approved by the Board of the Company.

The directors are focussed on fulfilling their responsibilities individually, and as a Board, for the benefit of all the Company's stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. To the extent considered practical, the Company has adopted the *Corporate Governance Principles and Recommendations (4th Edition)* as published by the ASX Corporate Governance Council (**Recommendations**).

Given the size and structure of the Company, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which it considers will enable it to meet the principles of good corporate governance.

The Company's practices are mainly consistent with those of the guidelines and where they do not correlate with the recommendations in the guidelines the Company considers that its adopted practices are appropriate to it. At the end of this statement a table is included detailing the recommendations with which the Company does not strictly comply.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available on the Company's website www.activeport.com.au

The following section addresses the Company's practices in complying with the principles.

2. Principle 1: Lay solid foundations for management and oversight

(a) Board Charter

The Board has adopted the following Board Charter:

The business of the Company is managed under the direction of the Board of Directors. The Board is accountable to shareholders of the Company for the performance of the Company.

Each Director of the Company will act in good faith in the best interests of the Company and collectively oversee and appraise the strategies, major policies, processes and performance of the company using care and diligence to ensure that Company's long term sustainability is assured.

Directors will not misuse their position on the Board to advance personal interests nor to represent particular constituencies. Directors will not use information available to them as Board members to advance personal interests or agendas.

Directors are required to inform the Board of any conflicts or potential conflicts of interest they may have in relation to particular items of

business. Directors must absent themselves from discussion or decisions on those matters.

The Company's Constitution and Australian corporations law specifies the minimum and maximum number of directors of the Company.

The Directors must elect one of their number as Chairman.

The Chairman will be responsible for leading the board, facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between the Board and management. The Chair will also usually be responsible for approving Board agendas and ensuring that adequate time is available for discussion of all agenda items, including strategic issues.

Each of the directors is entitled to seek independent advice at the Company's expense whenever they judge such advice necessary for them to discharge their responsibilities as directors.

(b) **Role and Responsibilities of the Board**

The Company has established the functions reserved to the Board. The Board has primary responsibility to shareholders for the sustainability and relevance of the Company by guiding and monitoring its business and affairs. The Board is responsible for:

- (i) demonstrating leadership;
- (ii) defining the Company's purpose and setting its strategic objectives;
- (iii) approving the Company's statement of values and code of conduct to underpin the desired culture within the entity;
- (iv) appointing the Chairman;
- (v) appointing and replacing the CEO;
- (vi) approving the appointment and replacement of other senior executives and the Company Secretary;
- (vii) overseeing management in its implementation of the Company's strategic objectives, instilling of the Company's values and performance generally;
- (viii) approving operating budgets and major capital expenditure;
- (ix) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (x) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (xi) satisfying itself that the entity has in place an appropriate risk management framework (for both financial and non-financial

risks) and setting the risk appetite within which the Board expects management to operate;

- (xii) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- (xiii) whenever required, challenging management and holding it to account;
- (xiv) satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite; and
- (xv) monitoring the effectiveness of the Company's governance practices.

(c) **Role and Responsibilities of Senior Executives**

The Company has established the functions reserved to senior executives. Those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance are considered to be senior executives. The functions delegated to senior executives are:

- (i) implementing the entity's strategic objectives and instilling and reinforcing its values, all while operating within the values, code of conduct, budget and risk appetite set by the Board; and
- (ii) providing the Board with accurate, timely and clear information on the entity's operations to enable the Board to perform its responsibilities. This is not just limited to information about the financial performance of the entity, but also its compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or code of conduct of the entity.

(d) **Background checks on persons proposed for election as a Director**

The Board undertakes appropriate background checks for persons proposed for election as a director, including character, experience, education, criminal record and bankruptcy history, so as to satisfy itself that there is no information of concern and no indication of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party. The Board also considers biographical details, including their relevant qualifications and experience and the skills they bring to the board and details of any other material directorships currently held. Material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a proposed director is included in the relevant notice of shareholder meeting together with a statement of whether it supports the election or re-election of the candidate and a summary of the reasons why and also, if applicable, a statement that the board considers the director to be an independent director.

(e) **Written agreement with each director and senior executive**

The Board determines those circumstances where a written agreement with a director or senior executive is warranted. At present written agreements have not been executed with all directors and senior executives as the Board considers that the roles and responsibilities of all board members and senior executives are clearly defined and understood without a written agreement.

(f) **Company Secretary**

The Company Secretary is accountable directly to the Board through the Chairman on all matters to do with the proper functioning of the Board. The role of the Company Secretary includes advising the board and its committees on governance matters; monitoring that board and committee policy and procedures are followed; coordinating the timely completion and despatch of Board and committee papers; ensuring that the business at Board and committee meetings is accurately captured in the minutes; and helping to organise and facilitate the induction and professional development of Directors. Each Director is able to communicate directly with the Company Secretary and vice versa. Any decision to appoint or remove a Company Secretary is made by the Board.

(g) **Diversity Policy**

The Company is committed to inclusion at all levels of the organisation regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires consideration of a broad and diverse pool of talent.

There are currently no women on the Board. The proportion of women employees in the whole organisation is 23%.

(h) **Evaluation of the performance of Directors and Senior Executives**

A formal evaluation of the performance of directors and senior executives was not carried out in the financial year as the Board monitors the performance of directors and senior executives on an on-going basis and conducts an evaluation of the performance of directors and senior executives as and when the Board considers appropriate. The performance of the Chairman of the Board is assessed on an on-going basis by the Board as a whole.

3. Principle 2: Structure the Board to be effective and add value

(a) **Composition of the Board**

The names of the Directors of the Company and their skills, comprising their qualifications and experience are set out in the section headed Directors' Report in the Annual Report each year.

The mix of skills and diversity for which the Board of Directors is looking to achieve in membership of the Board is that required so as to provide the Company with a broad base of industry, business, technical, administrative, financial and corporate skills and experience considered necessary to represent shareholders and fulfil the business objectives of the Company.

The Company will determine whether each Director is independent. In assessing the independence of a director relevant factors considered by the Board include that the director:

- (i) has not been employed in an executive capacity by the Company or any of its child entities or there has been a period of at least three years between ceasing such employment and serving on the Board;
- (ii) does not receive performance-based remuneration (including options or performance rights) from the Company, or participate in an employee incentive scheme of the Company;
- (iii) has not been within the last three years, in a material business relationship (e.g., as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- (iv) is not, nor represents, nor has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- (v) has close personal ties with any person who falls within any of the categories described above; or
- (vi) has been a director of the Company for such a period (such as 10 years or more) that their independence from management and substantial holders may have been compromised.

In each case, the materiality of an interest, position or relationship is assessed by the Board to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

Mr Peter Christie was appointed a director on 2 October 2019, Mr Christopher Daly was appointed a director on 18 November 2019. Mr Karim Nejaim was appointed a Director on 20 May 2021 and is the Chief Executive Officer of the Company.

Mr Christopher Daly has been an independent director from the date of his appointment. None of the other Board members meet these criteria. Consequently, the Board does not have a majority of independent directors.

(b) **Nomination of Other Board Members**

The Board has adopted the following Policy and Procedure for the Selection and (Re) Appointment of Directors.

In determining candidates for the Board, the Board follows a prescribed process whereby it evaluates the mix of skills, experience, knowledge and diversity of the existing Board. In particular, the Board considers the particular skills and diversity that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if appropriate, are offered appointment to the Board. Any appointment made by the Board is subject to re-election by shareholders at the next annual general meeting.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. An election of directors is held each year. Each director must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting, a minimum of one director or one third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of directors is not automatic.

Membership of the Board of directors, including whether the skills, knowledge and familiarity with the Company and its operating environment of each director is sufficient to fulfil their role on the board effectively, is reviewed on an on-going basis by the Chairman of the Board to determine if additional core strengths are required to be added to the Board in light of the nature of the Company's businesses and its objectives. The Board does not believe that at this point in the Company's development it is necessary to appoint additional directors. Consequently, the Board has not established a nomination committee. The Board has not adopted a Nomination Committee Charter.

4. Principle 3: Instil a culture of acting lawfully, ethically and responsibly

(a) **Code of conduct**

The Company has established a code of conduct as to the:

- (i) practices necessary to maintain confidence in the Company's integrity;
- (ii) practices necessary to take into account their legal obligations and the expectations of their stakeholders; and
- (iii) responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

All directors, senior executives, employees and consultants are required to abide by the Company's code of conduct. The code of conduct is periodically reviewed to ensure that it is operating effectively and

whether any changes are required. The terms of the code of conduct are:

- (i) act in accordance with the Company's stated values and in the best interests of the Company;
- (ii) act honestly and with high standards of personal integrity;
- (iii) comply with all laws and regulations that apply to the Company and its operations;
- (iv) act ethically and responsibly; – treat fellow staff members with respect and not engage in bullying, harassment or discrimination;
- (v) deal with customers and suppliers fairly;
- (vi) disclose and deal appropriately with any conflicts between their personal interests and their duties as a director, senior executive or employee;
- (vii) comply with the Company's Whistleblower policy (refer below);
- (viii) comply with the Company's Anti-Bribery and Corruption Policy (refer below);
- (ix) not take advantage of the property or information of the Company or its customers for personal gain or to cause detriment to the Company or its customers;
- (x) not take advantage of their position or the opportunities arising therefrom for personal gain; and
- (xi) report breaches of the code to the appropriate person or body within the organisation.

Directors are required to disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the director or the interests of any other party in so far as it affects the activities of the Company and to act in accordance with the Corporations Act if conflict cannot be removed or if it persists. That involves taking no part in the decision making process or discussions where that conflict does arise.

(b) **Policy for trading in the securities of the Company**

Directors are required to make disclosure of any trading in securities of the Company. The Company has a policy for trading in the securities of the Company. The policy is:

(i) **Definitions**

(A) **Insider Trading:**

'Insider trading' includes the trading of securities or some wider set of financial products (including derivatives and financial products able to be traded on a financial market) while in possession of information that is not

generally available and would be likely to have a material effect on their price or value if it were generally available. The prohibition against insider trading extends to applying for, acquiring or disposing of, or entering into an agreement to apply for, acquire or dispose of relevant financial products, or procuring another person to so trade, or communicating that information where trading in the relevant financial products is likely to take place.

The insider trading provisions are found in Part 7.10, Division 3 of the Corporations Act 2001 ("Corporations Act"). Section 677 of the Corporations Act defines material effect on price or value. A reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell, the first mentioned securities.

(B) **Company Securities:**

Company Securities means shares, options or performance rights over those shares and other securities convertible into shares, and any financial products of the Company traded on ASX.

(C) **Closed Periods:**

Closed Periods means the following periods of time:

- (I) from 7 January of each year until the next announcement to the ASX of financial results either in the form of a cashflow report or in the form of profit results; and
- (II) from 7 July of each year until the next announcement to the ASX of financial results either in the form of a cashflow report or in the form of profit results.

(D) **Key Management Personnel:**

Key Management Personnel are defined in the ASX Listing Rules.

(E) **Declaration:**

A declaration may be validly issued in either written or electronic form. Electronic declarations may take the form of an email, fax or any other electronic recordable communication.

(F) **Excluded Trading:**

Excluded trading means trading consistent with any of the following categories:

- (I) Transfers of Company's Securities already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (II) An investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the entity) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (III) Where a restricted person is a trustee, trading in the Company's Securities of the entity by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a closed period is taken by the other trustees or by the investment managers independently of the restricted person;
- (IV) Undertakings to accept, or the acceptance of, a takeover offer;
- (V) Trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (VI) A disposal of the Company's Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement, provided that the restricted person obtained the consent of the Chairman or Chief Executive Officer of the Company to enter into agreements that provide lenders with rights over their interests in the entity's securities;
- (VII) Acquisition of the Company's Securities through an issue of securities by the Company;
- (VIII) The exercise (but not the sale of securities following exercise) of an option or a right, or the conversion of a convertible security; or

Trading under a non-discretionary trading plan for which prior clearance by the Chairman or Chief Executive Officer of the Company has been provided and where:

- (A) the restricted person did not enter into the plan or amend the plan during a closed period;

- (B) the trading plan does not permit the restricted person to exercise any influence or discretion over how, when, or whether to trade; and
- (C) there was no cancellation of the trading plan during a closed period other than in exceptional circumstances.

(c) **Trading in Exceptional Circumstances:**

Trading in Exceptional Circumstances means trading consistent with any of the following categories:

- (i) Trading in accordance with a declaration by the Chairman or Chief Executive Officer of permitted trading. In exceptional circumstances, a member of the Key Management Personnel may apply, together with a description of the circumstances, to the Chairman or Chief Executive Officer for a declaration to permit trading as Trading in Exceptional Circumstances which may be given in circumstances that the Chairman considers appropriate such as severe financial hardship, or a person is required by a court order, or there are court enforceable undertakings or there is some other legal or regulatory requirement to do so. The declaration will specify the duration of permitted trading.

(d) **Trading Restrictions**

All Key Management Personnel and all employees of the Company are required to comply with the prohibition against Insider Trading at all times with respect to the Company's Securities. Contravention of the insider trading prohibition may result in significant penalties.

With the introduction of the continuous disclosure regime, public listed companies and other disclosing entities are now required to disclose Price Sensitive Information on an on-going basis (subject to limited exceptions) so that at all times in the year the market can be fully informed and trading can be lawful. As a result the Company has decided not to specify safe periods but rather to designate periods when Trading by Key Management Personnel should not occur.

All Key Management Personnel are required to refrain from trading in the Company's Securities on the ASX during a Closed Period except for Excluded Trading or Trading in Exceptional Circumstances.

All directors of the Company are required to comply with the Corporations Act and the ASX Listing Rules with regard to disclosure of their interests in the Company's Securities on their appointment as a director, on any change in their interests in the Company's Securities and on resignation as a director.

(e) **Whistleblower Policy**

The Company has a whistleblower policy. The Board is informed of any material incidents reported under that policy. The policy is:

(i) **Who is a Whistleblower**

To be a whistleblower, you must be a current or former:

- (A) employee of the Company your disclosure is about, or a related company or organisation;
- (B) officer (usually that means a director or company secretary) of the Company your disclosure is about, or a related company or organisation;
- (C) contractor, or an employee of a contractor, who has supplied goods or services to the Company your disclosure is about, or a related company or organisation. This can be either paid or unpaid, and can include volunteers;
- (D) associate of the Company, usually a person with whom the Company acts in concert; or
- (E) spouse, relative or dependant of one of the people referred to above.

If you are a whistleblower, while you must hold or have held one of these roles to access the protections, you do not have to identify yourself or your role, and you can raise your concerns anonymously.

(ii) **Who you can make disclosure to**

You must make your disclosure to:

- (A) a director, company secretary, company officer, or senior manager of the Company or organisation, or a related company or organisation;
- (B) an auditor, or a member of the audit team, of the Company or organisation, or a related company or organisation;
- (C) an actuary of the Company or organisation, or a related company or organisation;
- (D) a person authorised by the Company to receive whistleblower disclosures;
- (E) ASIC or the Australian Prudential Regulation Authority (APRA); or
- (F) your lawyer.

While you must make your disclosure to one of these people or organisations, you can raise your concerns anonymously.

(iii) **Code of Conduct**

The Company has established a code of conduct which all directors, senior executives, employees and consultants are required to comply with. Refer above for the code of conduct.

(iv) **Subject of Disclosure**

You must have reasonable grounds to suspect that the information you are disclosing about the Company concerns:

- (A) misconduct;
- (B) a breach of the Company's code of conduct;
- (C) an improper state of affairs or circumstances;
- (D) This information can be about the Company or organisation, or an officer or employee of the Company or organisation, engaging in conduct that:
- (E) breaches the Corporations Act,
- (F) breaches other financial sector laws enforced by ASIC or APRA,
- (G) breaches an offence against any other law of the Commonwealth that is punishable by imprisonment for a period of 12 months, or
- (H) represents a danger to the public or the financial system;
- (I) A public Interest disclosure as defined below; or
- (J) An emergency disclosure as defined below.

'Reasonable grounds' means that a reasonable person in your position would also suspect the information indicates misconduct or a breach of the law.

(v) **Public Interest Disclosures**

A disclosure can be a public interest disclosure if the following conditions are met:

- (A) you must have previously made a report to ASIC or APRA that satisfies the criteria in "Subject of Disclosure" above;
- (B) at least 90 days have passed since you reported your concerns to ASIC or APRA, and you do not have reasonable grounds to believe that action to address your concerns is being or has been taken;
- (C) you have reasonable grounds to believe that reporting your concerns to a journalist or parliamentarian would be in the public interest; and
- (D) after 90 days from when you reported to ASIC or APRA, you gave ASIC or APRA a written notice that includes sufficient information to identify your earlier report and states your intention to make a public interest disclosure. This could be by contacting the ASIC officer who considered your concerns and quoting the reference number of your case.

If you have a public interest disclosure, then you can report your concerns about misconduct or an improper state of affairs or circumstances or a breach of the law to a journalist or a parliamentarian. The extent of the information disclosed is no greater than is necessary to inform the recipient about your concerns.

(vi) **Emergency Disclosures**

A disclosure can be an emergency disclosure if the following conditions are met:

- (A) you must have previously made a report to ASIC or APRA that satisfies the criteria in "Subject of Disclosure" above;
- (B) you have reasonable grounds to believe that the information in your report concerns substantial and imminent danger to the health or safety of one or more people or to the natural environment; and
- (C) you gave ASIC or APRA a written notice that includes sufficient information to identify your earlier report and states your intention to make an emergency disclosure. This could be by contacting the ASIC officer who considered your concerns and quoting the reference number of your case.

If you have an emergency disclosure then you can report your concerns about the substantial or imminent danger to a journalist or parliamentarian. The extent of the information disclosed must be no greater than is necessary to inform the recipient about the substantial and imminent danger.

(vii) **Protections available to whistleblowers**

You can ask the Company to keep your identity, or information that is likely to lead to your identification, confidential. The Company will comply with such a request except that it may report the information to ASIC, APRA, or the Australian Federal Police, or to a lawyer for advice about the whistleblower protections.

It is illegal for a person to reveal the identity of a whistleblower, or information likely to lead to the identification of whistleblower, outside of these circumstances.

In the Company's investigation of the concerns raised in your report, the Company will take reasonable steps to ensure that information likely to lead to your identification is not disclosed without your consent. However, the Company may face difficulties investigating or internally addressing or correcting the misconduct unless you provide some approval for the Company to use your information.

(viii) **How the Company will support and protect whistle-blowers**

The Corporations Act protects a whistleblower against certain legal actions related to making the whistleblower disclosure, including:

- (A) criminal prosecution (and the disclosure cannot be used against the whistleblower in a prosecution, unless the disclosure is false);
- (B) civil litigation (such as for breach of an employment contract, duty of confidentiality, or other contractual obligation), or
- (C) administrative action (including disciplinary action).

If you are the subject of an action for making a whistleblower disclosure, you may rely on this protection in your defence.

However, this protection does not grant immunity to you for any misconduct that you were involved in that is revealed in the disclosure.

(ix) **How investigations into a disclosure will proceed**

All whistleblower disclosures are to be referred immediately to the Chairman, who will then notify the Board of Directors. The Chairman will then determine the steps required to adequately investigate the disclosures.

(x) **How the Company will ensure fair treatment of employees who are mentioned in whistleblower disclosures**

The Corporations Act makes it illegal (through a criminal offence and civil penalty) for someone to cause or threaten detriment to you because they believe or suspect that you have made, may have made, or could make a whistleblower disclosure.

The criminal offence and civil penalty apply even if you have not made a whistleblower report, but the offender causes or threatens detriment to you because they believe or suspect you have or might make a report.

A person may be causing you detriment if they:

- (A) dismiss you from your employment
- (B) injure you in your employment
- (C) alter your position or duties to your disadvantage
- (D) discriminate between you and other employees of the same employer
- (E) harass or intimidate you
- (F) harm or injure you, including causing you psychological harm

- (G) damage your property
- (H) damage your reputation
- (I) damage your business or financial position
- (J) cause you any other damage.

The offence and penalty require that the detriment be the result of an actual or suspected whistleblower disclosure. In many cases, particularly in the context of private employment, there may be arguments about whether the conduct involved was victimisation as a result of the whistleblower disclosure or for some other reason.

The Company will comply with the above legal obligations.

(xi) **Policy Review**

The policy will be periodically reviewed by the Board to check that it is operating effectively and whether any changes are required to the policy.

(xii) **Employee and Manager training**

All managers will be provided with a copy of this policy to ensure that they are aware of how to respond in the event that they receive whistleblower disclosures.

All employees will be provided with a copy of this policy to ensure that they are aware of rights and obligations pursuant to this policy.

All managers and employees are encouraged to refer any questions they may have about the policy to their supervisor.

(xiii) **Anti-Bribery and Corruption Policy**

The Company has an Anti-Bribery and Corruption policy. The Board is informed of any material incidents reported under that policy. The policy is:

All directors, senior executives, employees and consultants are expected to abide by the Company's Anti-Bribery and Corruption Policy. The Anti-Bribery and Corruption Policy is periodically reviewed to ensure that it is operating effectively and whether any changes are required. The terms of the Anti-Bribery and Corruption Policy are:

- (A) the giving of bribes or other improper payments or benefits to public officials is prohibited;
- (B) the payment of secret commissions to those acting in an agency or fiduciary capacity is prohibited;
- (C) political donations and offering or accepting exceptional gifts, entertainment or hospitality is prohibited without the prior approval of the Board;

- (D) managers and employees likely to be exposed to bribery or corruption are to receive training about how to recognise and deal with it;
- (E) The Company acknowledges that serious criminal and civil penalties that may be incurred and reputational damage may be done if the Company is involved in bribery or corruption; and
- (F) All breaches of this policy are to be reported to the Chairman. Any material breaches of this policy are to be reported to the Board.

The Company has established a code of conduct which all directors, senior executives, employees and consultants are required to comply with. Refer above for the code of conduct.

5. **Principle 4: Safeguard the integrity of corporate reports**

No audit committee has been established. The Board has not adopted an Audit Committee Charter. Executive directors play an active role in monitoring the daily affairs of the Company. As a result of the scale of operations it has not been considered necessary to form sub-committees.

Each Board member has access to the external auditors and the auditor has access to each Board member.

In the event of the resignation of external auditors, the Board will appoint a new external auditor which is subsequently ratified by shareholders in General Meeting. In all other cases an external auditor is nominated by a shareholder of the Company and is appointed by shareholders in General Meeting. An external auditor can be removed by shareholders in General Meeting. The Board does not have a policy for the rotation of external audit engagement partners.

Before the Board approves the Company's financial statements for a financial period, the Chief Executive Officer and the Chief Financial Officer each declare that, in their opinion, the financial records of the Company for the financial year have been properly maintained, the financial statements and notes for the financial year comply with the appropriate accounting standards, give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The external auditor of the Company attends each Annual General Meeting of shareholders.

Process to verify the integrity of reports issued not subject to audit or review by an external auditor

From time to time, the Company issues reports that are not subject to audit or review by an external auditor, such as annual directors' reports, quarterly activity reports, quarterly cash flow reports and ASX Appendices. To ensure the integrity of such reports, the Company ensures that they are prepared by suitably qualified staff or consultants and are reviewed by the Board or by the appropriate Director.

6. Principle 5: Make timely and balanced disclosures

Compliance with ASX Listing Rules

The Company has established a policy to ensure compliance with ASX Listing Rule disclosure including, but not limited to, Listing Rule 3.1 and accountability at senior executive level for that compliance. This policy is periodically reviewed to ensure that it is operating effectively and whether any changes are required. The terms of the policy are:

- (a) All directors, executives and staff are required to abide by all legal requirements, the Listing Rules of the Australian Securities Exchange and the highest standards of ethical conduct. This includes compliance with the continuous disclosure requirements of the listing rules.
- (b) The Company recognises the importance of its market announcements being accurate, balanced and expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.
- (c) Directors, senior executives and employees are each responsible to inform the Board of any circumstances which could impact the Company's compliance with these requirements.
- (d) The Company ensures that all market announcements are prepared by suitably qualified staff or consultants and are reviewed by the Board or by the appropriate Director.
- (e) The Board delegates authority to approve and authorise ASX announcements on behalf of the Company to appropriate individuals.
- (f) The Company has highlighted to all directors, senior executives and staff, the importance of safeguarding the confidentiality of corporate information and avoiding premature disclosure. The Company restricts analyst briefings and responses to security holder questions to the appropriately qualified staff.
- (g) The Board constantly monitors market developments to ensure that there has not emerged a false market in the Company's securities and will respond appropriately if a false market occurs.
- (h) The Company Secretary is the person responsible for overseeing and co-ordinating disclosure of information to ASX as well as communicating with the ASX.
- (i) The Board receives copies of all material market announcements promptly after they have been made.
- (j) The Company releases a copy of presentation materials on the ASX Market Announcements Platform before any presentation.

7. Principle 6: Respect the rights of security holders

The Board will seek to inform security holders of all major developments affecting the Company by:

- (a) preparing half yearly and yearly financial reports and announcing these reports to the ASX;

- (b) preparing quarterly reports in accordance with the listing rules and announcing these reports to the ASX;
- (c) making announcement in accordance with the listing rules and the continuous disclosure obligations;
- (d) maintaining the Company's website and hosting all of the above on the Company's website;
- (e) annually, and more regularly if required, holding a general meeting of shareholders and forwarding to them the notice of meeting and proxy form; and
- (f) voluntarily releasing other information which it believes is in the interest of shareholders.

The Company's investor relations program is based on actively engaging with security holders at the Annual General Meeting, meeting with them upon request and responding to security holder enquiries from time to time. The Annual General Meeting enables shareholders to receive the reports and participate in the meeting by attendance or by written communication. The Board seeks to notify all shareholders so they can be fully informed annually for the voting on the appointment of directors and so as to enable them to have discussion at the Annual General Meeting with the directors and/or the auditor of the Company who is invited to the Annual General Meeting. The Annual General Meeting is held each year at a convenient time and place and all security holders are encouraged to attend and participate.

The Company's website provides facilities for security holders to subscribe to email updates and thereby receive communications from the Company by email.

All shareholders are invited to, and encouraged to attend, all shareholder meetings of the Company. Notices of meetings are sent to all shareholders by their preferred form of communication. Shareholders who are not able to attend can appoint a proxy to attend in their stead and documentation to facilitate the appointment of a proxy is provided to all shareholders for each shareholder meeting. The Board encourages questions and other communications from shareholders at any time.

The Company will comply with ASX Guidance Note 35 which requires that the vote on the resolution with an ASX required voting exclusion statement be conducted by a poll rather than by a show of hands. Furthermore, the Chairman of a shareholder meeting ensures that voting on all substantive resolutions reflects the true will of the security holders attending and voting at the meeting, whether they attend in person, electronically or by proxy or other representative.

The Company will provide its security holders with the option to receive communications from, and send communications to, the Company and its security registry electronically.

8. Principle 7: Recognise and manage risk

The Board is conscious of the need to continually maintain systems of risk management and controls to manage all of the assets and affairs of the Company. The Company has established a policy for the oversight of material business risks and the management of material business risks. Risk management is a process of continuous improvement that is integrated into existing practices or business processes. The terms of these risk management policies are:

- (a) liaise with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process as a whole;
- (b) define the basic parameters within which risks must be managed and set the scope for the rest of the risk management process;
- (c) identify the risks to be managed;
- (d) identify and evaluate existing controls. Determine consequences and likelihood and hence the level of risk. This analysis should consider the range of potential consequences and how these could occur;
- (e) compare estimated levels of risk against pre-established criteria and consider the balance between potential benefits and adverse outcomes. This enables decisions to be made about the extent and nature of treatments required and about priorities;
- (f) develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs. Allocate responsibilities to those best placed to address the risk and agree on target date for action;
- (g) the Chairman and Chief Executive Officer are responsible for the implementation and maintenance of sound risk management. In carrying out this responsibility, senior managers review the adequacy of internal controls to ensure that they are operating effectively and are appropriate for achieving corporate goals and objectives;
- (h) the Board is responsible for oversight and for providing corporate assurance on the adequacy of risk management procedures; and
- (i) managers at all levels are to create an environment where managing risk forms the basis of all activities.

Risk management includes asset risk, operational risk, personnel health and safety risk, currency fluctuation risk, amongst others. The Company identifies and manages those risks on a case by case and overall corporate basis.

The Company does not have an internal audit function. The Board has required management to design and implement processes for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes and has required management to report to it on whether those processes are being managed effectively.

A formal risk management evaluation was not carried out in the financial year as the Board monitors risk on an on-going basis.

The Company has regulatory responsibility for the environmental consequences of its activities. The Company engages qualified employees or consultants where applicable to manage its environmental responsibilities and complies with these obligations. The Company has no material exposure to environmental or social risks.

9. Principle 8: Remunerate Fairly and Responsibly

There is no formal remuneration committee. The Board has not adopted a Remuneration Committee Charter. The functions that would have been carried out by a remuneration committee are performed as follows:

- (a) The remuneration of executive directors is determined by the Board as a whole. The remuneration of non-director senior executives is determined by the chief executive officer.
- (b) A maximum amount of remuneration for non-executive directors is fixed by shareholders in general meeting and can be varied in that same manner. The Board as a whole determines the remuneration of each non-executive director. In determining the allocation of remuneration to each non-executive director, the Board takes account of the time demands made on the directors together with such factors as fees paid to other corporate directors and to the responsibilities undertaken by them.
- (c) When the Board as a whole considers the remuneration of a particular director, that director will take no part in the decision-making process or discussions.
- (d) Each member of the Board has committed to spending sufficient time to enable them to carry out their duties as a director of the Company. One third of the directors retires annually in accordance with the Constitution and is free to seek re-election by shareholders.

There are no schemes for retirement benefits other than contributions to external superannuation funds. There is no policy on prohibiting transactions in associated products which limit the economic risk to directors and executives of participating in unvested entitlements under an equity-based remuneration scheme, other than the Company's policy for trading in the securities of the Company. The Company has from time to time issued securities of the Company will be issuing performance rights to executives and directors. Securities issued to directors are pursuant to the approval of the Company's shareholders in general meeting. The Company does not currently have an employee share plan in place. The Company does not currently have any other unvested equity-based remuneration scheme.

ANNEXURE C – TABLE OF DEPARTURES AND EXPLANATIONS (FROM THE RECOMMENDATIONS OF THE ASX CORPORATE GOVERNANCE COUNCIL)

"Recommendation" Ref ("Principle No" followed by Recommendation)	Departure	Explanation
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment	Written agreements have not been executed with all directors and senior executives.	Given the nature and size of the Company, its business interests and the stage of development, the Board is of the view that the roles and responsibilities of all directors and senior executives are clearly defined and understood and that written agreements for all directors and senior executives are not warranted as yet.
Recommendation 1.5 A listed entity should: <ul style="list-style-type: none"> (a) Have and disclose a diversity policy; (b) Through its board, or a committee of the board, set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally. 	No formal diversity policy has been established. No measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally have been established.	The Company does not discriminate on the basis of gender. While gender imbalances may occur from time to time, all applicants for positions with the Group are assessed on their merits irrespective of their gender. Given the nature and size of the Company, its business interests and the stage of development, the Board is of the view that the current composition of the Board does not disadvantage the Company and a diversity policy is not necessary to provide a competitive advantage at this time.
Recommendation 1.6 and 1.7 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been 	No formal process has been established for periodically evaluating the performance of Directors and Senior Executives and no performance evaluation has been undertaken.	There is no formal process for periodically evaluating the performance of Directors and Senior Executives as the Board monitors the performance of directors and senior executives on an on-going basis and conducts an evaluation of the performance of directors and senior executives as and when the Board considers appropriate.

"Recommendation" Ref ("Principle No" followed by Recommendation)	Departure	Explanation
undertaken in accordance with that process during or in respect of that period.		
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively</p>	A Nomination Committee has not been formed.	The Board comprises three members each of who have valuable contributions to make in fulfilling the role of a nomination committee member. A director will excuse themselves where there is a personal interest or conflict.
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	The Company does not have a program for inducting new directors or for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Given the nature and size of the Company, its business interests and the stage of development, the Board is of the view that all directors already have sufficient skills, knowledge and familiarity with the Company and its operating environment to fulfil their role on the board and on board committees effectively. All directors are responsible for their own training and development.

"Recommendation" Ref ("Principle No" followed by Recommendation)	Departure	Explanation
<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, all of whom are nonexecutive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>No formal audit committee has been established or formal charter drawn.</p>	<p>Given the size and nature of the Company, its business interests and the ongoing level of involvement of all directors it is not considered necessary that a formal audit committee be established or a charter be drawn.</p>
<p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: 	<p>No formal risk management committee has been established or formal charter drawn.</p>	<p>Given the size and nature of the Company, its business interests and the ongoing level of involvement of all directors it is not considered necessary to establish a risk management committee or a charter be drawn.</p>

"Recommendation" Ref ("Principle No" followed by Recommendation)	Departure	Explanation
<ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>		
<p>Recommendation 7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>No formal review of the Company's risk management framework has been carried out.</p>	<p>Given the size and nature of the Company, its business interests and the ongoing level of involvement of all directors it is not considered necessary to conduct a formal review of the Company's risk management framework as the Company's risk profile is monitored by the Board on an on-going basis.</p>
<p>Recommendation 8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the 	<p>No formal remuneration committee has been established or formal charter drawn.</p>	<p>Given the size and nature of the Company, its business interests and the ongoing level of involvement of all directors it is not considered necessary to establish a remuneration committee or a charter be drawn.</p>

"Recommendation" Ref ("Principle No" followed by Recommendation)	Departure	Explanation
<p>individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		

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