



**AXS GROUP LIMITED**  
**(A.C.N. 619 705 207)**  
**SUPPLEMENTARY PROSPECTUS**

## 1. Important information

This is a supplementary prospectus ("**Supplementary Prospectus**") to the Prospectus dated 18 September 2018 ("**Prospectus**") issued by AXS Group Limited ("**Company**") in respect to an offer of up to 26,000,000 Shares at \$0.25 each to raise a minimum of \$6,500,000 with up to \$500,000 of oversubscriptions.

This Supplementary Prospectus is dated 17 December 2018 and was lodged with ASIC on that day. Neither ASIC nor ASX takes any responsibility as to the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read in conjunction with the Prospectus. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Company's website at [www.axsgroup.com.au](http://www.axsgroup.com.au). The Company will send a copy of this Supplementary Prospectus to all Applicants who have applied for New Shares under the Prospectus as at the date of this Supplementary Prospectus.

This Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you have any questions about the Shares being offered under the Prospectus or any other matter, you should consult your professional advisers.

## 2. Effect of this Supplementary Prospectus

This Supplementary Prospectus is intended to be a "refresh document" as defined in section 724(3H) of the Corporations Act 2001 (Cth) ("**Act**"), as inserted by the ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 ("**Instrument**"), and has been lodged with ASIC in accordance with section 724(3G) of the Act as inserted by the Instrument.

This Supplementary Prospectus has been prepared to:

- » reduce the Minimum Subscription amount to \$3,000,000 and the Maximum Subscription amount to \$3,500,000;
- » extend the indicative Closing Date of the Offer to 20 February 2019;
- » advise that, as at the date of this Supplementary Prospectus, the Company's Shares have not been admitted to quotation on the ASX;
- » advise that, as at the date of this Supplementary Prospectus, the Company has not issued any Shares pursuant to the Prospectus;
- » refresh the period to raise the minimum subscription under the Offer from four (4) months from the date of the Prospectus to four (4) months from the date of this Supplementary Prospectus in accordance with section 724(3G)(c) of the Act;
- » refresh the period for admission to quotation of Shares offered under the Prospectus from three (3) months from the date of the Prospectus to three (3) months from the date of this Supplementary Prospectus in accordance with section 724(3G)(d) of the Act; and
- » disclose material new circumstances which have arisen in the period since the lodgement of the Prospectus.

## 3. Specific disclosures required by the Instrument

ASIC has varied the Act by the issue of the Instrument to allow companies to refresh the timing of the minimum subscription and quotation conditions to commence from the date of a refresh document (i.e. this Supplementary Prospectus), such that the respective four (4) and three (3) month periods are taken to commence from the date that the refresh document is lodged with ASIC. The Instrument imposes a number of requirements as to the content of the refresh document and on the company issuing the refresh document. This Supplementary Prospectus addresses those requirements.

### 3.1 Withdrawal rights

Any Applicant who, prior to the date of this Supplementary Prospectus, has lodged an Application for Shares will receive a copy of this Supplementary Prospectus. All Applicants who have previously submitted an Application Form have the right to withdraw their Application and be repaid their Application Monies without interest, provided that their request to withdraw their Application is received by the Company within one (1) calendar month after the date of this Supplementary Prospectus ("**Withdrawal Period**") (i.e. on or before 17 January 2019).

An Applicant who wishes to withdraw their Application and obtain a refund of the Application Monies must submit a written request to the Company at the address set out below so that it is received within one (1) month of the date of this Supplementary Prospectus.

Mailed or delivered to:

AXS Group Limited  
C/- Computershare Investor Services Pty Limited  
452 Johnston Street  
Abbotsford VICTORIA 3067

The details for the payment of the refund cheque and address to which it should be sent as set out in the written request must correspond to the details contained in the Application Form lodged by that Applicant.

If you do not wish to withdraw your Application, you do not need to take any action. The Offer will remain open at least until the end of the Withdrawal Period.

### 3.2 Applications received

As at the date of this Supplementary Prospectus, the Company has received Applications for a total of 1,432,000 Shares. The Company has also received confirmation of commitments of over 10,000,000 Shares from institutional and/or sophisticated investors for investment upon lodgement of this Supplementary Prospectus.

No Applications have been processed and no Shares have been issued.

### 3.3 Minimum subscription condition

As at the date of this Supplementary Prospectus, the minimum subscription amount of 26,000,000 Shares, totalling \$6,500,000, specified in the Prospectus has not been achieved.

The minimum subscription amount is reduced to 12,000,000 Shares, totalling \$3,000,000, and the maximum subscription amount is reduced to 14,000,000 Shares, totalling \$3,500,000, in the Supplementary Prospectus.

No Shares under the Offer will be issued unless the minimum subscription specified in the Supplementary Prospectus is achieved.

Upon lodgement of this Supplementary Prospectus, and subject only to the lodgement of any future refresh document, the minimum subscription condition must be satisfied by no later than 17 April 2019, being four (4) months after the date of this Supplementary Prospectus.

### 3.4 Quotation condition

The Company applied to the ASX on 20 September 2018 to grant official quotation of the Shares offered by the Prospectus. As at the date of this Supplementary Prospectus:

- » the Shares have not been admitted to quotation on the ASX; and
- » the ASX has not indicated that the Shares will not be admitted to quotation, or will be admitted to quotation subject to certain conditions being satisfied.

As at the date of this Supplementary Prospectus, quotation of the Shares of the Company remains subject to successful completion of the Offer and satisfaction of all other relevant ASX compliance matters, as specified in the Prospectus. This remains unchanged.

Upon lodgement of this Supplementary Prospectus, and subject only to the lodgement of any future refresh document, the quotation condition must be satisfied by no later than 17 March 2019, being three (3) months after the date of this Supplementary Prospectus.

## 4. Amendments to Prospectus

The variation to the Minimum Subscription, Maximum Subscription and Offer Period detailed in section 3.3 of this Supplementary Prospectus will have a consequential effect on certain sections of the Prospectus. In addition, the Company has varied the terms and conditions of the SPAs with the Vendors for the sale of shares in Axxess Consulting Group Pty Ltd. The amended sections and the resulting amendments are set out below.

### 4.1 Summary of the Offer

Section 1.1 "Summary of the Offer" in the Prospectus is amended as follows:

#### Key Offer Statistics

Key Offer Statistics	Minimum Subscription	Maximum Subscription
Offer Price	\$0.25	\$0.25
Total cash proceeds to the Company from the Offer	\$2,000	\$2,000
Number of New Shares to be issued under the Offer	\$6,500,000	\$7,000,000
Number of New Shares to be issued under the SPAs <sup>1</sup>	26,000,000	28,000,000
Number of Shares held by Existing Shareholders	28,197,647	28,197,647
Number of Options on issue as at the date of the Prospectus <sup>2</sup>	3,478,651	3,478,651
Number of Performance Options on issue as at the date of the Prospectus <sup>3</sup>	7,700,000	7,700,000
Number of Performance Rights to be issued under and at the Completion of the SPAs <sup>4</sup>	44,000,000	44,000,000
Total number of Shares on issue at the Completion of the Offer and the SPAs <sup>5</sup>	98,197,647	100,197,647
Indicative market capitalisation at the Completion of the Offer and the SPAs <sup>6</sup>	\$24,549,412	\$25,049,412

1. All these Shares will be subject to restrictions by ASX. See Section 9.6 for further details of these restriction arrangements.
2. Please refer to Section 9.3 for the terms of the Options. This does not include the Performance Options issued to the Directors.
3. Please refer to Section 5.4.2 for the terms of the Performance Options.
4. Please refer to Section 5.4.3 for the terms of these Performance Rights. All these Performance Rights will be subject to restrictions by ASX. See Section 9.6 for further details of these restriction arrangements.
5. 74,864,315 Shares held by the Shareholders upon Completion of the Offer and SPAs will be subject to an escrow arrangement up to 24 months from the Listing Date. See Section 9.6 for further details of these escrow arrangements.
6. Calculated as the total number of Shares on issue on Completion of the Offer and SPAs multiplied by the Offer Price.

## Important Dates

Event	Date and Time
Lodgement of the Prospectus with ASIC	18 September 2018
Lodgement of ASX listing application	20 September 2018
Opening Date	26 September 2018
Lodgement of this Supplementary Prospectus	17 December 2018
Closing Date	20 February 2019
Issue of New Shares	26 February 2019
Expected dispatch of Holding Statements	26 February 2019
Shares expected to begin trading on ASX	28 February 2019

These dates are indicative only and may change. The Company reserves the right to vary the dates and times set out above subject to Corporations Act and other applicable laws. The Company reserves the right to vary the times and dates of the Offer including to close the Offer early, extend the Offer or to accept late Applications, either generally or in particular cases, without notification. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law. Investors are therefore encouraged to submit their Application Forms as early as possible after the Offer opens.

## 4.2 Key Financial Information

Section 1.5 "Key Financial Information" is amended to include the table below as follows:

### Summary Pro-Forma Balance Sheet on Completion of Offer

	\$ Minimum	\$ Maximum
<b>Current assets</b>	3,629,690	4,093,221
<b>Non-current assets</b>	343,440	343,440
<b>Total assets</b>	3,973,130	4,436,661
<b>Current liabilities</b>	941,622	941,622
<b>Total liabilities</b>	941,622	941,622
<b>Net assets</b>	<b>3,031,508</b>	<b>3,495,039</b>

## 4.3 Use of Funds

Section 1.7 "Use of Funds" in the Prospectus is amended as follows:

The Company expects to receive proceeds of \$3 million at Minimum Subscription and of \$3.5 million at Maximum Subscription from the issue of New Shares at the Offer Price of \$0.25 per Share. The table below sets out the proposed use of funds based on the Minimum Subscription and Maximum Subscription ("**Total Funds**").

	Minimum Subscriptions		Maximum Subscriptions	
	Amount (\$)	% of Total Funds	Amount (\$)	% of Total Funds
Existing cash reserves (31 July 2018)	119,654	3.5%	119,654	3.0%
Pre-IPO funds raise	322,000	9.4%	322,000	8.2%
Funds raised from the Offer	3,000,000	87.2%	3,500,000	88.8%
<b>Total Funds</b>	<b>3,441,654</b>	<b>100.0%</b>	<b>3,941,654</b>	<b>100.0%</b>
<b>Allocation of Funds</b>				
Costs of the Offer <sup>1</sup> (excluding costs paid to date)	845,121	24.6%	884,090	22.4%
Expansion of the Group's executive, sales and marketing teams	330,000	9.6%	610,000	15.5%
Settlement accrued costs	492,403	14.3%	492,403	12.5%
Working capital	1,774,130	51.5%	1,955,161	49.6%
<b>Total</b>	<b>3,441,654</b>	<b>100.0%</b>	<b>3,941,654</b>	<b>100.0%</b>

1. Please see Section 9.10 for a summary of the costs of the Offer.

The proposed use of proceeds described above represents the Company's current intentions based upon the present plans and business conditions. The amounts and timing of the actual expenditures may vary significantly and will depend upon numerous factors, including the timing and success of the Company's development efforts.

#### 4.4 Capital Structure

Section 1.8.1 “Capital structure following the offer” in the Prospectus is amended as follows:

The following table provides information regarding the top 20 Existing Shareholders (including whose shares are subject to escrow arrangements) and the ownership structure of the Company at the Completion of the Offer and the SPAs (percentages are rounded to the nearest 0.01%):

Top 20	Holders	Minimum Subscriptions		Maximum Subscriptions	
		Number of Shares	%	Number of Shares	%
1	ACN 137 837 613 <The Patrice A/C>	3,315,294	3.46%	3,315,294	3.39%
2	David Nigel Grey	3,000,000	3.13%	3,000,000	3.07%
3	Brendan Ferrier Dickson	2,400,000	2.51%	2,400,000	2.45%
4	Mulqueeney Rogers Investments Pty Ltd	2,068,235	2.16%	2,068,235	2.11%
5	MMR Corporate Services Pty Ltd	1,200,000	1.25%	1,200,000	1.23%
6	Deidra Terese McMaster	1,200,000	1.25%	1,200,000	1.23%
7	Ruchnius Pty Ltd	1,033,333	1.08%	1,033,333	1.06%
8	DGDM Pty Limited <Dgdm Service A/C>	700,000	0.73%	700,000	0.72%
9	Mishtalem Pty Ltd	700,000	0.73%	700,000	0.72%
10	Harry Hatch	666,667	0.70%	666,667	0.68%
11	Beirne Trading Pty Ltd	666,666	0.70%	666,666	0.68%
12	Cunxiang Wang	433,333	0.45%	433,333	0.44%
13	Donohoe Holdings <Measured A/C>	400,000	0.42%	400,000	0.41%
14	Bennander Pty Ltd <Bennander Family A/C>	367,000	0.38%	367,000	0.38%
15	Sonia Ruth Deaner	357,647	0.37%	357,647	0.37%
16	Melissa Charlotte Donohoe	333,334	0.35%	333,334	0.34%
17	Keo Projects Pty Ltd <Keo Projects S/F A/C>	333,333	0.35%	333,333	0.34%
18	Sasse Pty Ltd	333,333	0.35%	333,333	0.34%
19	Liang Tie	333,333	0.35%	333,333	0.34%
20	Benjamin George Wentworth Bucknell	283,327	0.30%	283,327	0.29%
	Other Existing Shareholders	8,072,812	8.43%	8,072,812	8.25%
	<b>Shares on issue at date of Prospectus</b>	<b>28,197,647</b>	<b>29.43%</b>	<b>28,197,647</b>	<b>28.83%</b>
	<b>Shares offered under this Prospectus</b>	<b>12,000,000</b>	<b>12.53%</b>	<b>14,000,000</b>	<b>14.32%</b>
	<b>Shares issued to the Vendors under the SPAs<sup>1</sup></b>	<b>55,600,000</b>	<b>58.04%</b>	<b>55,600,000</b>	<b>56.85%</b>
	<b>Total<sup>2</sup></b>	<b>95,797,647</b>	<b>100.00%</b>	<b>97,797,647</b>	<b>100.00%</b>

1. Those Shares will be issued to Vendors summarised in the Material Contracts section described in Section 9.4.1. All these Shares will be subject to a 24 month escrow arrangement. See Section 9.6 for further details of these escrow arrangements.
2. 74,864,315 Shares held by the Shareholders upon Completion of the Offer and SPAs will be subject to an escrow arrangement. See Section 9.6 for further details of these escrow arrangements. Rights attaching to the Shares are outlined in the Company's constitution and summarised in Section 9.2.

#### 4.5 Details of the Offer

Section 2.1 “The Offer” in the Prospectus is amended as follows:

The Company is seeking to raise \$3 million with an oversubscription amount of \$0.5 million through the issue of up to 14 million New Shares under the Offer. The Offer is a general public offer. The allocation of New Shares between the Applicants is determined by the Company at its absolute discretion.

The Offer is not underwritten.

A Minimum Subscription amount of \$3 million, representing 12 million Shares at the Offer Price of \$0.25 per Share, is required under the Offer. The Offer will not proceed, and all Applications and associated Application Monies will be returned to Applicants (without interest), unless the Minimum Subscription amount of \$3 million is raised under the Offer. The Company reserves the right not to proceed with the Offer or any part of it at any time before allotment of New Shares to Applicants under the Offer.

New Shares will be issued as fully paid Shares and when issued will rank equally with the existing Shares on issue.

#### **4.6 Board of Directors and Management Team**

Ivan Colak resigned as a director of AXS for personal reason on 3 December 2018. Accordingly, all references in the Prospectus to Ivan Colak being Executive Director of AXS and Executive Director of Axxess Consulting are deleted and replaced by the reference to Ivan Colak being Executive Director of Axxess Consulting only.

#### **4.7 Directors' and Managements' Interests and Remuneration**

Section 5.3.2 "Executive Director remuneration – Ivan Colak" is amended as follows:

Section 5.3.2 Executive Director (Axxess Consulting) remuneration – Ivan Colak

Ivan Colak is an Executive Director of Axxess Consulting. From one Business Day after the Approval Date, Ivan Colak will receive an annual fixed remuneration of \$219,000, which includes superannuation. Ivan Colak will also be entitled to participate in an annual bonus scheme of up to 60% of the remuneration (exclusive of superannuation). The bonus will be calculated on scaled EBITDA and sales targets. Ivan Colak will also be entitled to participate in an ESOP and a sign on bonus of \$50,000 (inclusive of tax and superannuation) payable within 7 business days following the Listing.

Pursuant to Ivan Colak's employment contract, Ivan Colak may resign from his position by giving 3 months' notice in writing. Ivan Colak's employment may be terminated by his employer (a member of the Group) by giving 3 months' notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting summary dismissal, Ivan Colak's employment contract may be terminated immediately by notice in writing and without payment in lieu of notice. Upon the termination of Ivan Colak's labour contract (whether by resignation or termination), Ivan Colak will be subject to a restraint of trade period of up to 36 months. The restraint of trade period may be reduced or eliminated in its entirety at the discretion of the Company.

Section 5.3.8 "Executive Director (Axxess Consulting) remuneration – Laurie Atkinson" is amended as follows:

Laurie Atkinson is an Executive Director of Axxess Consulting. From one Business Day after the Approval Date, Laurie Atkinson will receive an annual fixed remuneration of \$219,000, which includes superannuation. Laurie Atkinson will also be entitled to participate in an annual bonus scheme of up to 60% of the remuneration (exclusive of superannuation). The bonus will be calculated on scaled EBITDA and sales targets. Laurie Atkinson will also be entitled to participate in an ESOP and a sign on bonus of \$50,000 (inclusive of tax and superannuation) payable within 7 business days following the Listing.

Pursuant to Laurie Atkinson's employment contract, Laurie Atkinson may resign from his position by giving 3 months' notice in writing. Laurie Atkinson's employment may be terminated by his employer (a member of the Group) by giving 3 months' notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting summary dismissal, Laurie Atkinson's employment contract may be terminated immediately by notice in writing and without payment in lieu of notice. Upon the termination of Laurie Atkinson's labour contract (whether by resignation or termination), Laurie Atkinson will be subject to a restraint of trade period of up to 36 months. The restraint of trade period may be reduced or eliminated in its entirety at the discretion of the Company.

Section 5.3.9 "Executive Director (Axxess Consulting) remuneration – Kelvin Poole" is amended as follows:

Kelvin Poole is an Executive Director of Axxess Consulting. From one Business Day after the Approval Date, Kelvin Poole will receive an annual fixed remuneration of \$219,000, which includes superannuation. Kelvin Poole will also be entitled to participate in an annual bonus scheme of up to 60% of the remuneration (exclusive of superannuation). The bonus will be calculated on scaled EBITDA and sales targets. Kelvin Poole will also be entitled to participate in an ESOP and a sign on bonus of \$50,000 (inclusive of tax and superannuation) payable within 7 business days following the Listing.

Pursuant to Kelvin Poole's employment contract, Kelvin Poole may resign from his position by giving 3 months' notice in writing. Kelvin Poole's employment may be terminated by his employer (a member of the Group) by giving 3 months' notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting summary dismissal, Kelvin Poole's employment contract may be terminated immediately by notice in writing and without payment in lieu of notice. Upon the termination of Kelvin Poole's labour contract (whether by resignation or termination), Kelvin Poole will be subject to a restraint of trade period of up to 36 months. The restraint of trade period may be reduced or eliminated in its entirety at the discretion of the Company.



#### 4.8 Directors' and Managements' Interests in Shares, Options and Performance Rights

Section 5.3.10 "Directors' and Managements interests in Shares and Options" in the Prospectus is amended as follows:

##### 5.3.10 Directors' and Managements' interests in Shares, Options and Performance Rights

Directors and the Company Secretary's interests in Shares, Options and Performance Rights upon Completion of the Offer are as follows.

Name	Role	Shares	Options (ex \$0.25 Exp 31/12/19)	Performance Rights
<b>Nick Brookes</b>	Chairman and Non-Executive Director of AXS	367,000 <sup>1</sup>	33,400 <sup>1</sup>	Nil
<b>David Grey</b>	Managing Director and CEO of AXS	5,100,000 <sup>2</sup>	Nil	Nil
<b>Brendan Dickson</b>	Non-Executive Director of AXS	2,400,000	Nil	Nil
<b>Alan Beasley</b>	Non-Executive Director of AXS	229,671 <sup>3</sup>	5,934 <sup>3</sup>	Nil
<b>Henry Kinstlinger</b>	Company Secretary of AXS	2,233,333 <sup>5</sup>	486,667 <sup>5</sup>	Nil

1. Nick Brookes' Shares are held by Benannder Pty Ltd which is 100% owned by Mingqi Feng, Spouse of Nick Brookes.
2. 700,000 Shares are held by DGDM Pty Limited a company controlled by David Grey. 200,000 Shares are held by DTMS Corporate Pty Limited as the trustee for DTMS Personal Super Fund of which David Grey is a shareholder/ beneficiary. 1,200,000 Shares are held by Deidra McMaster, Spouse of David Grey.
3. 329,671 shares and 5,934 options are held by Colleen Beasley, spouse of Alan Beasley.
4. 41,200,000 Shares are held by MMR Corporate Services Pty Ltd a company controlled by Henry Kinstlinger. 1,033,333 Shares and 486,667 Options are held by Ruchnius Pty Ltd a company controlled by Henry Kinstlinger.

Senior management interests in Shares, Options and Performance Rights upon Completion of the Offer are as follows.

Name	Role	Shares	Options (ex \$0.25 Exp 31/12/19)	Performance Rights
<b>Andrew Duncan</b>	Chief Financial Officer of AXS	416,471 <sup>1</sup>	80,000	Nil
<b>Laurie Atkinson</b>	Executive Director of Axxess Consulting	13,900,000 <sup>2</sup>	Nil	600,000
<b>Kelvin Poole</b>	Executive Director of Axxess Consulting	13,900,000	Nil	600,000
<b>Ivan Colak</b>	Executive Director of Axxess Consulting	27,800,000 <sup>3</sup>	Nil	1,200,000

1. 240,000 Shares held by Jackvie Super Pty Ltd as the trustee for Jackvie Superannuation Fund of which Andrew Duncan is a shareholder/beneficiary.
2. Laurie Atkinson's Shares are held by the LRA Consulting Pty Ltd as trustee for the Atkinson Consulting Trust, of which Laurie Atkinson is a beneficiary.
3. Ivan Colak's Shares are held by I. and L. Computer Services Pty. Ltd as the trustee for the Colak Family Trust, in which Ivan Colak is a beneficiary.

#### 4.9 Employee Share Option Plan

Section 5.4.1 "Employee Share Option Plan (ESOP)" in the Prospectus is amended as follows:

AXS has established an ESOP, which is an employee equity plan developed to meet contemporary equity design standards and to provide the greatest possible flexibility in the design and offer choices available to the Company. The ESOP was amended on 14 December 2018.

A summary of the general ESOP Rules is outlined below. A full copy of the ESOP Rules is available on the Company's website: [www.axsgroup.com.au](http://www.axsgroup.com.au).

Terms	Description
Invitations	Subject to the ESOP Rules, the Board may select and invite any Eligible Person selected by it to participate in the ESOP.
Eligible Persons	Eligible Person means any employee, contractor or director (or prospective employee, contractor or director) of one or more Company Group Members selected by the Board to participate in the ESOP.
Exercise Price	The Exercise Price in respect of an Option means the exercise price determined by the Board and included in the Offer giving rise to that Option, as amended pursuant to the terms of ESOP Rules.

Restrictions on making an Offer	<p>The Board must not invite an Eligible Person to participate in the Plan unless:</p> <ol style="list-style-type: none"> <li>1. Chapter 6D of the Corporations Act does not apply to the invitation;</li> <li>2. the invitation does not need disclosure to investors because of section 708 of the Corporations Act;</li> <li>3. an exemption from Parts 6D.2 and 6D.3 of the Corporations Act applies to the invitation and all conditions and requirements of that exemption are satisfied; or</li> <li>4. the invitation complies with Parts 6D.2 and 6D.3 of the Corporations Act.</li> </ol>
Restrictions on transfer	<p>Unless the relevant dealing is effected by force of law on death or legal incapacity to the Option Holder's legal personal representative, an Option Holder may not sell, assign, transfer, grant a Security Interest over or otherwise deal with an Option that has been granted to them. Where an Option Holder purports to:</p> <ol style="list-style-type: none"> <li>1. transfer an Option other than in accordance with this Rule; or</li> <li>2. grant any Security Interest in or over or otherwise dispose of or deal with an Option or interest in it in breach of this Rule,</li> </ol> <p>that Option is immediately forfeited.</p>
Loan or financial assistance	<p>Subject to compliance with all applicable laws, the Company and any Company Group Member may provide to any Eligible Person any loan or facility or other form of financial accommodation for the purpose of facilitating participation by the Eligible Person in the ESOP so long as all conditions, obligations and risks associated with the financial accommodation are disclosed to the Eligible Person.</p> <p>Subject to the Constitution and the Corporations Act, the Company may financially assist a person to acquire the Options pursuant to the ESOP Rules.</p>
Entitlement	<p>Shares acquired under the ESOP must rank equally in all respects with all other Shares from the date of acquisition, including:</p> <ol style="list-style-type: none"> <li>1. voting rights; and</li> <li>2. entitlements to participate in: <ol style="list-style-type: none"> <li>a. distributions and dividends; and</li> <li>b. future rights issues and bonus issues,</li> </ol> </li> </ol> <p>where the record date for determining entitlements falls on or after the date of acquisition.</p>
Quotation	<p>Where Shares acquired under the Plan are not yet quoted on the official list of the ASX, the Company must apply for quotation of those Shares on the official list of the ASX as soon as practicable after the acquisition of those Shares, so long as the ordinary shares of the Company are quoted on the official list of the ASX at that time.</p>
Reorganisation	<p>In the event of any Reorganisation Event (including consolidation, subdivision, reduction, capital return, buy back or cancellation) of the share capital of the Company, the number of Shares that are to be acquired by each Eligible Person and/or the consideration (if any) payable by the Eligible Person for the acquisition of the Shares must be reconstructed accordingly, in a manner that does not result in any additional benefits being conferred on Eligible Persons that are not conferred on shareholders of the Company.</p>
Plan Administration	<p>The Board has the power to determine appropriate procedures for the administration of the ESOP consistent with these rules including to form a sub-committee for administration of the ESOP.</p> <p>The Board may delegate certain functions including appointing an Administrator to administer the ESOP and may determine the terms and conditions of the Administrator's appointment. The Board may remove the Administrator.</p>
Termination or Suspension of the Plan	<p>The Board may terminate or suspend the operation of the Employee option plan at any time. In the event of a suspension or termination, the ESOP Rules will continue to operate with respect to any Shares acquired by an Eligible Person under the ESOP prior to that suspension or termination.</p>



#### 4.10 Performance Rights Issued to Vendors

Add Section 5.4.3 “Performance Rights Issued to Vendors” after Section 5.4.2 as follows:

As at the date of this Prospectus, the Company has offered to issue Performance Rights to the Vendors under the ESOP. The issue of Performance Rights under those offers are conditional upon the Completion of the SPAs.

Key terms and conditions of the Performance Rights offered are set out as below:

Terms	Description										
<b>Issue Date</b>	Upon Completion of the SPAs.										
<b>Participants</b>	Kelvin Poole, Laurie Atkinson and Ivan Colak.										
<b>Number of Performance Options to be issued</b>	<table border="1"> <thead> <tr> <th>Participant</th> <th>Number of Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Kelvin Poole</td> <td>600,000</td> </tr> <tr> <td>Laurie Atkinson</td> <td>600,000</td> </tr> <tr> <td>Ivan Colak</td> <td>1,200,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>2,400,000</b></td> </tr> </tbody> </table>	Participant	Number of Performance Rights	Kelvin Poole	600,000	Laurie Atkinson	600,000	Ivan Colak	1,200,000	<b>Total</b>	<b>2,400,000</b>
	Participant	Number of Performance Rights									
	Kelvin Poole	600,000									
	Laurie Atkinson	600,000									
	Ivan Colak	1,200,000									
<b>Total</b>	<b>2,400,000</b>										
<b>Exercise Price</b>	Nil										
<b>Vesting Conditions</b>	The Performance Rights will be vested and become capable of exercise upon the Company achieving an EBITDA in excess of \$3.7 million in either FY2019, FY2020 or FY2021, subject to being in employment with the Company and the Restrictions below.										
<b>Expiry Date</b>	<ul style="list-style-type: none"> <li>If the vesting condition is not met upon the determination of the EBITDA of the Company as at FY2021, the Performance Rights will lapse.</li> <li>Any vested Performance Rights that have not been exercised by 31 December 2023 will lapse.</li> </ul>										
<b>Restrictions</b>	The Performance Rights cannot be disposed within 24 months from the Listing Date as required under the ASX Listing Rules Appendix 9B.										
<b>Amendment Required by ASX</b>	The Directors of the Company reserves the right to amend the terms of the Performance Rights as necessary to comply with the ASX Listing Rules or any direction of the ASX regarding these terms. In any event these terms are amended, the Company will notify the Participants.										

#### 4.11 Financial Information

Section 6.4 “Pro Forma Historical Balance Sheet” in the Prospectus is amended as follows:

The Pro Forma Historical Balance Sheet is based on the Historical Balance Sheet, adjusted for certain pro forma adjustments as if Offer occurred on 31 December 2017. Adjustments relate to:

- » the pre-IPO fundraising;
- » the acquisition of Axxess Consulting; and
- » Completion of the Offer.

	1HY2018	Pre-Offer Fundraising	Acquisition of Axxess Consulting	Completion of Offer (Minimum)	Pro-Forma Minimum	Completion of Offer (Maximum)	Pro-Forma Maximum
	(Note 1)	(Note 2)	(Note 3)	(Note 4)		(Note 5)	
Cash and cash equivalents	251,071	322,000	184,836	2,144,454	2,902,361	2,607,985	3,365,892
Trade and other receivables	123,573	-	589,498	-	713,071	-	713,071
Other current assets	80,784	-	13,702	(80,228)	14,258	(80,228)	14,258
<b>Total current assets</b>	<b>455,428</b>	<b>322,000</b>	<b>788,036</b>	<b>2,064,226</b>	<b>3,629,690</b>	<b>2,527,757</b>	<b>4,093,221</b>
Property, plant and equipment	-	-	20,236	-	20,236	-	20,236
Intangibles	-	-	323,204	-	323,204	-	323,204
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>	<b>343,440</b>	<b>-</b>	<b>343,440</b>	<b>-</b>	<b>343,440</b>
<b>Total assets</b>	<b>455,428</b>	<b>322,000</b>	<b>1,131,476</b>	<b>2,064,226</b>	<b>3,973,130</b>	<b>2,527,757</b>	<b>4,436,661</b>
Trade and other payables	137,133	-	59,813	-	196,946	-	196,946
Other financial liabilities	16,454	-	30,000	-	46,454	-	46,454
Employee benefits	-	-	203,645	-	203,645	-	203,645
Deferred income	-	-	28,377	-	28,377	-	28,377

Deferred consideration	-	-	466,200	-	466,200	-	466,200
<b>Total current liabilities</b>	<b>153,587</b>	-	<b>788,035</b>	-	<b>941,622</b>	-	<b>941,622</b>
<b>Total non-current liabilities</b>	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>153,587</b>	-	<b>788,035</b>	-	<b>941,622</b>	-	<b>941,622</b>
<b>Net assets</b>	<b>301,841</b>	<b>322,000</b>	<b>343,441</b>	<b>2,064,226</b>	<b>3,031,508</b>	<b>2,527,757</b>	<b>3,495,039</b>
Share capital	748,610	270,671	6,373,572	2,683,937	10,076,790	3,133,665	10,526,518
Share option reserve	132,167	51,329	(183,496)	-	-	-	-
Retained earnings	(578,936)		(5,846,635)	(619,711)	(7,045,282)	(605,908)	(7,031,479)
<b>Total equity</b>	<b>301,841</b>	<b>322,000</b>	<b>343,441</b>	<b>2,064,226</b>	<b>3,031,508</b>	<b>2,527,757</b>	<b>3,495,039</b>

**Notes:**

- 1HY2018** – represents the reviewed balance sheet of AXS as at 31 December 2017.
- Pre-Offer fundraising** - AXS issued 1,867,647 shares raising gross proceeds of \$322,000. There were 778,667 options attaching to the pre-offer shares. The Directors' valued the options pursuant to the Black and Scholes option pricing model at a total of fair value \$51,329, which has been recognised as a share option reserve. There were no costs incurred in respect to the pre-offer fundraising.
- Acquisition of Axxess Partnership and Axxess Consulting** - On Completion of the Offer, Axxess Partnership will transfer certain assets, liabilities and its business operations to Axxess Consulting. Axxess Consulting will be simultaneously acquired by AXS. Accordingly, adjustments have been made to bring the assets and liabilities transferred by Axxess Partnership into account in the Group's balance sheet. Refer to Section 9.4.1 for further detail of the transaction.

As noted in Section 6.2.1, in accordance with the Australian Accounting Standards, the acquisition of Axxess Consulting by AXS is considered to be reverse acquisition of the assets of AXS and therefore for financial reporting and consolidation purposes, Axxess Consulting is treated as the acquirer. Accordingly, upon consolidation, the investment in Axxess Consulting and retained earnings of the AXS are eliminated. Inter entity loans in the amount of \$123,573 are also eliminated on consolidation. The difference between the fair value of the implied consideration and AXS' net assets is recognised as transaction cost.

- Minimum Offer** – The Company will issue a minimum of 12,000,000 shares at \$0.25 a share to raise gross proceeds of \$3,000,000. Transaction costs of \$1,155,499 will be incurred of which \$839,436 will be expensed and \$316,063 capitalised against share capital. Of total transaction costs \$299,953 had been incurred in 1HY2018, Costs of the offer are detailed in Section 9.10.
- Maximum Offer** – The Company will issue a maximum of 14,000,000 shares at \$0.25 a share to raise gross proceeds of \$3,500,000. Transaction costs of \$1,191,968 will be incurred of which \$825,633 will be expensed and \$366,335 capitalised against share capital. Of total transaction costs \$299,953 had been incurred in 1HY2018, Costs of the offer are detailed in Section 9.10.

Section 6.7 "Liquidity, capital resources and indebtedness" in the Prospectus is amended as follows:

Following the Completion of the Offer, AXS's Pro Forma cash and cash equivalents for the minimum and maximum subscriptions are set out in the Pro Forma Historical Balance Sheet.

The Group's principal source of funds is cash at bank and cash flows from operations. A significant proportion of the Group's revenue is subscription based and invoiced monthly. AXS operations do not require significant capital expenditure or have large working capital requirements. Accordingly, the Directors consider that the Group will have sufficient cash flow from operations to carry out the entity's stated objectives.

The net cash position of the Group upon Completion of the Offer is set out in the below table:

	1HY2018	Pro Forma Minimum	Pro Forma Maximum
Cash and Cash Equivalents	251,071	2,902,361	3,365,892
Current Financial Liabilities	(16,454)	(46,454)	(46,454)
Deferred consideration		(466,200)	(466,200)
<b>Net cash / debt position</b>	<b>234,617</b>	<b>2,389,707</b>	<b>2,853,238</b>

#### 4.12 The Investigating Accountant's Report

Section 7 "Investigating Accountant's Report" in the Prospectus is supplemented by the Investigating Accountant's Report in Annexure A to this Supplementary Prospectus.

#### 4.13 Corporate Structure on Completion

The paragraph related to the below in Section 9.1 "Corporate Structure on Completion" is amended as follows:

On Completion of the Offer, the Company will have:

- » 95,797,647 Shares on issue including 12 million Shares issued under this Prospectus in case of the Minimum Subscription; or
- » 97,797,647 Shares on issue including 14 million Shares issued under this Prospectus in case of the Maximum Subscription.

#### 4.14 Material Contracts

Section 9.4.1 “Material Contracts” in the Prospectus is amended as follows:

On 19 May 2017, I and L Computer Services Pty Ltd (“**Colak Trust**”), LRA Consulting Pty Ltd (“**Atkinson Trust**”) and Kelvin Allan Poole (“**Poole**”) (together “**Vendors**”) entered into separate share sale and purchase agreements (“**SPAs**”) with Angeion Group Pty Limited and Angeion Group Holdings Pty Limited (“**Angeion**”) for the sale of all their shares in Axxess Consulting (“**Sale Shares**”). Colak Trust, Atkinson Trust and Poole each hold 50%, 25% and 25% of the total shares in Axxess Consulting respectively.

The SPAs relate to the acquisition of the legal interest in the underlying ARMNET technology business and its IP. The SPAs were subsequently amended by deeds of amendment on 16 August 2018 (“**Deeds of Amendment**”). The Deeds of Amendment were entered into with each of the Vendors to replace Angeion with AXS as the purchaser of the Sale Shares. In addition, the Deeds of Amendment also clarified and amended the effective date, the purchase price and the payment conditions of the purchase price of the Sales Shares under the SPAs among other commercial and legal refinements to terms and conditions in the SPAs.

According to the SPAs amended by the Deeds of Amendment, the sale of shares in Axxess Consulting to AXS occurs once the parties meet the conditions in the SPAs, including:

- » satisfactory due diligence on Axxess Consulting by AXS that no Sale Share is subject to any security interest;
- » the execution of all three SPAs;
- » the execution of employment agreements between Axxess Consulting and Ivan Colak, Kelvin Poole and Laurie Atkinson on terms that are satisfactory to AXS;
- » any residual intellectual property held by the Vendors are assigned to Axxess Consulting; and
- » obtaining any approval, waiver or satisfying any conditions required from ASX or ASIC for the transactions contemplated under the SPAs.

The SPAs were further amended by deeds of amendment executed on 12 December 2018 (“**New Deeds of Amendment**”) regarding the considerations for the purchase of the Sale Shares by AXS from the Vendors. According to the New Deeds of Amendment, the total consideration for the purchase of the Sale Shares by AXS from the Vendors is \$14,500,000, which is made up of the following:

- » issue of 55,600,000 shares in AXS at \$0.25 per share with a value of \$13,900,000 on the Completion of the SPAs; and
- » 2,400,000 Performance Rights which can be vested upon the Company achieving an EBITDA of no less than \$3.7 million in either FY2019, FY2020 or FY2021

A settlement adjustment will be made on Completion in favour of the Axxess Partnership, which if Completion had occurred on 31 December 2017 would have been \$466,200 although this amount may change based on adjustments owing at the time of Completion. This amount owing will be a loan until settlement adjustments are complete with the parties to agree a mutual payment timing that works in conjunction with the Company’s cash flow timings.

On Completion, all intangible assets (including capitalised in-house developed software and contract lists) and property and equipment accounted for within the Axxess Partnership will be transferred to Axxess Consulting.

Each party indemnities the other party against all proceedings, actions, claims, demands, losses, liabilities, damages, cost and expenses which may be made, brought against, suffered or incurred by the Company or the other party, and which arise directly or indirectly out of or in connection with untrue, inaccurate or misleading warranties or breach of the SPAs; and

The SPAs further provide that the Vendors will receive a copy of the software code in the event of the termination, change or replacement of the Managing Director and two key executives within 3 years from execution of the SPAs.

#### 4.15 Escrow Arrangements

Section 9.6.3 “Summary of the escrow arrangements” in the Prospectus is amended as follows:

The table below sets out the periods during which certain Shareholders are restricted from dealing in their Shares pursuant to ASX restrictions and voluntary restrictions.

Shareholder	Type of escrow arrangement	Maximum Subscription		Minimum Subscription		Options held on escrow (ex \$0.25 Exp 31/12/19)	Performance Options held on escrow	Performance Rights held on escrow	Escrow Period in Months from the Listing Date
		Shares subject to escrow	%	Shares subject to escrow	%				
<b>Directors and their Related Parties</b>									
Nick Brookes	ASX <sup>1</sup>	266,800	0.28%	266,800	0.27%	13,360	1,000,000	0	24
David Grey	ASX <sup>1</sup>	5,100,000	5.32%	5,100,000	5.21%	0	4,500,000	0	24
Alan Beasley	ASX <sup>1</sup>	211,868	0.22%	211,868	0.22%	2,374	600,000	0	24

Brendan Dickson	ASX <sup>1</sup>	2,400,000	2.51%	2,400,000	2.45%	0	1,000,000	0	24
<b>Promoters, Seed capitalists &amp; Other</b>									
Seed capitalists	ASX <sup>1</sup>	120,000	0.13%	120,000	0.12%	24,000	0	0	24
Promoters and Transferees in receipt of Promoter Shares <sup>2</sup>	ASX <sup>1</sup>	6,500,000	6.79%	6,500,000	6.65%	1,300,000	0	0	24
Other deemed promoters	ASX <sup>1</sup>	4,515,529	4.71%	4,515,529	4.62%	617,907	0	0	24
Other	ASX <sup>1</sup>	94,118	0.10%	94,118	0.10%	127,667	600,000	0	24
<b>Employees</b>									
Access Consulting employees and contractors	Voluntary	56,000	0.06%	56,000	0.06%	0	0	0	24
<b>Vendors</b>									
Vendors	ASX <sup>1</sup>	55,600,000	58.04%	55,600,000	56.85%	0	0	2,400,000	24
<b>Total (Escrowed)</b>		<b>74,864,315</b>	<b>78.15%</b>	<b>74,864,315</b>	<b>76.55%</b>	<b>2,085,307</b>	<b>7,700,000</b>	<b>2,400,000</b>	
<b>Shares / Options not Subject to Escrow</b>		<b>20,933,332</b>	<b>21.85%</b>	<b>22,933,332</b>	<b>23.45%</b>	<b>1,393,344</b>	<b>0</b>	<b>0</b>	
<b>Total Shares / Options at Completion of the Offer</b>		<b>95,797,647</b>	<b>100%</b>	<b>97,797,647</b>	<b>100%</b>	<b>3,478,651</b>	<b>7,700,000</b>	<b>2,400,000</b>	

1. The ASX will make the final determination of the mandatory escrow to be applied to Shares, Options and Performance Rights, which may be different from that set out in this Prospectus.
2. This category of persons includes MMR Corporate Services Pty Ltd or received Shares from MMR Corporate Services Pty Ltd.

#### 4.16 Costs of the Offer

Section 9.10 "Costs of the Offer" in the Prospectus is amended as follows:

If the Offer proceeds, the estimated costs of the Offer (exclusive of taxes), by the type of cost, are shown in the table below:

Estimated expenses (exclusive of GST, where applicable)	Minimum Subscription (\$)	Maximum Subscription (\$)
<b>ASIC and ASX fees</b>	118,947	119,541
<b>Broker commissions</b>	215,250	251,125
<b>Legal fees</b>	199,148	199,148
<b>Corporate advisor fees (MMR)</b>	215,250	215,250
<b>Investigating Accountant's fees and due diligence reports</b>	118,457	118,457
<b>Other financial and accounting fees</b>	123,647	123,647
<b>Independent market report</b>	22,550	22,550
<b>Marketing, travel, design and printing</b>	70,750	70,750
<b>Miscellaneous</b>	71,500	71,500
<b>Total<sup>1</sup></b>	<b>1,155,499</b>	<b>1,191,968</b>

1. Final costs may be higher due to tax impacts.

#### 4.17 Glossary

The relevant terms in "Glossary" Section in the Prospectus are amended as follows:

Application Form means the form accompanying or attached to this Supplementary Prospectus by which an Applicant may apply for New Shares.

Closing Date means 5:30pm (AEST) on 20 February 2019 or such other date as the Board may decide, and is the date on which the Offer closes.

Minimum Subscription means the minimum subscription amount under the Offer, being \$3,000,000.

Maximum Subscription means the maximum subscription amount under the Offer, being \$3,500,000.

Performance Rights has the meaning as set out in section 5.4.3.

## **5. Action required by investors**

### **5.1 Investors who have not previously made any Application**

All new applications for Shares can only be accepted on the Application Form attached to or accompanying this Supplementary Prospectus. The Application Form should be completed in accordance with the instructions set out on the back of the form. Applications must not be made on the Application Form attached to or accompanying the Prospectus.

In all other respects, the procedure for applying for Shares is as set out in Section 8.1.2 of the Prospectus.

### **5.2 Investors who have lodged an Application Form**

The Company has determined to give each existing Applicant one (1) month from the date of this Supplementary Prospectus to withdraw their application and be repaid. If you intend to withdraw your application, please contact Computershare Investor Services Pty Limited, Share Registry to the Offer, per the contact details provided in the Application Form attached to this Supplementary Prospectus.

## **6. Directors' authorisation**

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

The Directors believe that the Prospectus, when read together with this Supplementary Prospectus, contains all the information that would be required by sections 710 and 711 of the Corporations Act and does not contain any material statement that is misleading or deceptive. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent prior to lodgement.

Signed for and on behalf of AXS Group Limited

Dated: 17 December 2018



Nick Brookes

Chairman



17 December 2018

The Directors  
AXS Group Limited  
Level 11, 52 Phillip Street  
Sydney NSW 2000

Dear Sirs

**Investigating Accountant's Report on AXS Group Limited's Compilation of Pro Forma Historical Financial Information**

We have been engaged by AXS Group Limited ("the "Company") to report on the pro forma historical financial information of the Company for inclusion in the supplementary prospectus dated on or about 17 December 2018 (the "Supplementary Prospectus"). The pro forma financial information consists of the pro forma balance sheet as at 31 December 2017 and related notes as set out in section 5.7 of the Supplementary Prospectus (the "pro forma financial information"). The applicable criteria on which the Directors have compiled the pro forma financial information are specified in section 5.7 ("applicable criteria").

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

Nexia Sydney Corporate Advisory Pty Ltd holds the appropriate Australian Financial Services License under the Corporations Act 2001 for the issue of this report.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the transactions described in section 5.7 on the Company's financial position as at 31 December 2017 as if the transactions had taken place at 31 December 2017. As part of this process, information about the Company's financial position has been extracted by the Directors from the company's financial statements for the year ended 31 December 2017, on which an audit report has been published.

**The Directors Responsibilities for the Pro Forma Financial Information**

The Directors of the Company are responsible for properly compiling the pro forma financial information on the basis of the applicable criteria.

**Our responsibility**

Our responsibility is to express a conclusion on whether anything has come to our attention that the pro forma financial information has not been properly compiled, in all material respects, by the Directors on the basis of the applicable criteria, as described in section 5.7 of the Supplementary Prospectus.

We have conducted our limited assurance engagement in accordance with the Standard on Assurance Engagements ASAE 3420 Assurance Engagements To Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document (ASAE 3420), issued by the Auditing and Assurance Standards Board. This standard requires that the assurance practitioner plan and perform procedures to obtain limited assurance about whether anything has come the assurance practitioner's attention that causes the assurance practitioner to believe that the Directors have not compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

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**Corporate Advisory Pty Ltd**  
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Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omission of financial services licensees.

Nexia Sydney Corporate Advisory Pty Ltd (ABN 68 114 696 945) is an Authorised Representative of Nexia Sydney Financial Solutions Pty Ltd, AFSL No. 247300 an associated entity of Nexia Sydney Pty Ltd an independent firm of chartered accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd, which is a member of Nexia International, a worldwide network of independent accounting and consulting firms. Neither Nexia International nor Nexia Australia Pty Ltd, deliver services in its own name or otherwise. Nexia International Limited and the member firms of the Nexia International network (including those members which trade under a name which includes NEXIA) are not part of a worldwide partnership.

The trademarks NEXIA INTERNATIONAL, NEXIA and the NEXIA logo are owned by Nexia International Limited and used under licence.



For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information, or of the pro forma financial information itself.

The purpose of the compilation of the pro forma financial information being included in a prospectus is solely to illustrate the impact of significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2017 would have been as presented.

A limited assurance engagement to report on whether anything has come to our attention that the pro forma financial information has not been properly compiled, in all material respects, on the basis of the applicable criteria, involves performing limited procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information does not provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and that the:

- related pro forma adjustments do not give appropriate effect to those criteria; and
- resultant pro forma financial information does not reflect the proper application of those adjustments to the unadjusted financial information.

The procedures we performed were based on our professional judgement and included making enquiries, primarily of persons responsible for financial and accounting matters, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of supporting documentation and agreeing or reconciling with underlying records, and other procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the compilation of the pro forma financial information has been prepared, in all material respects, in accordance with the applicable criteria.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### **Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the pro forma financial information is not compiled, in all material respects, by the Directors of the Company on the basis of the applicable criteria as described in section 5.7 of the Supplementary Prospectus.



**Restriction on Use**

Without modifying our conclusions, we draw attention to section 6 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

Nexia Sydney Corporate Advisory Pty Ltd has consented to the inclusion of this limited assurance report in the Supplementary Prospectus in the form and context in which it is included.

**Declaration of Interest**

Nexia Sydney Corporate Advisory Pty Ltd does not have any interest in the outcome of this offer other than in the advisory services performed in preparing this report for which normal professional fees will be received.

Yours faithfully

**Nexia Sydney Corporate Advisory Pty Ltd**

A handwritten signature in black ink, appearing to read 'B. Goldman', with a long horizontal flourish extending to the right.

**Brent Goldman**

Director

(Authorised representative of Nexia Sydney Financial Solutions Pty Ltd, AFSL 247300)

**FINANCIAL SERVICES GUIDE**

**Dated:** 17 December 2018

**What is a Financial Services Guide (“FSG”)?**

This FSG is designed to help you decide whether to use any of the general financial product advice provided by Nexia Sydney Corporate Advisory Pty Ltd ABN 68 114 696 945 (“NSCA”), a corporate authorised representative of Nexia Sydney Financial Solutions Pty Ltd (“NSFS”), Australian Financial Services Licence Number 247300 (“AFSL”).

This FSG includes information about:

- NSCA and how they can be contacted
- the services NSCA is authorised to provide
- how NSCA are paid
- any relevant associations or relationships of NSCA
- 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 NSCA has in place.

Where you have engaged NSCA we act on your behalf when providing financial services. Where you have not engaged NSCA, NSCA 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 NSCA.

**Financial Services that NSCA is authorised to provide**

NSCA is a corporate authorised representative of NSFS, which holds an AFSL authorising it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail 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.

**NSCA's responsibility to you**

NSCA has been engaged by AXS Group Limited (“AXS” or the “Client”) to provide general financial product advice in the form of an investigating accountant’s report to be included in the Supplementary Prospectus.

You have not engaged NSCA directly but have received a copy of the Report because you have been provided with a copy of the Supplementary Prospectus. NSCA or the employees of NSCA are not acting for any person other than the Client.

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

**General Advice**

As NSCA has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.



You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Supplementary Prospectus before making any decision in relation to the Offer.

#### **Fees NSCA may receive**

NSCA 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 NSCA \$2,500 (excluding GST and out of pocket expenses) for this Report. NSCA and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

#### **Referrals**

NSCA 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, NSCA is controlled by and operates as part of Nexia Sydney Pty Ltd. NSCA's directors and authorised representative may be directors in the Nexia Sydney Pty Ltd group entities ("Nexia Sydney Group"). Mr Brent Goldman, authorised representative of NSFS and director of Nexia Sydney Pty Ltd, has prepared this Report. The financial product advice in the Report is provided by NSCA and not by the Nexia Sydney Group.

From time to time NSCA, the Nexia Sydney Group 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 \$137,244 in professional fees have been received from the Client in relation investigating accountants report, audit and other accounting assistance.

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 NSFS know. Formal complaints should be sent in writing to:

Nexia Sydney Financial Solutions Pty Ltd  
Head of Compliance  
PO Box H195  
Australia Square NSW 1215

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer, Craig Wilford, on +61 2 9251 4600 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 NSFS cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Australian Financial Complaints Authority (“AFCA”). 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 AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au) or by contacting them directly at:

Australian Financial Complaints Authority Limited  
GPO Box 3, Melbourne Victoria 3001

Telephone: 1800 931 678  
Facsimile (03) 9613 6399  
Email: [info@afca.org.au](mailto: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**

NSCA has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

### **Contact Details**

You may contact NSCA at:

Nexia Sydney Corporate Advisory Pty Ltd  
PO Box H195  
Australia Square NSW 1215





## How to complete this Application Form

**A Number of Shares applied for**  
Enter the number of Shares you wish to apply for. The Application must be for a minimum of 8,000 Shares (\$2,000.00). Applications for greater than 8,000 Shares must be in multiples of 2,000 Shares (\$500.00).

**B Application Monies**  
Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares applied for in Step A by the issue price of \$0.25.

**C Applicant Name(s)**  
Enter the full name you wish to appear on the statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

**D Postal Address**  
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

**E Contact Details**  
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.

**F CHES**  
AXS Group Limited will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares issued to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on issue, you will be sponsored by AXS Group Limited and allocated a Securityholder Reference Number (SRN).

**G Payment**  
Make your **cheque, bank draft or money order** payable in Australian dollars to **'AXS Group Limited'** and cross it **'Not Negotiable'**. Cheques must be drawn from an Australian bank. Cash will not be accepted. The total payment amount must agree with the amount shown in Step B. Complete the cheque details in the boxes provided. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as dishonoured cheques may not be represented and may result in your Application being rejected. Paperclip (do not staple) your cheque to the Application Form. Receipts will not be forwarded. Funds **cannot** be directly debited from your bank account.

Before completing the Application Form the Applicant(s) should read the Prospectus and the Supplementary Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for Shares in AXS Group Limited is upon and subject to the terms of the Prospectus and the Supplementary Prospectus and the Constitution of AXS Group Limited, agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and the Supplementary Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

### Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited (CIS) by no later than 5.00pm AEST on the Closing Date. You should allow sufficient time for this to occur. Return the Application Form with cheque, bank draft or money order attached to:

**Computershare Investor Services Pty Limited, GPO Box 52, MELBOURNE VIC 3001**

Neither CIS nor AXS Group Limited accepts any responsibility if you lodge the Application Form at any other address or by any other means.

### Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuer (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided overleaf or emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.

### Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to AXS Group Limited. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund