

ActivePort Q2 business update

Start-up to Scale-up

Accelerating ActivePort's Growth



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This presentation has been authorised by the Board of ActivePort Group Ltd.

Introduction

- **ActivePort Group Limited (ASX:ATV)** is an Australian software company delivering network management and orchestration software solutions (MANO) for **Telecommunication, IT and Managed Service Providers**.
- ActivePort software allows customers to oversee and manage all of their cloud hosting and networking landscape end-to-end, from **one single screen - regardless of vendor**.
- **This unmatched technology delivers greater efficiency, improved customer service, and lower operational costs.**



ActivePort at a Glance #1

Shares

290,319,244

175,433,862 freely
tradeable

114,885,382 escrowed
until 20/10/23

Performance Rights

13,098,300

6,658,980 class D

2,219,660 class E

2,219,660 class F

2,000,000 class G

Options

12,331,475

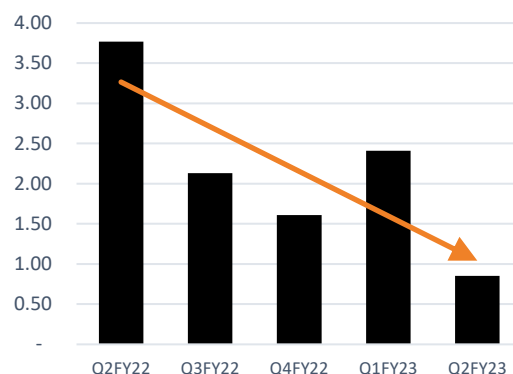
1,890,000 exercisable
\$0.30 expiring 31/10/23

9,811,475 exercisable
\$0.40 expiring 30/09/24

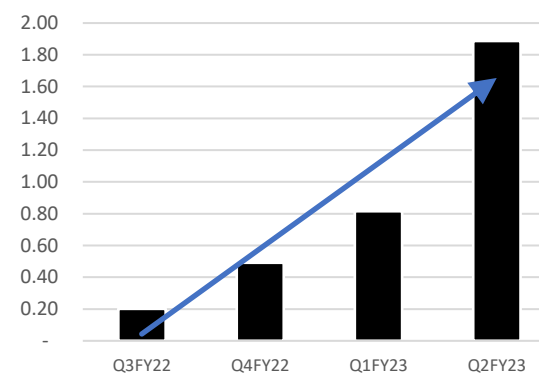
630,000 exercisable
\$0.35 expiring 31/10/24

ActivePort at a Glance #2

Burn Rate



Software Business Revenue



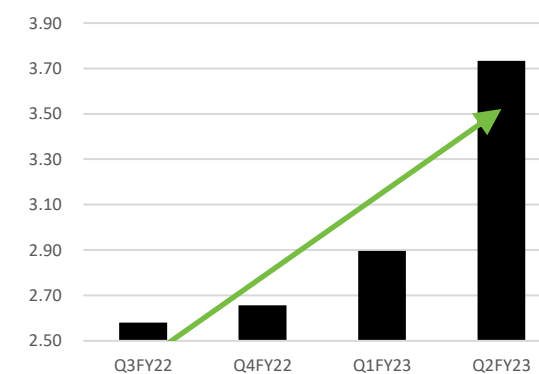
Enterprise Orchestration + SDWAN

Pipeline [53] Deployed/Deploying [3] Negotiations [11]

Compute - Telco Installations (incl Radian Arc)

Contracted [42] Deployed [16] Live [4]

Services Business Revenue



Vizstone& Starboard IT

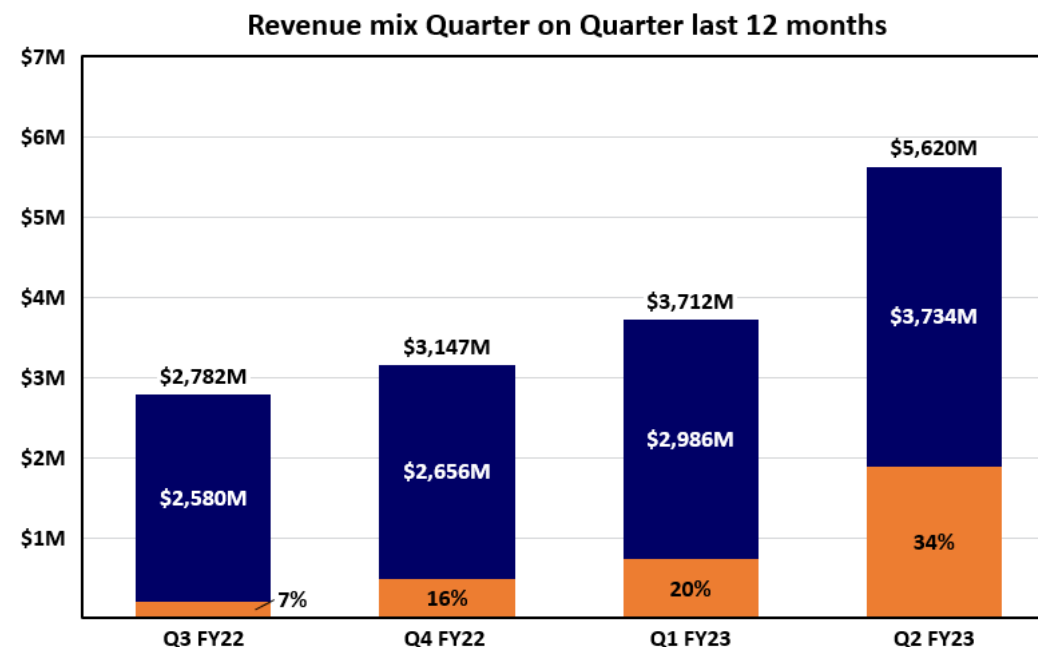
Combined customers 152

Largest customers:

Multinet Gas Distribution Partnership/
DBNGP (WA) Nominees Pty Ltd / NOPSEMA
Perpetual Ltd / Fujifilm / Pepper Global

Software revenue as a % of total

- **High-margin, high-growth software revenue** is more valuable to ATV shareholders than services revenue.
- It has been the company strategy from day 1 to grow software revenue as a proportion of total revenue.
- ActivePort's 2023 strategy will include growing both the software and services business. The company will continue to assess the software and services business mix into the future.



This chart sets out the quarterly revenue for the Group with the increasing contribution of ActivePort software in orange and the revenue in blue

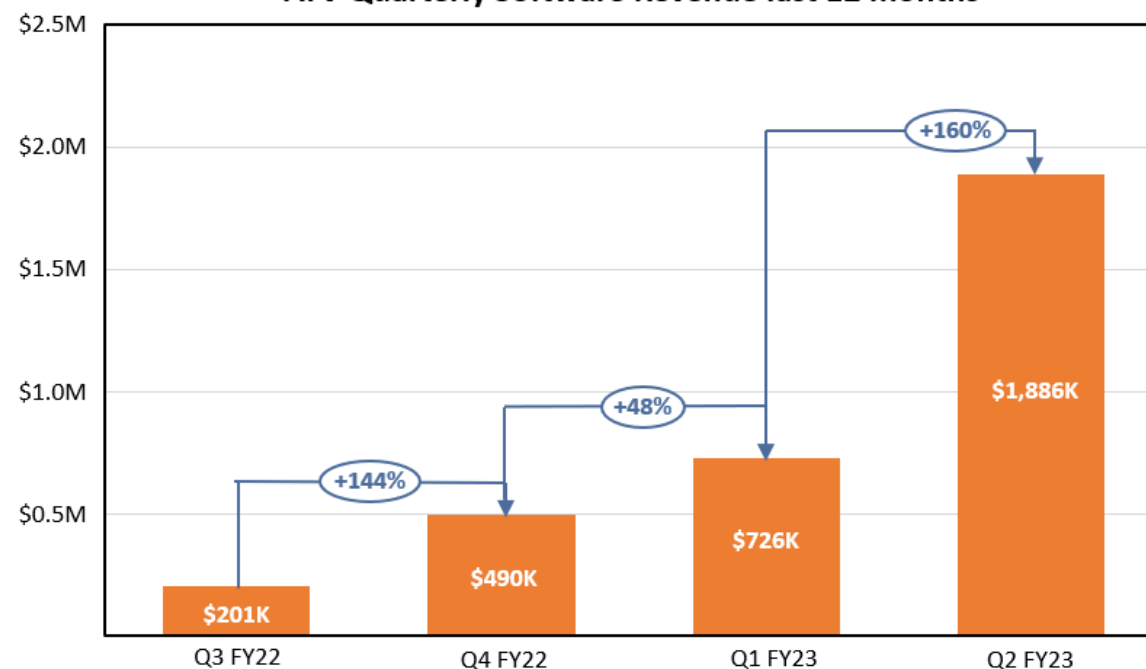
Software Business Summary

ActivePort software is used at the heart of **telecommunications and enterprise** business to automate and orchestrate diverse types of technology and allow automated connection between offices across a city, a country, or the world.

Our target markets are:

- Large telecommunication companies
- Large enterprise companies
- Self-service Edge to Cloud users

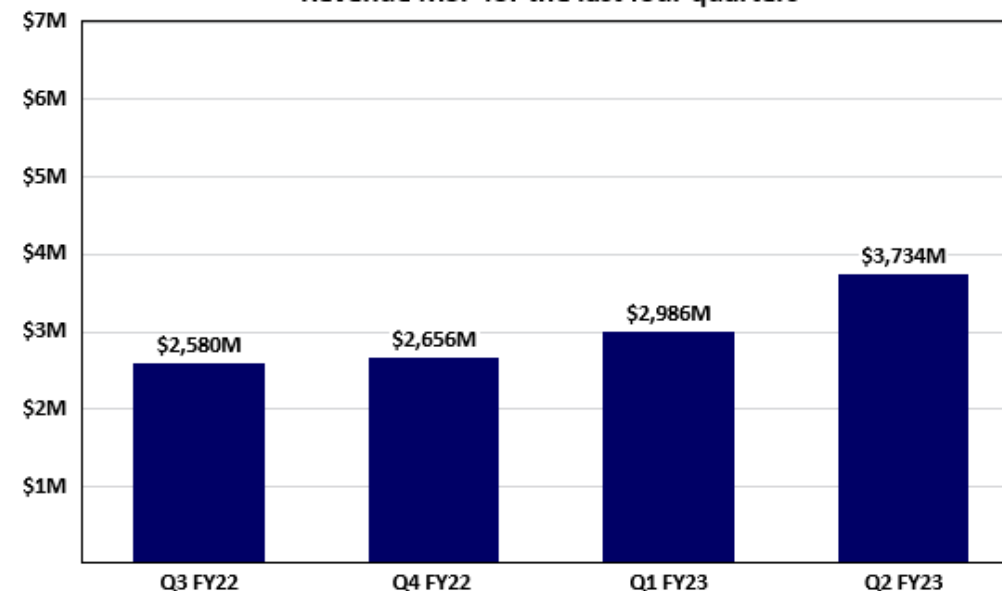
ATV Quarterly Software Revenue last 12 months



Services Business Summary

- ActivePort's Services business is made up of two acquisitions executed at the point of listing.
- **Vizstone** in Perth and **Starboard IT** based in Sydney.
- Both work with enterprise IT teams to deliver services across networking, system, Microsoft, and have a thriving staff augmentation (i.e. Contract staffing) business.
- Combined Totals - 152 Customers and 38 Staff.
- Both companies are now run by CEO, Steve Kelly.
- Largest customers:
 - Multinet Gas Distribution Partnership / DBNGP (WA) Nominees Pty Ltd / NOPSEMA
 - Perpetual Ltd / Fujifilm / Pepper Global

Revenue MSP for the last four quarters



Annualised revenue based on Q2FY23 is \$14.94M
 As an asset to ATV, the services business has a value of approx. \$30M.

Current Accounts & Opportunities in negotiations

Lightstorm Account Summary

- New telco in India backed by I-Squared Capital, a Miami based fund with USD \$45B under management.
- Expanding to 16 countries across Asia and the Middle East.
- Our software is the backbone of Lightstorm's technical operations, delivering system orchestration and underpinning their customer portal.
- Delivered \$1M of development revenue to-date. Software development for Lightstorm product set will continue to grow for 3+ years.
- Core orchestration being rolled out now – India complete.
- Significant Edge orchestration licence revenue potential over 5 years as users buy edge network services that use ATV software.



FY23	TCV 5 yr
Circa \$5M*	Circa \$30M

*Cash payment in FY23, revenue to be recognised in line with roll-out schedule

Negotiating a one-time up-front payment for FY23 services as Lightstorm are contracting ATV to build a complete Lightstorm product set.

Revenue estimates are presented as a guide only

Radian Arc Account Summary

Radian Arc delivers a cloud gaming platform to the telco industry powered by ActivePort software. Radian Arc is cornerstone funded by AMD manufacturer of GPU's and CPU's, competing with NVIDIA and Intel.

- 42 telco's signed with a collective audience of +1.5 billion mobile users.
- 12 installed by ActivePort in 2022.
- Telco's all receive ActivePort software on-premise.
- Telco's can choose to activate the ActivePort network orchestration capability to deliver customer self-service.

The Radian Arc deal is structure with two key components:

- A base payment for software and services of \$60K to \$70K per month.
- Growth payments based on support of each telco deployed (\$5.6K per month) and a concurrent gamer charge of \$42 per month per gamer (on a sliding scale, starting as the number of gamers goes over 5000).

(Note: AMD - NYSE:AMD, Mkt Cap USD \$142B, Intel - NYSE:INTC, Mkt Cap \$125B)



RADIAN ARC

FY23	TCV 5 yr
\$3M(rev) \$1.8M (Lease)	Circa \$18M

Service revenue of \$3M (est.) in FY23.
Full lease paydown (\$1.8M) expect in Q3/Q4 FY23.
Total Cash return of \$4.8M anticipated for FY23.

Revenue estimates are presented as a guide only

Telekom Malaysia Opportunity

- First Radian Arc customer to convert to ActivePort Network Orchestration.
- Twice the size of Telstra by customer number.
- TM customers will use ActivePort's portal branded as a TM product for self-service ordering and international network management.
- Extensive program of work required to integrate and educate an international TM team across sales, billing, support, engineering and architecture.
- Significant revenue opportunity for ActivePort in excess of \$10M over 5 years.
- One of 42 other telcos contracted with Radian Arc to receive ActivePort software through ActivePort's contract with Radian Arc.



FY23	TCV 5 yr
Circa \$2M	Circa \$10M

Initial project revenue of approx \$2M in FY23. Recurring revenue late in FY23, start of FY24 and should accelerate rapidly

TNSI Opportunity

- Large US bank network with international reach.
- Owned by Koch Industries Inc. group of companies.
- Proof of Concept completed and successful where incumbent (Fortinet) failed.
- Commercial agreement under negotiation – expected Feb.
- One off fee for initial development and implementation of circa \$700k.
- 60k end-points (branches, convenience stores and ATMs) represent a recurring earning opportunity scaling to \$4M PA over 4 years with roll out beginning mid-year 2023.
- Working with Canadian partner Turnium (TSX:TTGI) to deliver in the US.



FY23	TCV 5 yr
Circa \$0.8M	Circa \$14.1M

Initial development and implementation circa \$700K. Recurring revenue opportunity of US \$4M PA (once fully rolled out).

Bharti Airtel Opportunity

- 2nd largest telco in the world by customers (circa 480M).
- Bharti-branded customer self-service ordering and management solution requirement is a perfect fit for ActivePort's product.
- Architecture planning and commercial discussions reaching an outcome in February.
- \$2.7M annual recurring revenue for the initial deployment of 2K points of presence.
- In FY23, we expect to complete the \$1.1M initial development.
- Recurring revenue to begin in FY24 but earlier if we can expand or team and accelerate the implementation.



FY23	TCV 5 yr
Circa \$1.1M	Circa \$13.5M

\$1.1M implementation project with ongoing annual enhancement work of \$700k, plus rollout to approx. 2000 sites.

Start up – What we learned in 2022

- Appetite for **self-service ordering** and **network orchestration** in telco is strong globally. ActivePort is one of few vendors operating in this market and the only one currently capable of meeting the needs of large telcos.
- Enterprise accounts can deliver significant license revenue quickly in common vertical markets including banking and utilities. ActivePort can scale fast with repeatable services in these markets.
- Network as a Service (**NaaS**) - our Global Edge product - remains untapped but continues to grow as demonstrated by the revenue growth of our core-network partners Megaport, Console Connect, Equinix and others.
- ATV revenue growth will be driven from a combination of large upfront deals and ongoing monthly recurring licensing revenue

ActivePort

- Listed October 2021
- As of end of Q2 FY23 quarterly revenue of \$5.620M, up 51.4% from \$3.712M in Q1.
- Our software revenue in Q2 rose 160% on Q1 to \$1.886M. Total software revenue for FY22 was \$860K.

The status of the business is such that:

- We are confident that the market has validated the use and value of our software.
- We have a strong deal pipeline to the end of FY23.
- Business needs to scale internationally and ATV Management wish to begin that scaling process now.
- Time is of the essence. We must capitalise on the opportunities now while we have little/no effective competition.

End of Q2 Update