

30 April 2025

## Quarterly Activities Report

For the quarter ending 31 March 2025

Activeport Group Ltd (ASX:ATV) (**Activeport** or **Company**) achieved some significant wins in Q3, setting the company up for solid performance for the remainder of the year.

### Q3 Highlights

- Software revenue up 49.3%;
- Two new software licensing deals won;
- GPU orchestration deployed to India's largest telco;
- New Network as a Service (NaaS) platform commissioned;
- Innovative Starlink enterprise network backup solution deployed;
- Sales pipeline building significantly in NaaS, telco and data centre sectors.

### Software as a Service (SaaS)

- The Company completed delivery of its new Fibreconx infrastructure in Sydney and ordered the first circuits due to go live in May. Activeport's software on the Fibreconx infrastructure offers a unique fibre connectivity solution that should deliver strong recurring revenue growth and high gross margins from Q4.
- Activeport, via one of our channel partners, delivered a significant new backup service for one of Australia's largest iron ore operators using our unique MPLS integration solution over Starlink. Enterprise network integration of Starlink is becoming a regularly requested feature and Activeport offers a unique way of integrating Starlink services securely and seamlessly into corporate networks.
- Continuing on the satellite theme, Activeport successfully completed a proof of concept for a major international satellite operator that should convert to first revenue in Q4. The PoC demonstrated our software-defined multi-orbit Access VSAT solution, combining GEO, MEO and LEO satellite links to optimize network performance, ensuring seamless connectivity, intelligent traffic routing, and uninterrupted operations.

### Software Licenses

- Activeport won a strategically important project with one of Asia's largest tier-1 telecommunications companies to deliver a self-service portal for network-to-network services between international telecommunications carriers and large enterprise network operators. Due to go-live in May, this is a significant win that should deliver strong revenue growth with high gross margins for our software business.
- In India, the Company won a contract to deliver our network management and orchestration software for a mid-sized ISP with 12,000 provider-edge devices and 3 public cloud nodes. This project was a competitive bid where Activeport's software eclipsed all other major international vendors on features, functionality and price.

- Also in Software, Activeport's team began roll-out of our compute modules for Cloud Gaming to India's largest mobile network operator. On successful launch in May, this account should continue to grow in scale to become one of the worlds most significant GPU deployments with tens and possibly hundreds of millions of consumers launching and streaming games in the Cloud via Activeport's software.

## Research & Development

During the quarter, the development team completed delivery of Activeport's version 3.0 compute platform orchestration solution. This product now supports automated bare-metal deployment of GPU servers across distributed clusters and management of virtual machines and containers with Linux, Android and Windows operating systems. Activeport's Compute V3.0 software can be used for a range of applications including AI, cloud gaming and general cloud hosting and the Company is actively working on a number of opportunities to deploy this solution for data centre owners and cloud operators.

The team also began Alpha testing of the version 4.0 streaming engine that overlays cloud gaming to the Activeport compute orchestration platform. This new streaming engine will significantly improve performance, reducing the cost per interactive stream for cloud gaming applications where low ARPU is essential for success.

Along with the launch of Compute version 3.0, the team migrated Activeport's SaaS platform to Google Cloud Services (GCS) in Singapore to optimise price/performance for our international customers.

The team completed integration of Fibreconx's API to enable self-service ordering of dark fibre circuits with network and cloud service overlay products from Activeport's Global Edge Network as a Service (NaaS) platform.

Additional feature enhancements were delivered to Lightstorm in India to support their <https://polarin.lightstorm.net/> product that's powered by Activeport's software.

## Financial Results

Q3 was the first quarter to fully reflect the restructure completed in FY24, the results of which saw the Company eliminate one-off low margin legacy product revenue and reduce headcount to focus on high margin SaaS and Software license revenue. With the addition of some new blue-chip customers using our SaaS platform, the net revenue result was down on previous quarter but is expected to grow through Q4 and beyond.

In our software business where there is zero churn, revenue was up 49.3% and as we bring our new customers in Australia, Southeast Asia and India on stream in Q4, this is expected to continue growing.

Overall, the new products launched and a strong, expanding sales pipeline indicates our revenue across SaaS and Software should show consistent growth through Q4 and beyond.

Of significance is the results of our effort to restructure resources around SaaS and Software business units, with quarterly staff and operating expenses reduced by \$1.37M.

	Q2	Q3	Variance
SaaS Revenue	\$2,261,998	\$1,782,704	(21.2%)
Software Revenue	\$258,572	\$386,165	49.3%
Group Revenue	\$2,520,570	\$2,168,869	(14.0%)
OPEX	\$2,944,000	\$2,014,000	30.7%
Staff Costs	\$2,193,000	\$1,726,000	21.3%
Cash Used in Operating Activities	(\$2,017,000) <sup>1</sup>	(\$1,367,000)	32.2%
R&D Investment (Cash Used In investing Activities)	(\$667,000)	(\$721,000)	(8.1%)

Note 1: Excluding the R&D tax refund received in Q2.

### Other Activities

In accordance with Listing Rule 4.7C, payments made to related parties of \$104,000 and their associates reflected in item 6.1 and \$107,000 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](http://www.globaledge.network) and general IT managed services.

For more information, please visit [www.activeport.com.au](http://www.activeport.com.au)

#### Investor relations

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Activeport Group Ltd

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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")**

31 March 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,156	7,957
1.2 Payments for		
(a) research and development	(232)	(551)
(b) product manufacturing and operating costs	(1,355)	(5,135)
(c) advertising and marketing	(17)	(21)
(d) leased assets	(15)	(35)
(e) staff costs	(1,139)	(4,113)
(f) administration and corporate costs	(729)	(2,292)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	26
1.5 Interest and other costs of finance paid	(40)	(252)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,520
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,367)</b>	<b>(2,896)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	(721)	(2,113)

	(f) other non-current assets	(52)	(52)
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	<b>Net cash from / (used in) investing activities</b>	<b>(773)</b>	<b>(2,165)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,000	7,133
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	(132)	(561)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(993)	(1,449)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) <sup>1</sup>	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>875</b>	<b>5,123</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,589	1,272
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,367)	(2,896)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(773)	(2,165)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	875	5,123
4.5	Effect of movement in exchange rates on cash held	(2)	(12)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,322</b>	<b>1,322</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,322	2,555
5.2	Call deposits	-	34
5.3	Bank overdrafts	-	-
5.4	Other	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,322</b>	<b>2,589</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(104)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(107)
<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>		

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	2,188	513
7.3	Other (please specify)	100	-
7.4	<b>Total financing facilities</b>	2,288	513
7.5	<b>Unused financing facilities available at quarter end</b>		1,775
7.6	<p>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.</p> <ol style="list-style-type: none"> <li>1. 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.</li> <li>2. Other facility: A \$100,000 unsecured principal and interest line of credit facility with Prospra Advance Pty Ltd. The interest rate is 0.077% daily rate at the Disclosure Date.</li> </ol>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,367)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,322
8.3	Unused finance facilities available at quarter end (item 7.5)	1,775
8.4	Total available funding (item 8.2 + item 8.3)	3,097
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.3
<p><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></p>		
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?	
	<div>Answer: N/A</div>	
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?	
	<div>Answer: N/A</div>	

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: N/A

*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.*



## 9. Additional Disclosure

## Zero Exercise Price Options (ZEPOs)

On 27 November 2024, the Company issued 7,800,000 Class H ZEPOs, 7,800,000 Class I ZEPOs and 10,400,000 Class J ZEPOs.

30 Day VWAP means the volume weighted average price per Share calculated over the 30 days on which sales in the Company's ordinary shares are recorded before the day on which the calculation is made.

Each ZEPO entitles the holder to subscribe for one Share upon exercise of the ZEPO. No consideration is payable upon the exercise of each ZEPO.

Each ZEPO will expire at 5:00 pm (WST) on the date that is five (5) years from the date of issue (Expiry Date). Any ZEPO not exercised on or before the Expiry Date will automatically lapse on the Expiry Date.

Vesting of the ZEPOs will terminate on 30 November 2027. Vesting conditions that have not been met by 30 November 2027 will no longer be capable of being satisfied.

The ZEPOs will vest upon satisfaction of the following vesting conditions:

- (i) Class H ZEPOs: will vest upon the Company achieving a 30 Day VWAP which is equal to or greater than \$0.10 per Share;
- (ii) Class I ZEPOs: will vest upon the Company achieving a 30 Day VWAP which is equal to or greater than \$0.15 per Share; and
- (iii) Class J ZEPOs: will vest upon the Company achieving a 30 Day VWAP which is equal to or greater than \$0.20 per Share;

(each a Vesting Condition).

Each ZEPO that has vested by 30 November 2027 pursuant to its vesting condition being met or vested pursuant to a proportion of its vesting condition being met, will lapse on the Expiry Date.

Each ZEPO that has not vested by 30 November 2027 pursuant to its vesting condition not being met or vested pursuant to a proportion of its vesting condition not being met will automatically lapse upon the earlier to occur of:

- (i) 30 November 2027; and
- (ii) the holder ceasing to be an officer (and employee, if applicable) of the Company.

For the avoidance of doubt, a ZEPO will not lapse in the event the relevant Vesting Condition is met before the relevant 30 November 2027 and the Shares the subject of an Exercise Notice are deferred in accordance with the ZEPO terms and conditions.

Once vested, the ZEPOs are exercisable at any time on or prior to the Expiry Date (Exercise Period).

Where there is a Change of Control, all Vesting Conditions are deemed to be automatically waived and advised by written notice to the holder.

The ZEPOs may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the ZEPO certificate (Notice of Exercise).

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise (Exercise Date).

Within 10 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of ZEPOs specified in the Notice of Exercise;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge

with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the ZEPOs.

Shares issued on exercise of the ZEPOs rank equally with the then issued shares of the Company.

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

There are no participation rights or entitlements inherent in the ZEPOs and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the ZEPOs without exercising the ZEPOs.

All ZEPOs have remained on issue since their date of issue.

No ZEPOs has been cancelled, vested or exercised since their date of issue. None of the ZEPOs vesting conditions have been met since their date of issue.

## 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: 30 April 2025

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.