ActivePort Investor Update

August 2, 2023

ActivePort

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

ActivePort Key Personnel

Peter Christie

Chairman & Acting CEO

30-year technology specialist with global companies. Chairman of Nexion Group and Radian Arc.

Mark Middleton

Executive Director & CTO

Architect of the ActivePort Software and founder. 34-year career as a technologist.

Knar Loveday

Mergers & Acquisitions

20+ years in telecoms, networking project management. 5 years ASX capital transaction management and M&A.

Chris Daly

Non-Executive Director

30 years experience in the equipment rental, mining and construction sectors.

Joseph Ohayon

CFO

Chartered Accountant with an MBA Murdoch University and a diverse professional background.

Steven Norris

Head of Global Sales

26 years in sales, marketing and product management in IT and telecoms. TPG, AAPT & Netcomm.

Kathryn Soares

Executive Director

30 years of experience delivering ICT solutions across multiple industries.

Steve Kelly

CEO of Vizstone & Starboard IT

25+ years in technology related industries including IT Operations Infrastructure, Risk and Security.

Jack Toby

Company Secretary

Fellow of the Institute of Chartered Accountants in Australia, England and Wales.

Introduction to ActivePort

ActivePort **Group Limited** (ASX:ATV) is an Australian software company delivering edge-to-cloud network orchestration solutions for global **Telecommunications** industry.

Developing breakthrough software-defined networking solutions for the global telecommunications industry.

ActivePort software allows customers to orchestrate their network from edge-to-cloud from a single screen.

ActivePort's unmatched technology delivers efficiency, improved service, and lowers costs for our customers.

Customers can purchase a license to install ActivePort software or use our network as a service platform, Global Edge for a monthly fee.
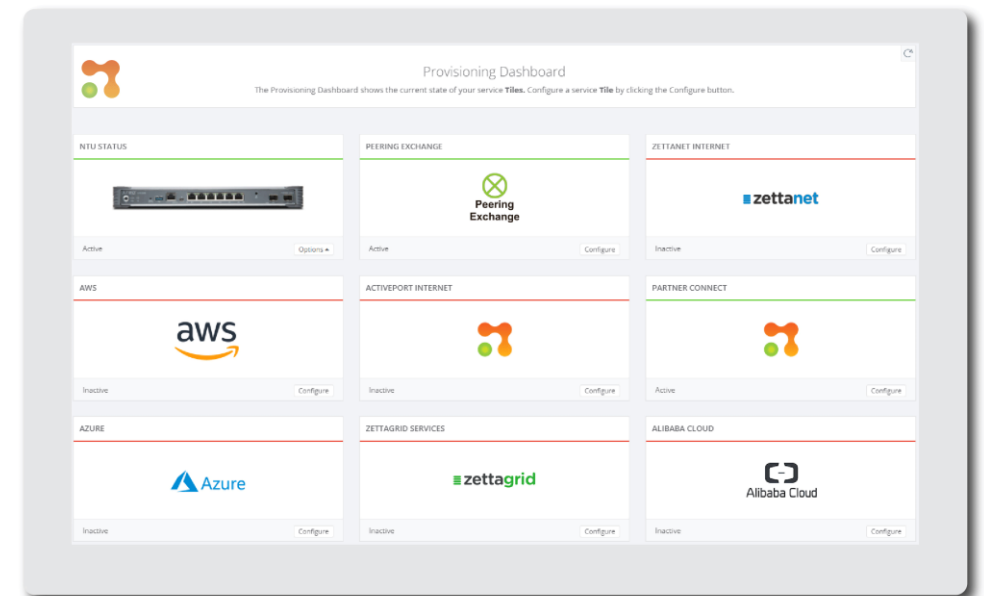
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The Global Telecommunications Model is Changing

Telco's want to automate delivery, increase global reach, service a mobile workforce and embrace hybrid cloud.

ActivePort helps telco's retain customers on-net for higher margins and greater wallet-share.

Network as a service

Cloud providers have educated customers to buy infrastructure on a month-by-month contract. Networks that were traditionally fixed assets are becoming services like all other information technology.

Bandwidth on Demand

Networks were hard-wired to a fixed capacity for a fixed term. Customers today demand flexibility to vary their cost to meet their consumption.

Network to network integration (NNI)

Carriers more often want to leverage other carriers' networks to extend their reach. Orchestration has to span multiple networks for self-service to work in an NNI world.

Software defined networks

SD-WAN, SD-LAN, SD-VPN and NFV are essential tools to connect users at the edge to the Cloud. Today's mobile workforce needs universal access that's fast and secure.
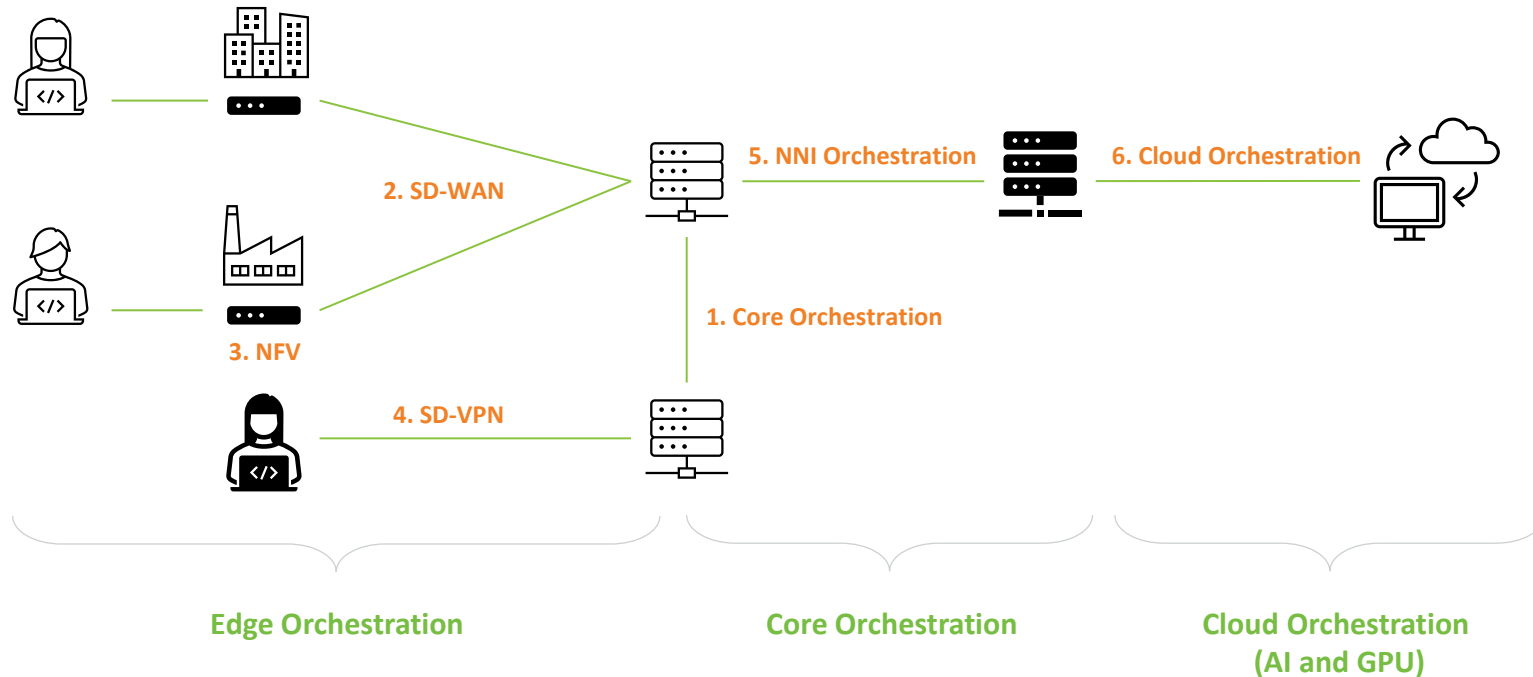
Internet, On-net and On-ramps

Carriers embrace the hybrid cloud to deliver integrated solutions for voice, video, data and IoT. Own-brand on-net solutions help telco's maintain wallet share and margins.
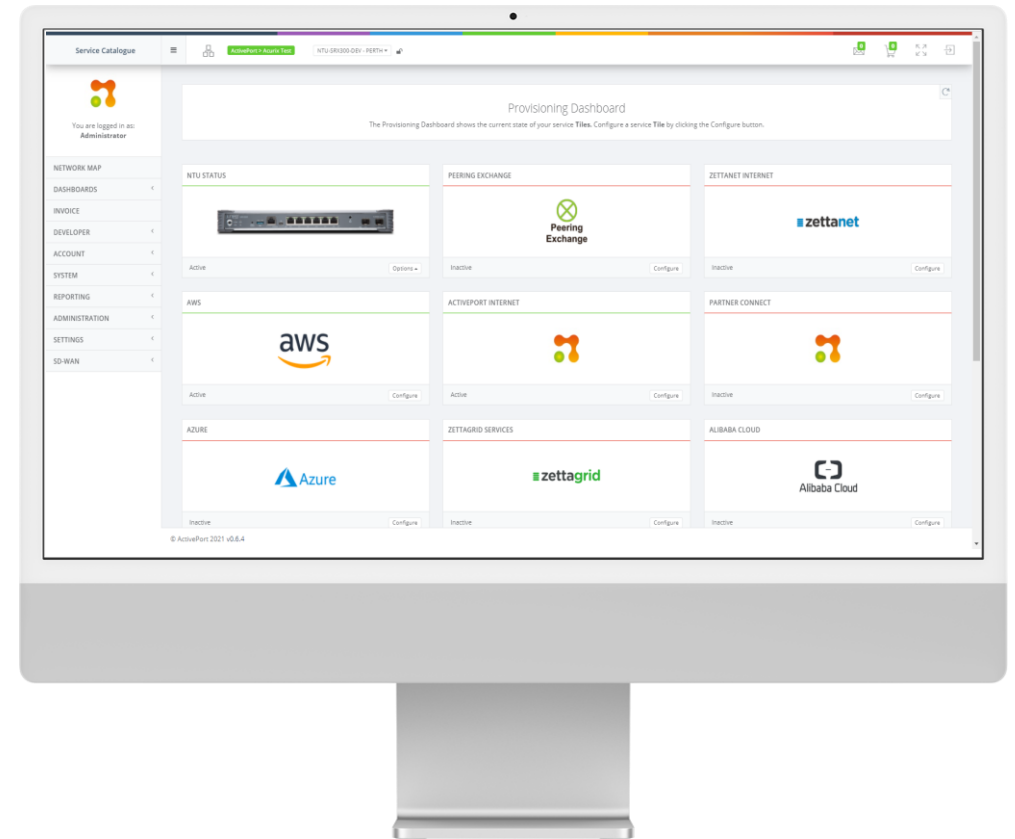
ActivePort delivers edge-to-cloud orchestration for Telco.

ActivePort's Target Addressable Market

2. SD-WAN
3. NFV
4. SD-VPN
1. Core Orchestration
5. NNI Orchestration
6. Cloud Orchestration

ActivePort Software Portfolio

Five product groups of Core, SD-WAN, NFV, SD-VPN, NNI and Cloud Orchestration (for AI and other GPU-centric applications).

Large installed base of 24 telco customers using GPU orchestration from a total of 65 contracted and growing.

Significant target addressable orchestration market in excess of $2.1B just in the 65 existing contracted telco's.

	Edge Orchestration	Core Orchestration	Cloud Orchestration (AI and GPU)
Revenue	8X	1X	2X
Margin	50%	100%	100%
1 X Telco/Channel	$24M	$3M	$6M
ATV's 65 Target Addressable Market (TAM) FY24 Horizon	$1,560M	$195M	$390M

ActivePort Competitive Landscape

Core Orchestration

Primary competition in the telco core orchestration sector is Ciena's

blueplanet

Blue Planet's intelligent automation software portfolio spans service orchestration, inventory, order management, assurance, and analytics.

Ciena is Nasdaq listed with market cap of USD $6.2B. Ciena purchased Blue Planet in 2018 for USD $463M or approximately 5X revenue of USD $92M.

ciena

"Ciena is a global leader in networking systems, services, and software. We build the most adaptive networks in the industry, enabling customers to anticipate and meet ever-increasing digital demands"

Ciena Fibre Switch Product Family

Edge Orchestration

Primary competition in retail SD-WAN is Fortinet, Meraki and Versa but there are many.

F⊡RTINET

"Founded more than 20 years ago in Sunnyvale, California, Fortinet continues to be a driving force in the evolution of cybersecurity and the convergence of networking and security."

Fortinet is Nasdaq listed with market cap of USD $62.4B. Fortinet delivered $4.42B revenue up 32% YoY.

CISCO Meraki

"Cisco Systems, Inc. is the worldwide leader in networking for the Internet. Cisco's Internet Protocol-based (IP) networking solutions are the foundation of the Internet and most corporate, education, and government networks around the world."

CISCO is Nasdaq listed with market cap of USD $208B. The Meraki division of CISCO delivered an estimated revenue of $1.2B in FY22.

VERSA NETWORKS

"Versa Networks, the leader in SASE, combines extensive security, advanced networking, full-featured SD-WAN, genuine multitenancy, and sophisticated analytics via the cloud."

Versa is a private company that raised $120M pre-IPO late in 2022 of a total $360M of funding to-date.

Introducing the Global Edge Network as a Service

Built by ActivePort and launched in June 2023 with global reach across all continents.
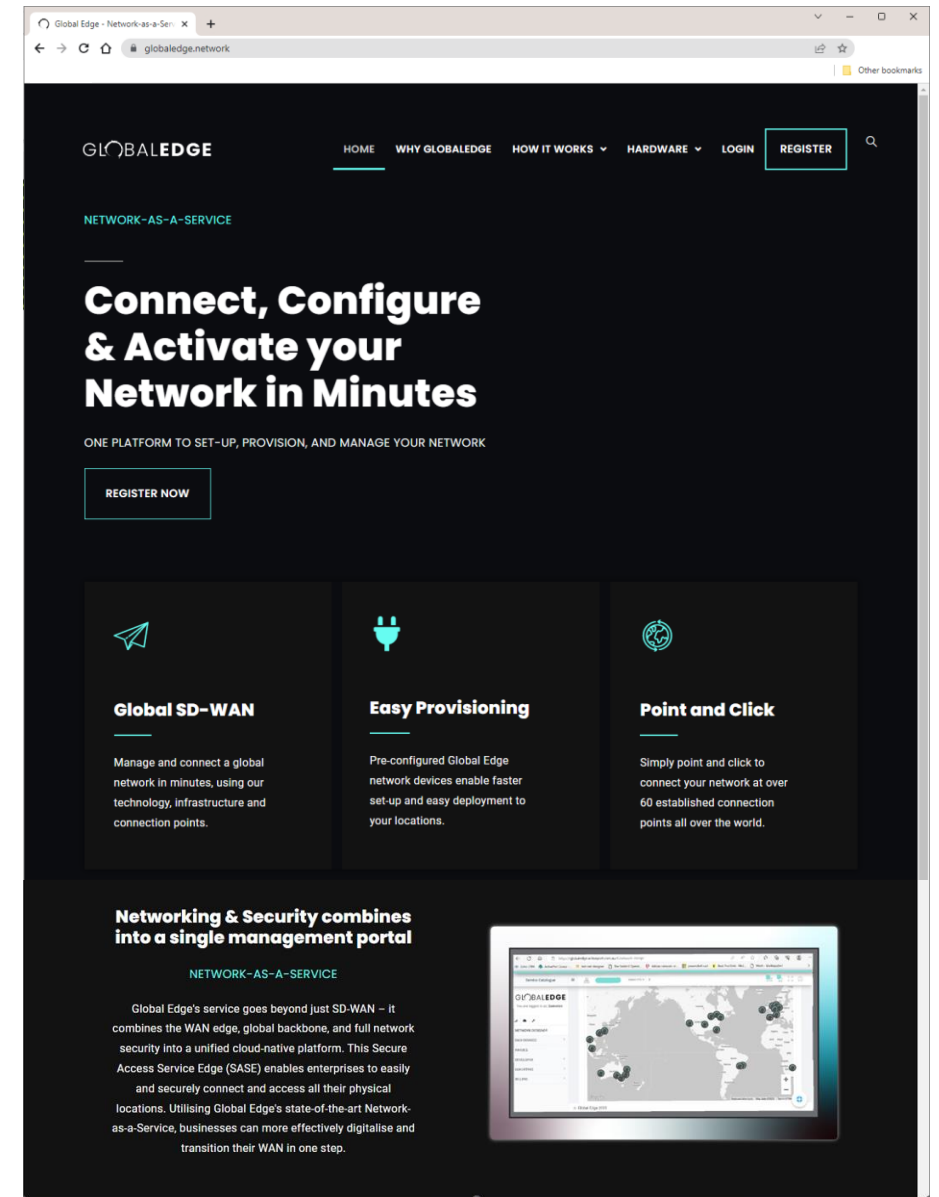
Global Edge is the first Network-as-a-Service with network-to-network integration (NNI) across carriers and fabric partners for true global SD-WAN.

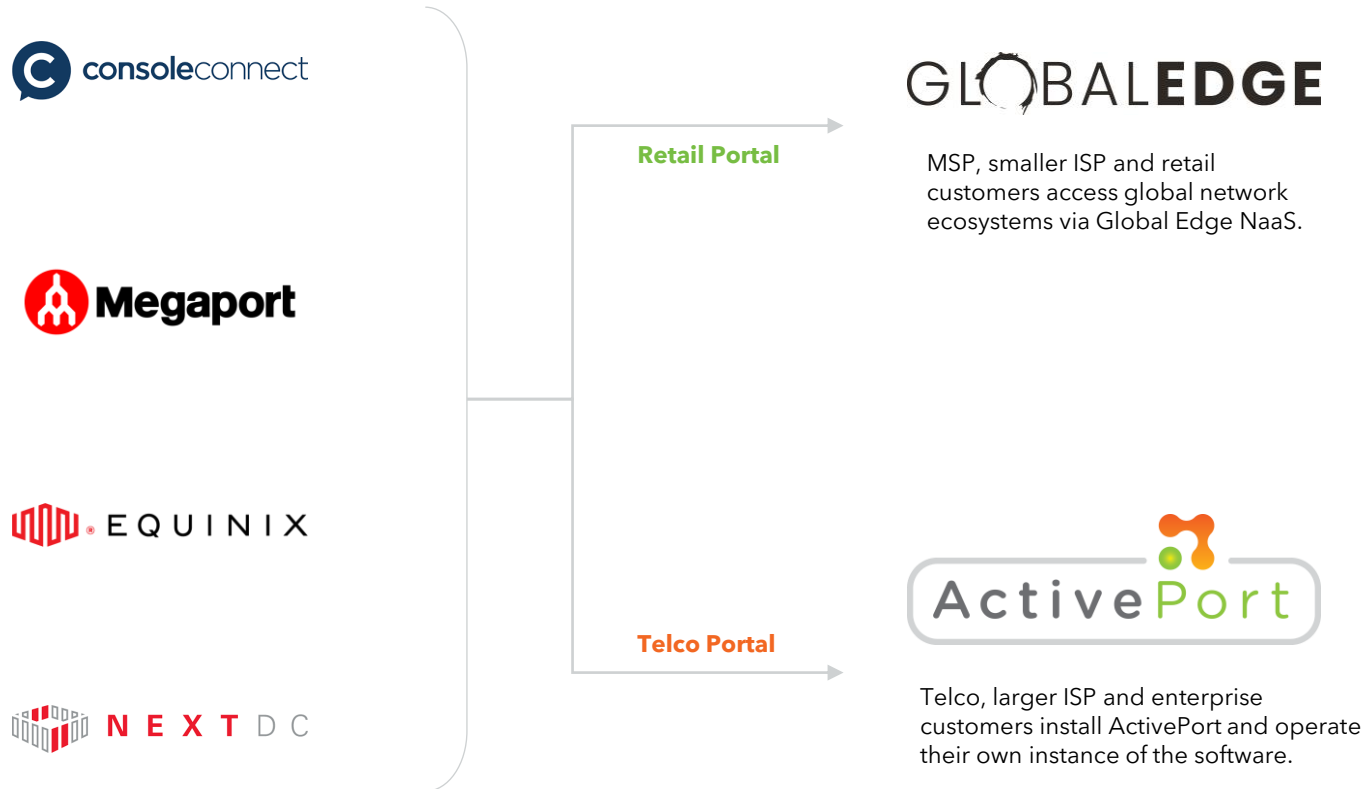Created to make building global networks easy with our visual designer and route automation technology.

Combine SD-WAN and VPN edge solutions over internet or MPLS to meet 99% of edge connectivity use cases.

Integrated network function virtualisation for Edge or SASE security architectures.

Customers can replace multiple disparate tools with a single NaaS solution from ActivePort.

ActivePort Transit Ecosystem Partners

consoleconnect

Megaport

EQUINIX

NEXT DC

Retail Portal

GLOBAL**EDGE**

MSP, smaller ISP and retail customers access global network ecosystems via Global Edge NaaS.

Telco Portal

ActivePort

Telco, larger ISP and enterprise customers install ActivePort and operate their own instance of the software.

ActivePort integrates ecosystem partners via their Application Programming Interfaces (API's).

ActivePort enables cross-connect between service providers using ActivePort's network to network integration (NNI) automation features.

ActivePort's built-in SD-WAN, NFV and SD-VPN tools extend ecosystem partner networks from the core all the way to the edge.

Telco customers deploy ActivePort on-premise and leverage ecosystem partner integration capabilities themselves.

Enterprise customers use the Global Edge Network as a service (Naas) to access ecosystem partners' networks.
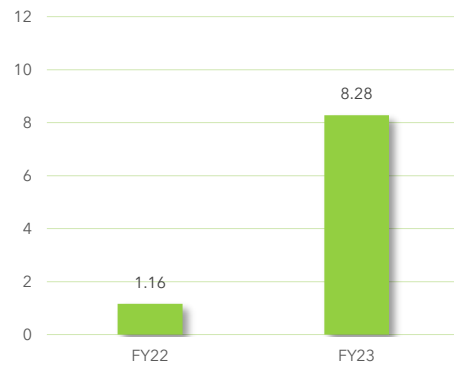
ActivePort's FY23 Performance

ActivePort Software	Global Edge	Managed Services
Developing, selling and deploying ActivePort's software	Network-as-a-Service powered by ActivePort	Delivering technology support services
Management and Orchestration of Enterprise Data Networks	Edge-to-Cloud Network as a Service (NaaS)	Two independent MSPs, Starboard IT and Vizstone

Revenue

	ActivePort Software			Global Edge			Managed Services	
	FY22	**+614%**	FY23	FY22	+23%	FY23	FY22	-18%	FY23
	$1.16M		$8.28M	$1.85M		$2.27M	$11.20M		$9.17M

Software

12	
10	
8	8.28
6	
4	
2	1.16
0	
	FY22 · FY23

Network as a Service

12	
10	
8	
6	
4	
2	1.85 · 2.27
0	
	FY22 · FY23

Managed Services

12	11.2
10	9.17
8	
6	
4	
2	
0	
	FY22 · FY23

R&D credits and net return on invested funds attributed to the ActivePort Group entity was $1.81M in FY22 and $2.72M (est) in FY23. These income amounts are not attributed to the operating entities in the revenue lines on this page. All values unaudited and may differ from the annual report..
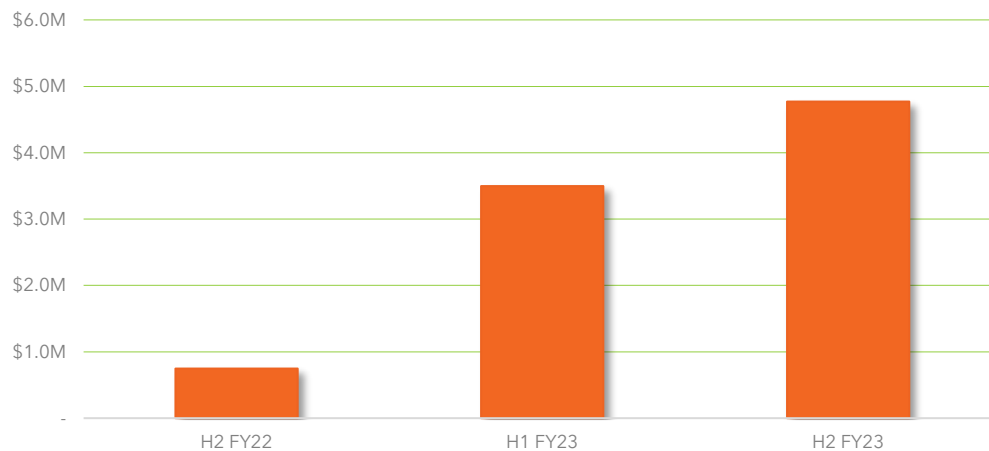
ActivePort Software

614% increase in software revenue YoY with growing sales pipeline and accelerating inbound sales enquiries heading into FY24.

	H2 FY22	**H1 FY23**	**H2 FY23**	**FY23**
Revenue	$0.75M	$3.50M	$4.77M	**$8.27M**
COGS	$0.30M	$1.88M	$1.06M	**$2.94M**
Gross Profit/(Loss)	$0.45M	$1.62M	$3.71M	**$5.33M**
OPEX	$2.26M	$1.28M	$1.12M	**$2.40M**
EBITDA Profit/(Loss)	($1.81M)	$0.34M	$2.59M	**$2.93M**

Software Revenue by Half-year

Develops the core intellectual property of ActivePort Group, our orchestration software.

Licenses ActivePort to customers including service providers, telecommunications carriers, enterprise customers and government agencies.

Generates high-margin, recurring software licence revenue, project revenue and engineering revenue.

Significant pipeline of contracted and installed telecommunications customers that represent a significant revenue opportunity in FY24 and beyond.

	FY23
Telco/Enterprise Revenue per Customer	$2.90M
ISP Revenue Per Customer	$0.04M
Head Count	19
Gross Margin	64%
Installed Telcos	27
Pending installation	38
Conversion to orchestration revenue to-date	1.5%

All values unaudited and may differ from the annual report.

Global Edge Network

ActivePort's *Software-as-a-Service* business offers a self-service internet portal to create global SD-WAN networks.

A network of access points hosted in data centres spread across the globe underpins this unique product.

Low capex and opex model (provides *software as a service*, not core network infrastructure).

Includes a marketplace for cloud and network products to offer a one-stop shop for global edge-to-cloud services.

Integrates core network service providers such as Console Connect, Megaport, Equinix and NextDC's Axon for global data connectivity.

Access to over 2,000 locations via our NNI ecosystem partners

	FY22	FY23
Revenue	$1.85M	$2.27M
COGS	$1.96M	$2.35M
Gross Profit/(Loss)	($0.11M)	($0.08M)
OPEX	$0.16M	$0.11M
EBITDA Profit/(Loss)	($0.27M)	($0.19M)

Global Edge Services	Revenue (per service per month)	Gross Margin
SD-WAN Licence Revenue	$75	50%
Local-loop Network (2,112 customers)	$250	20%
International Network	$1,750	30%
Cloud On-Ramp	$3,500	20%
Cloud Service	$5,000	30%

Managed Services and ActivePort Support

	FY22	FY23	Q4 FY23
Revenue	$11.20M	$9.17M	$2.51M
COGS	$5.52M	$4.54M	$1.36M
Gross Profit/(Loss)	$5.68M	$4.63M	$1.15M
OPEX	$5.87M	$5.45M	$1.20M
EBITDA Profit/(Loss)	($0.19M)	($0.82M)	($0.05M)

- Delivering general information technology management services to customers via two brands, Vizstone (Perth) and Starboard (Sydney).

- Operated as independent businesses under the ActivePort Group banner.

- Complimentary essential services to the ActivePort software and NaaS business.

- Delivering integrated services to ActivePort and Global Edge customers and the domestic user-base grows.

Revenue by Half-year
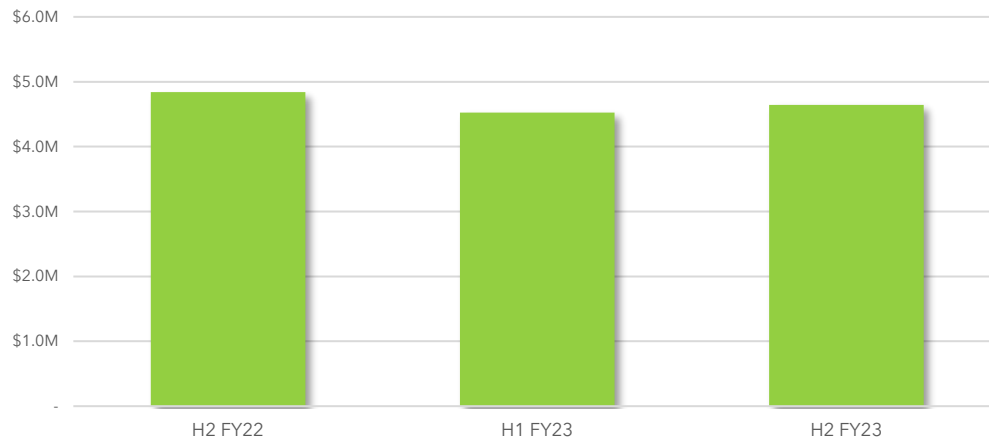
Major customers	10
Revenue Per Customer	$297K
Head Count	25
Gross Margin	54%
Revenue Growth (Half Year)	3%

Consolidated Group FY23

YoY revenue up 40% driven by the significant increase in software revenue in FY23.

Near cash-positive driven by the high gross profit delivered by ActivePort software licensing revenue and one-off revenue items that are expected to continue in FY24.

Significant pipeline of new telecommunications carrier customers developed to deliver continued high-margin revenue growth in FY24.

New recurring revenue stream from the Global Edge portal coming on-stream in FY24.

New Cloud orchestration revenue driven by deployment of GPU servers for AI driving additional recurring revenue.

Revenue

	FY 2022	FY 2023
Revenue	$14.22M	$19.89M
COGS	$8.61M	$9.84M
Gross Profit/(Loss)	$5.61M	$10.05M
OPEX	$13.54M	$12.71M
Profit/(Loss)	($7.93M)	($2.66M)
Other Income	$1.80M	$2.60M
EBITDA Profit/(Loss)	($6.13M)	($0.06M)
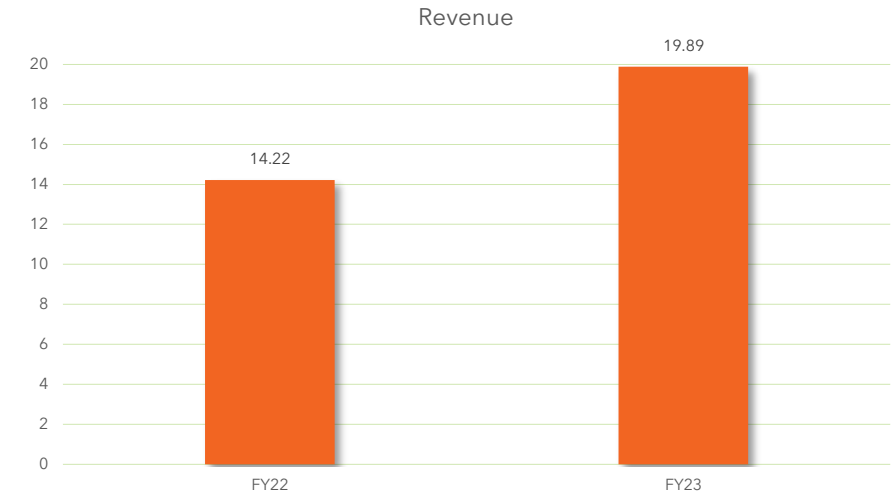
Net Current Assets	June 30 FY23
Cash & Debtors	9.11
Net Liabilities & Creditors	4.73
Net Cash and Current Assets	**$4.38M**

All values unaudited and may differ from the annual report.

ActivePort Cloud Orchestration for AI

Powering Large Language Models (LLM's) for Telco using ActivePort's Cloud Orchestration capability matched to AMD's GPU, FPGA and CPU technology. Radian Arc, powered by ActivePort is AMD's global partner delivering GPU capacity to the Telco industry.

The AMD Radeon™ PRO V620 GPU delivers high-performance GPU acceleration for cinematic cloud gaming experiences.

AMD Instinct™ accelerators are engineered from the ground up for this new era of data centre computing, supercharging HPC and AI workloads to propel new discoveries.

ActivePort with Radian Arc is delivering AI solutions for telcos.

Customers are trialling the Radian Arc GPU infrastructure powered by ActivePort software to operate a chat-based help desk solutions and other edge use-cases.

Many telcos are considering the Dolly Instruction-tuned LLM from Databricks.

Outlook for FY24 - Scale-up

Sales to Revenue

Accelerate conversion of installed telco base to orchestration revenue.

Recurring Revenue

Ramp-up recurring revenue with Global Edge network as a service.

Increase Capacity

Scale-up delivery capacity, technology base and margin with strategic Acqui-hires.

GPU Orchestration

Product development in GPU cloud orchestration for content streaming and AI.

Higher Margins

Software revenue acceleration for higher margins and strong profit.