

18 August 2023

ActivePort Completes Scale-Up Round of \$2.5M

Placement closed heavily over-subscribed

ActivePort Group Ltd (**ActivePort** or **the Company**) (**ASX:ATV**) is pleased to announce it has received irrevocable commitments to successfully complete a placement (**Placement**) that will enable the Company to scale-up its operations in FY24.

Highlights

- **Enthusiastic support from new and existing investors will deliver working capital of \$2.5M, seeing the Company well-funded heading into its scale-up phase in FY24.**
- **Funds will be used to expand the technical delivery team and accelerate conversion of the exceptionally large pipeline of new software installations to sustained recurring revenue.**
- **The launch of the Global Edge Network-as-a-service portal in June 2023 will deliver additional profitable revenue growth throughout FY24 as the organisation scales up its technical team.**
- **ActivePort delivered software revenue growth of 692% in FY23, to \$8.3M up from \$1.2M and has the opportunity to deliver strong growth in FY24 with an expanded technical delivery team funded by this placement.**
- **ActivePort achieved a break-even EBITDA result in FY23 and aims to maintain profitability along with accelerated growth throughout FY24 as it builds a strong foundation of long-term recurring revenue.**

ActivePort's software business developed significant momentum in FY23 with more than 65 telecommunications operators currently planning installations. In FY23, just three of these major customers delivered an average of \$2.9M revenue each, indicating a significant opportunity for ActivePort's software revenue growth to continue for some time.

The Company plans to expand its delivery capacity and its geographical reach to take advantage of the immediate opportunity it has to convert its exceptionally large pipeline of customers to cash-generating live users of ActivePort software. The funds raised in the Placement will support expansion of its sales, architecture, delivery, and development teams across 3 regions to cover APAC, EMEA and the Americas.

The Placement will raise A\$2,500,000 (before costs) and was well supported by new and existing investors. The Directors of the Company have committed to invest a total of A\$150,000 in the Placement, subject to approval of shareholders at a General Meeting of the Company expected to be held in November 2023 (**General Meeting**).

The Placement will result in the issue of 25,000,000 fully paid ordinary shares at an issue price of A\$0.10 per share plus 12,500,000 Attaching Options, comprising:

- 23,500,000 New Shares to be issued pursuant to the Company's existing placement capacity under ASX Listing Rules 7.1;

- A further 1,500,000 New Shares to be issued to directors of the Company, subject to shareholder approval at the General Meeting; and
- New Shares issued under the Placement will receive a 1:2 (one for two) free unlisted attaching option with an exercise price of A\$0.20 and an expiry date of 30 November 2026 (**Attaching Options**). The Attaching Options will be issued subject to approval by shareholders at the General Meeting.

The New Shares will rank equally with the Company's existing ordinary shares in all respects.

A further 7,000,000 options (**Additional Options**) will be issued by the Company in the form of 4,000,000 Broker Options and 3,000,000 Lead Manager Options. The Additional Options will have the same terms as the Attaching Options and will be issued subject to approval by shareholders at the General Meeting.

Funds raised from the Placement will be used to expand the technical delivery team and accelerate conversion of the exceptionally large pipeline of new software installations to revenue generation, administration expenses, payment of creditors, working capital and general corporate purposes.

Bridge Street Capital Partners acted as Lead Manager of the Placement.

ActivePort Chairman and Acting CEO, Peter Christie

"We ended FY23 with an outstanding result that saw our software revenue drive ActivePort to EBITDA break-even. At the beginning of FY23 our team was engaged with just three large sales opportunities and today we are actively managing more than twenty and a queue of sixty five planned deployments. We have an opportunity to scale up the business on the back of outstanding customer demand so now is the right time to fund growth".

Christie continued:

"Our focus in FY24 is to scale-up both our software business and the Global Edge network-as-a-service platform as fast as possible, whilst maintaining profitability and positive operating cash flow".

The Company delivered a break-even EBITDA result in FY23 and closed the year with net current assets comprising cash, net R&D funds plus trade debtors totalling \$4.4M which with this raise net of fees totals \$6.75M to fund growth through FY24.

About ActivePort Group Ltd

ActivePort is an Australian company delivering network orchestration solutions tailored to the global telecommunications and information technology sectors. The product suite automates network management, minimising operational costs and optimising customer control over their technology environment. The broader Group of companies includes Vizstone, Starboard IT, and Future Broadband.

For more information, please visit www.activeport.com.au and to access our Global Edge network-as-a-service portal visit <https://globaledge.network>

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

