

# 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**

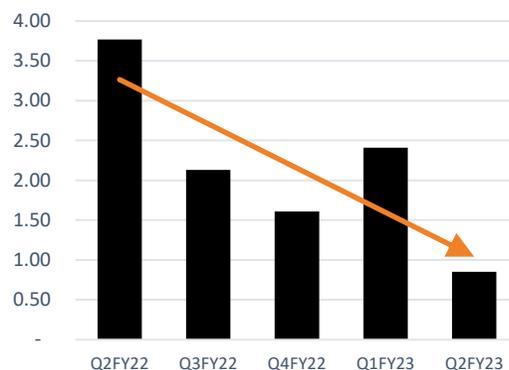
1,890,000 exercisable  
\$0.30 expiring 31/10/23

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

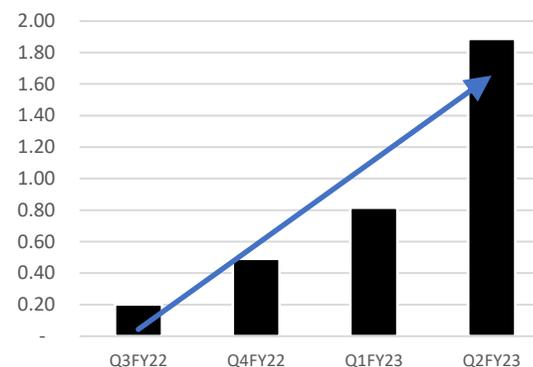
630,000 exercisable  
\$0.35 expiring 31/10/24

# ActivePort at a Glance #2

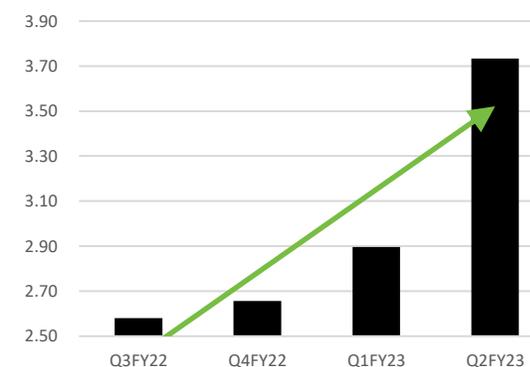
**Burn Rate**



**Software Business Revenue**



**Services Business Revenue**



**Enterprise Orchestration + SDWAN**

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

**Compute - Telco Installations (incl Radian Arc)**

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

**Vizstone& Starboard IT**

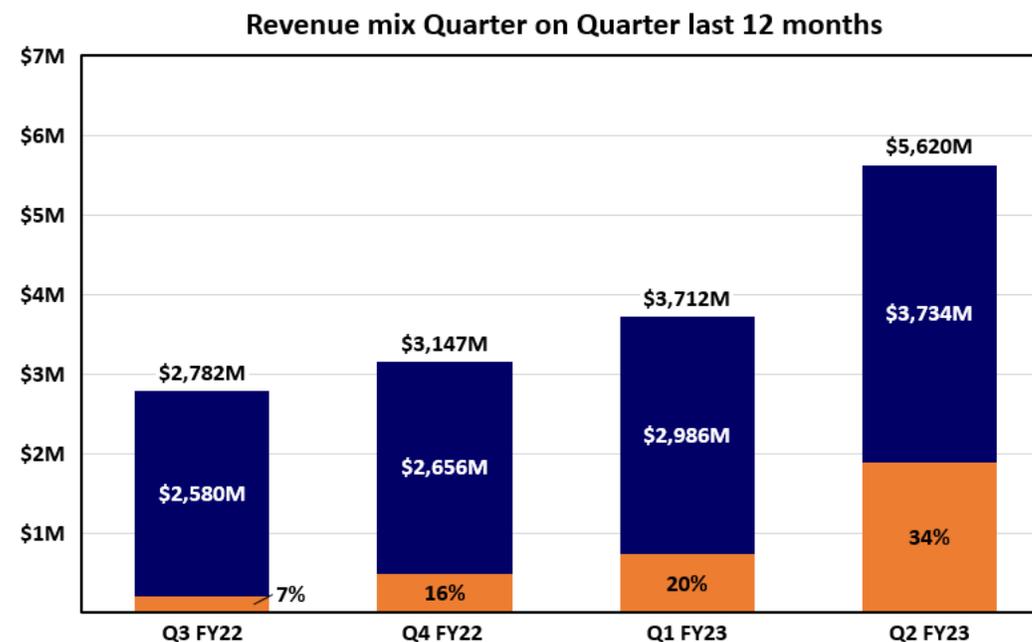
Combined customers 152

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*

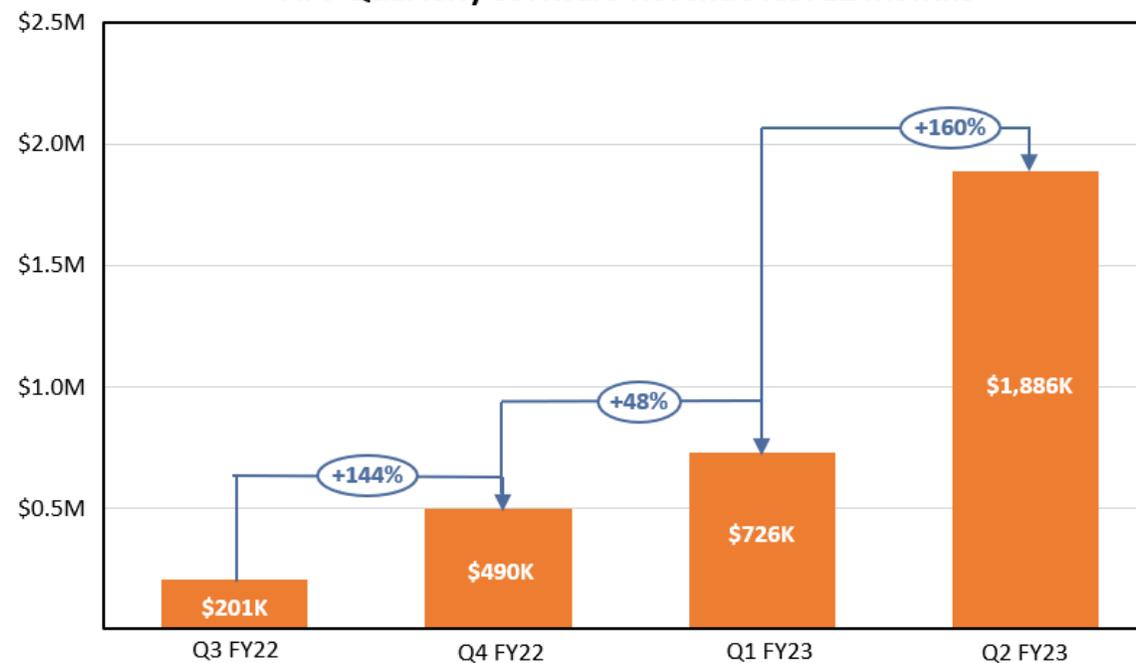
# Software Business Summary

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

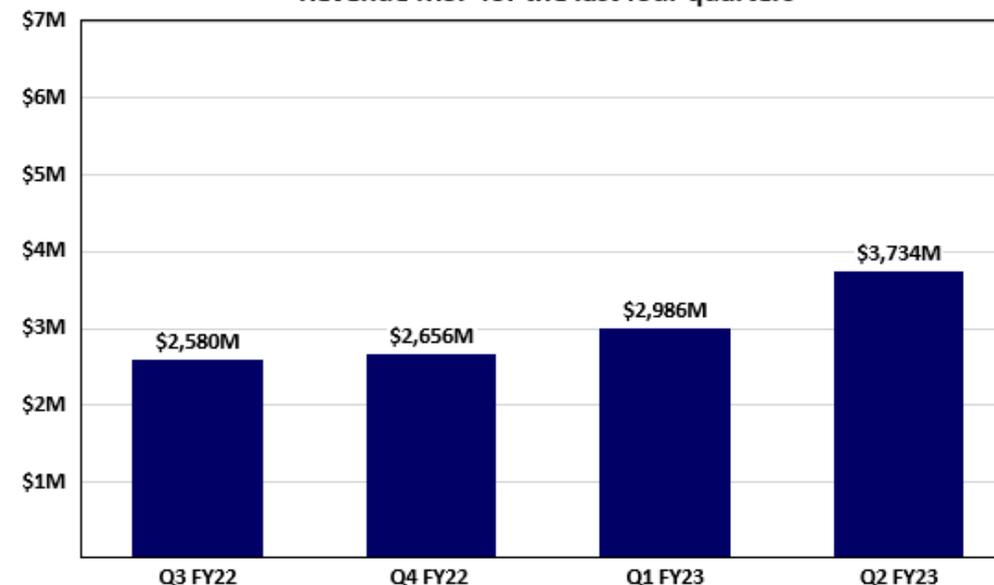
ATV Quarterly Software Revenue last 12 months



# 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

- 2<sup>nd</sup> 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