

31 October 2024

Quarterly Activities Report

For the quarter ending 30 September 2024

Activeport Group Ltd (ASX:ATV) (**Activeport** or **Company**) began the year well with consistent revenue and improved earnings amongst significant change as we restructure around our software sales to global telecommunications carriers, data centre operators and our Global Edge NEO SaaS service.

Revenue understates activity as three existing projects were delivered in the quarter and four new projects neared completion ready to deliver first revenue in Q2.

The sales pipeline continues to grow for both our larger telecommunication carrier projects and our new SaaS platform and increasing demand is being seen for our compute orchestration capability applied to AI applications.

Q1 FY25 Highlights



- **Revenue was \$2.75M for the quarter**, which is on-par with to the previous corresponding period as we pivot away from one-time project revenue to recurring revenue.
- In software licensing the team completed a new deployment of Activeport orchestration software, connecting the data centre hubs of **Singapore** and **Malaysia** for one of Asia's largest carriers.
- In SaaS the team delivered a number of new customers in Australia, Africa and Asia, the most notable being the **first retail bank network** to deploy our high-availability SD-WAN solution.
- In compute orchestration we completed deployment for India's largest telco to deliver cloud gaming and an additional two telco's took the service live from a total of **84 now contracted to utilise our GPU orchestration software**.
- The engineering team deployed Activeport compute orchestration for AI applications on **Google Cloud Services in Singapore**.
- Late in the quarter we launched **Global Edge NEO on FibreconX** to deliver innovative self-service data connectivity between data centres and business districts across Australia.

Project Highlights

Two significant projects were started in the quarter. On the licensing front, the team successfully deployed a network-to-network (NNI) field trial for a **major Asian telecommunications carrier** that links the data centre hubs of Malaysia and Singapore together with a bandwidth-on-demand solution.

For SaaS, a **partnership with FibreconX** was announced that will see our Global Edge NEO platform deliver self-service network solutions between the data centres and major business districts of Australia, starting in Sydney and Melbourne then extending to other capital cities as the FibreconX roll-out progresses, revenue from both projects is anticipated to begin in Q2 and should continue to grow as new customers adopt these innovative solutions.

The development team completed delivery of the version 3 compute module on **Google Cloud in Singapore** ready for AI application orchestration. This significant milestone sets the stage for Activeport's compute orchestration software to be adopted by our telecommunications customers to host and manage the plethora of new AI applications appearing on the market.

Other software projects continued in the quarter including:

- Integration of **Oracle Netsuite** for an existing sub-sea fibre customer in Singapore that will go live in Q2 and begin delivering new high-margin recurring software revenue.
- Our customer **Bravantic** received user training, acceptance testing and hand-over of the network orchestration solution for Electricity de Mozambique in the quarter, marking the completion of that multi-million dollar project which has **Mozambique's electricity utility** managing its core data network using Activeport's software.
- An existing telco customer in **India** continues to order enhancements and features for its **Polarin portal** that is powered by Activeport software;
- A new project in **Canada** is nearing completion with minor enhancements being completed ready for go-live; and
- Our pipeline of four new telco and data centre network operators in **Asia and India** continued to make progress toward completion of solution design ready for deployment.

Other Activities

During the quarter, the Company completed a placement to raise A\$1,900,000 (before costs). The Directors of the Company have committed to invest a total of A\$125,000 in the Placement, subject to approval of shareholders at the **Annual General Meeting** of the Company to be held on **27 November 2024**. The Placement will result in the issue of 38,000,000 fully paid ordinary shares at an issue price of A\$0.05 per share plus (subject to

shareholder approval) 19,000,000 Attaching Options, comprising 35,500,000 New Shares issued during the quarter; a further 2,500,000 New Shares to be issued to directors of the Company, subject to shareholder approval at the Annual General Meeting; and New Shares issued under the Placement will receive a 1:2 (one for two) free attaching option with an exercise price of A\$0.10 and an expiry date of 27 November 2027 (**Attaching Options**). The Attaching Options will be issued subject to approval by shareholders at the Annual General Meeting. A further 12,400,000 options will be issued by the Company in the form of 7,600,000 Broker Options and 4,800,000 Lead Manager Options, subject to shareholder approval at the Annual General Meeting.

Subsequent to the end of the quarter, Activeport lodged a Prospectus for a **renounceable entitlement issue** of three (3) Shares for every four (4) Shares held by Shareholders registered at the Record Date at an issue price of \$0.02 per Share. For every three (3) new Shares subscribed for and issued, Shareholders will receive one (1) free attaching new Option with an exercise price of 10 cents, expiring on 27 November 2027. The Prospectus also contains various secondary offers for the issue of Options.

On successful close, Activeport will begin growing the sales team to accelerate revenue growth across SaaS and software license sales.

In accordance with Listing Rule 4.7C, payments made to related parties of \$122,000 and their associates reflected in item 6.1 and \$89,000 reflected in item 6.2 of the Appendix 4C for this quarter comprises fees, salary and superannuation for Directors.

About Activeport Group Ltd

Activeport is an Australian company delivering network orchestration software solutions, tailored to the global telecommunications and information technology sectors. The company derives revenue from three business units; the Activeport orchestration software, the Global Edge network-as-a-service portal www.globaledge.network and general IT managed services.

For more information, please visit www.activeport.com.au

Investor relations

Activeport Group Ltd

Investor.relations@activeport.com.au

Media relations

Lisa Jones, Activeport Group

lisa.jones@activeport.com.au

www.linkedin.com/company/activeport-group-ltd

Activeport Group Ltd

Level 28, 140 St Georges Terrace, Perth WA 6000

ABN: 24 636 569 634

This announcement has been authorised for release by the Board of Activeport Group Ltd.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ACTIVEPORT GROUP LTD

ABN

24 636 569 634

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,348	3,348
1.2 Payments for		
(a) research and development	(177)	(177)
(b) product manufacturing and operating costs	(1,747)	(1,747)
(c) advertising and marketing	(1)	(1)
(d) leased assets	(7)	(7)
(e) staff costs	(1,448)	(1,448)
(f) administration and corporate costs	(933)	(933)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	(70)	(70)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,032)	(1,032)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	(725)	(725)

	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(725)	(725)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,775	1,775
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(135)	(135)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(200)	(200)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) ¹	-	-
3.10	Net cash from / (used in) financing activities	1,440	1,440

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,272	1,272
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,032)	(1,032)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(725)	(725)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,440	1,440
4.5	Effect of movement in exchange rates on cash held	(7)	(7)
4.6	Cash and cash equivalents at end of period	948	948

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	948	948
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	948	948

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(122)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(89)
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>The amount at 6.1 relates to fees (including superannuation, where applicable) paid to the Directors (including for their executive roles, where applicable).</p>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	1,150	1,150
7.2 Credit standby arrangements	1,530	1,530
7.3 Other (please specify)	100	15
7.4 Total financing facilities	2,780	2,695
7.5 Unused financing facilities available at quarter end		85
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	<ol style="list-style-type: none"> 1. Loan facility: Total short-term R&D tax credit loan balance of \$1.15M provided by Mitchell Asset Management secured against property of the business with interest rate at 24% per annum. The facility is to be repaid within 14 days of receipt of the R&D tax refund for FY24. 2. Credit standby arrangement: This is part of the initial drawdown on Radian Arc \$3.9m capital facility. Any additional \$118k draw down each month for 12 months and 78.6k for the last 3 months of the facility would attract interest of 9% unless being offset against any additional services rendered by ActivePort to Radian Arc. 3. Other facility: A \$100,000 unsecured principal and interest line of credit facility with Prospa Advance Pty Ltd. The interest rate is 0.077% daily rate at the Disclosure Date. 	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,031)
8.2 Cash and cash equivalents at quarter end (item 4.6)	948
8.3 Unused finance facilities available at quarter end (item 7.5)	85
8.4 Total available funding (item 8.2 + item 8.3)	1,033
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.0
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	<p>Answer: The Company is focussing on building its recurring revenue and collecting funds owing from licence agreement totalling \$3.3m. The Company expects the net operating cash flow to improve over time.</p>

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes, the company released a prospectus for a renounceable rights issue on 10 October to raise a maximum of \$5.3m.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the company has taken necessary steps to raise capital to provide funding to continue its operations and meet its business objectives.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2024

Authorised by: The Board.

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.