INVESTMENT RESEARCH

BRIDGE STREET
CAPITAL PARTNERS

29 November 2021

ActivePort Group Ltd (ATV)

Global Connectivity Software: Make It Easy, As A Service

Building A Global Connectivity Business: The majority of global enterprises today utilise cloud IT services in some form, whose functionality is critically dependent on reliable and secure network connections. The market for cloud IT services and network management is vast and rapidly growing, yet increasing complexity is also an emerging problem as companies struggle to deal with a convoluted array of distinct vendors and intricate software architecture. ActivePort (ATV) seeks to address this problem. The company's mantra is to facilitate connectivity yet make it simple and easy. ATV's software straddles a highly complex assortment of essential enterprise software and hardware needs catering for cloud and network services. It presents a singular, straight forward interface to smooth the transition from legacy IT systems and enables enterprise customer adoption of cloud services. In simple terms, ATV's innovative software connects networks quickly, simply and easily.

Attractive Growth & Margins: ATV is a software-as-a-service deployment model where industry margins typically run in excess of 70-90%. ATV is expecting to earn margins within this range and has indicated 75% as a base case expectation, however we believe as the company achieves scale the higher end of a typical industry range would be achievable. ATV's software is driven towards utilising the vast and established hardware and network infrastructure in the global IT ecosystem, and overcoming barriers which remain due to the fragmentation and complexity faced by enterprise IT transition teams. The company has flagged that managed services sales should grow by 30-40% and software licensing fees by substantially more than that over the next 2-3 years with the benefit of the scheduled significant investment in sales and marketing after the recent IPO.

Capital Light Expansion Model: With network capability built upon virtual points-of-presence (PoPs), ATV does not need to consume capital buying linkages or capacity in data centres in order to build a global network. This also enables an accelerated rollout strategy, where multiple PoPs can be deployed in very short time horizons (days). Overlaying high margin recurring revenue streams on this capital light model is a potentially significant fly wheel for shareholder returns should management execute their strategy rapidly and capably.

Near-Term Milestones: ATV has achieved strong early traction assisted by a product with unique characteristics providing ATV with a clear competitive edge. As a small, nimble player lead by a capable and experienced management team, we believe ATV can make strong in-roads to the global market over the near-term. In the next 12-18 months the strategic focus will be on sales and expansion, with potential for further opportunistic bolt-on acquisitions.

Valuation & Recommendation: ActivePort provides investors with exposure to a software company with a strong competitive edge and a highly experienced and capable management team. The shares are trading at a material discount to our A$0.36/share (AUD) valuation set based on EV/Sales methodology. As such we initiate research coverage with a Buy rating. Key risks include the availability of funding, competition, technological change and data security.

Recommendation	**Buy**
Target Price (AUD)	0.36
Share Price (AUD)	0.15
Forecast Capital Return	139%
Forecast Dividend Yield	0.0%
Estimated 12mth Total Return	**139%**
Market Cap	37.1
Enterprise Value	27.2
Shares On Issue	247.5

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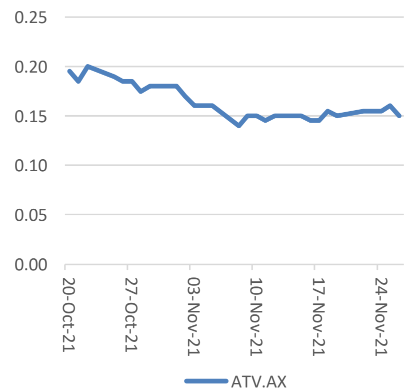
Market Data	
Ticker	ATV
52-week range	A$0.14 - $0.205
Free Float	36.7%
Sector	Technology

Key Personnel	
Non-Executive Chair	Peter Christie
CEO & Managing Director	Karim Nejaim
CTO	Mark Middleton
CFO	Robert Molkenthin



BRIDGE STREET
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FINANCIAL SUMMARY — ActivePort Group Limited (ATV)

Share Price	A$/sh	0.15
Shares on Issue	m	247
Market Cap	A$m	37.1
Net Debt / (Cash)	A$m	(9.9)
Enterprise Value	A$m	27.2

Rating	Buy
Valuation	0.36
Upside / (Downside)	139%
Dividend Yield	0%
Total Return Forecast	139%

Profit & Loss	**Units**	**Jun-21**	**Jun-22e**	**Jun-23e**	**Jun-24e**
Sales	A$m	8.4	13.8	26.8	42.1
Expenses	A$m	n/a	(18.7)	(27.7)	(38.2)
EBITDA	A$m	**n/a**	**(4.9)**	**(1.0)**	**3.9**
D&A	A$m	n/a	(0.4)	(0.8)	(1.3)
EBIT	A$m	**n/a**	**(5.3)**	**(1.8)**	**2.6**
Net Interest	A$m	n/a	(0.1)	(0.1)	(0.1)
Tax	A$m	n/a	-	-	(0.8)
NPAT	A$m	**n/a**	**(5.5)**	**(1.9)**	**1.8**

Per Share Data (¢)	**Jun-21**	**Jun-22e**	**Jun-23e**	**Jun-24e**
Shares Out (m)	113	247	247	247
EPS (¢)	-	(2.2¢)	(0.8¢)	0.7¢
Growth (%)	n/a	n/a	-65%	-192%
Dividend (¢)	n/a	-	-	-
Payout Ratio (%)	n/a	0%	0%	0%
Net Tangible Assets (A$)	n/a	0.02	0.01	0.02
Book Value (A$)	n/a	0.07	0.07	0.07
Free Cash Flow (A$)	n/a	(0.02)	(0.01)	0.01

Cashflow	**Units**	**Jun-21**	**Jun-22e**	**Jun-23e**	**Jun-24e**
Cash From Operations	A$m	n/a	(4.9)	(1.0)	3.9
Interest	A$m	n/a	(0.1)	(0.1)	(0.1)
Tax	A$m	n/a	-	-	(0.8)
Net Cash From Operations	A$m	**n/a**	**(5.1)**	**(1.1)**	**3.0**
Capex	A$m	n/a	(1.0)	(1.0)	(1.1)
Acquisitions (Net)	A$m	n/a	-	-	-
Free Cash Flow	A$m	**n/a**	**(6.1)**	**(2.2)**	**1.9**
Borrowings (Net)	A$m	n/a	-	-	-
Equity (Net)	A$m	n/a	-	-	-
Dividend	A$m	n/a	-	-	-
Net Increase / (Decrease) in Cash	A$m	**n/a**	**(6.1)**	**(2.2)**	**1.9**

Valuation Metrics	**Jun-21**	**Jun-22e**	**Jun-23e**	**Jun-24e**
EV / Sales	n/a	2.0x	1.0x	0.6x
EV / EBITDA	n/a	(5.5)x	(27.6)x	7.0x
EV / EBIT	n/a	(5.1)x	(15.2)x	10.3x
P/E (x)	n/a	(6.8)x	(19.4)x	21.1x
Dividend Yield (%)	n/a	0.0%	0.0%	0.0%
FCF (%)	n/a	-16.3%	-5.8%	5.3%

Operating Metrics (%)	**Jun-21**	**Jun-22e**	**Jun-23e**	**Jun-24e**
EBITDA Margin	n/a	-36%	-4%	9%
EBIT Margin	n/a	-39%	-7%	6%
Net Profit Margin	n/a	-40%	-7%	4%
ROIC	n/a	-37%	-12%	18%
Return on Assets	n/a	-26%	-10%	8%
Return on Equity	n/a	-30%	-12%	10%
Effective Tax Rate	n/a	0%	0%	30%

Balance Sheet	**Units**	**Jun-21***	**Jun-22e**	**Jun-23e**	**Jun-24e**
Cash	A$m	12.0	5.9	3.8	5.7
Receivables	A$m	1.7	0.7	1.2	1.9
PP&E	A$m	0.2	0.8	1.0	0.8
Intangibles	A$m	13.8	13.8	13.8	13.8
Other	A$m	-	-	-	-
ASSETS	**A$m**	**27.8**	**21.2**	**19.8**	**22.2**
Creditors	A$m	2.8	0.7	1.2	1.9
Debt	A$m	2.0	2.0	2.0	2.0
Leases	A$m	-	-	-	-
Provisions	A$m	0.3	-	-	-
Other	A$m	-	-	-	-
LIABILITIES	**A$m**	**5.1**	**2.7**	**3.3**	**3.9**
NET ASSETS	**A$m**	**22.6**	**18.4**	**16.5**	**18.3**

Valuation		
Managed Services Sales FY23e	A$m	15.3
EV/Sales Multiple Applied	x	3.0
Segment EV	A$m	45.8
Ports & Software Sales FY23e	A$m	11.5
EV/Sales Multiple Applied	x	5.0
Segment EV	A$m	57.5
Group Enterprise Value	A$m	103
Net Debt / (Cash)	A$m	(9.9)
Shares Out	m	247
Options Out	m	13
Diluted Share Count	m	260
Equity Value Per Share	A$/sh	0.36

Liquidity & Leverage	**Units**	**Jun-21**	**Jun-22e**	**Jun-23e**	**Jun-24e**
Net Debt / (Cash)	A$m	(9.9)	(3.9)	(1.7)	(3.7)
Net Debt / EBITDA (x)	x	n/m	0.8x	1.7x	(0.9)x
EBIT Interest Cover (x)	x	n/m	(43.6)x	(14.6)x	21.5x
Net Debt / Equity (%)	%	n/m	n/m	-10%	-20%

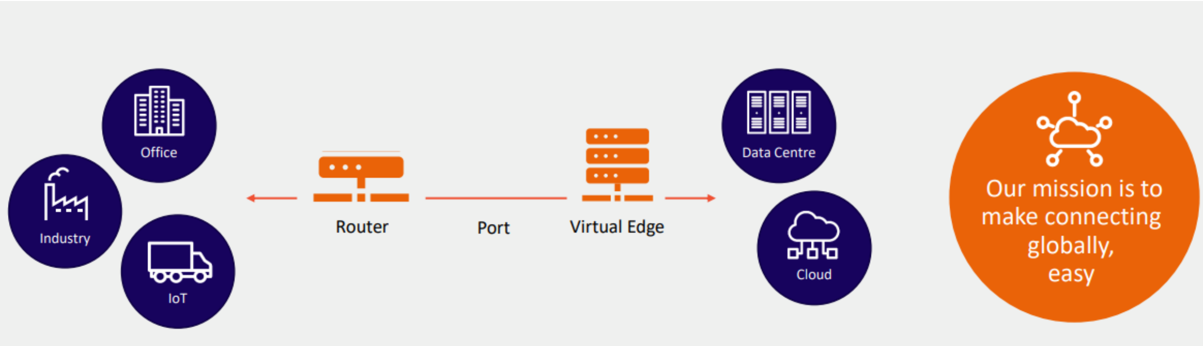
***Pro forma & includes $12m IPO funds raised, n/a = not available**

Contents

EXECUTIVE SUMMARY

ActivePort Group Ltd (ATV) is a software company which facilitates data connections between company premises (such as offices, factories and remote workplaces), known as the "edge" of enterprise IT networks, to essential cloud computing services.

Typical Global IT Network Connection Design:



Source: Company Reports

Utilising its network of aggregator nodes deployed in strategic locations, ATV can connect customers to ActivePort services including SD-WAN and other enterprise cloud services. The essence of ATV's capability is a simple software-based user interface which consolidates highly complex and disparate enterprise IT services into a single user gateway, provided on a flexible as-a-service revenue model.

The company earns revenue as follows:

- Selling software licenses (base fee + per-connection fees)
- Selling data transit capacity on its SD-WAN aggregator network (charged on a per gigabit transferred basis)
- Providing managed services to assist customers to operate their networks

Should ATV succeed in scaling its business in accordance with its defined strategic vision, we foresee a very large global opportunity for the business in a sector benefiting from structural tailwinds and rapid-growth rates. The potential returns for shareholders are potentially very significant.

However ATV is also an early-stage company and therefore is subject to a higher risk profile, including risk of aggressive competition from larger players, and the risk of availability of growth capital given the company is currently small scale and investing heavily in expansion, and therefore cashflow negative.

The company is in a sound financial position after the recent IPO which raised $12m which management have stated is sufficient to provide for the company's strategic growth plans for the next 2 years. The IPO funds primarily go into sales and marketing, as well as international expansion.

Competing in the global market for cloud and networking services requires a global vision, hand-in-hand with a critical mass of connected global technological infrastructure. Achieving scale quickly is an important determinant of success, and we anticipate ATV's near-term strategy will be one of accelerated growth.

Importantly, ATV's management team is highly experienced, capable and aligned, which is a critical element of any investment consideration in small companies.

Why ActivePort Can Succeed

- ActivePort has an innovative, unique software offering which seeks to address a clearly identified problem faced by global enterprise customers across a range of industries
- ATV's solution sits on the "edge" of enterprise IT networks, a critical and rapidly growing frontier in cloud computing connectivity
- The product has already gained significant traction with local and international telecommunications customers
- ActivePort has deployed its own network of SD-WAN aggregator nodes in strategic locations which provides customers with portal access almost anywhere in the world
- ATV's products and services are network independent and device agnostic, facilitating maximum flexibility and choice of services and technologies
- The company is positioned in a substantial and rapidly growing global market for connectivity and cloud computing services
- Strong scalability and operating leverage, as well as a capital light global expansion strategy
- The business is lead by a highly experienced and aligned management team with deep telco and software industry experience and contacts

Key Catalysts To Watch:

- Acquisitions in key markets
- Major customer wins

Earnings Estimates & Valuation:

We value ATV at $0.36/share using EV/Sales valuation methodology based on the following key assumptions.

- Managed Services FY23 sales of $15.3m based on 35% growth from FY21 of $8.4m
- Software licences & port sales in FY23 of $11.5m based on indicative management commentary around the growth trajectory of the segment
- EV/Sales multiple applied of 3.0x for Managed Services revenue and 5.0x for Software/Port revenue, assumed with reference to industry and peer averages

COMPANY OVERVIEW

ADVANCED NETWORK ORCHESTRATION

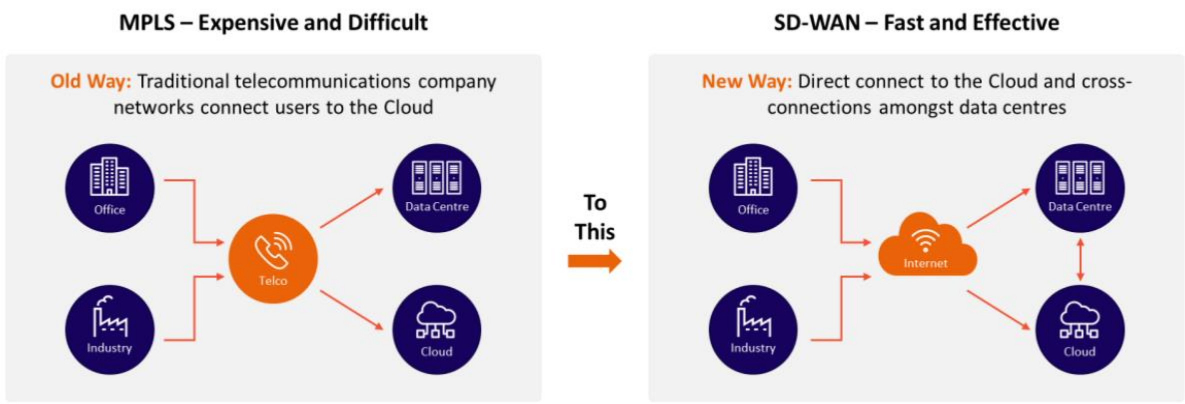
A key challenge within modern technological ecosystems is that there are numerous tools operating within separate technology frameworks that must interact efficiently from end-to-end to achieve an effective outcome.

Having identified an opportunity to automate this interaction, the current CTO of ATV Mark Middleton set about developing the first iteration of the current software around 4 years ago. The objective of ATV's software is to consolidate and orchestrate these various IT tools and "stitch" them together within a simple, reliable and user-friendly interface, to drive highly effective outcomes which address customers' needs.

The overarching strategic ambition of ATV is to utilise innovative software to make the establishment of networks and access to cloud services both:

1. Easier to setup and connect
2. Less costly and complex to operate

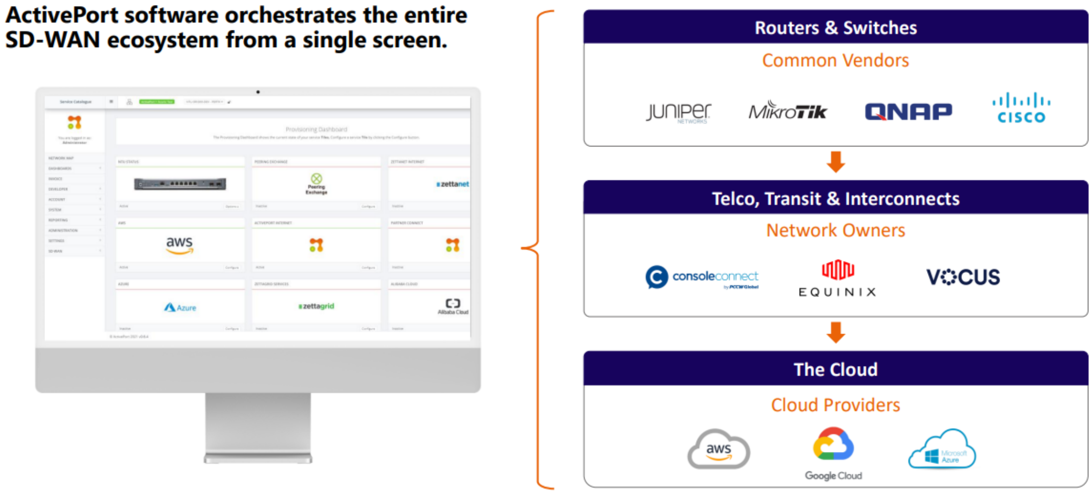
The software is targeted at the structural transition which is underway from telco-centric MPLS networks to cloud-centric SD-WAN networks within enterprise IT.



Source: Company Reports

ATV's software ecosystem manages the enterprise cloud/networking IT migration and global expansion process on an end-to-end basis with a relentless focus on delivering a high-quality customer experience centred on simplicity. The competitive edge of the business stems from it being network and product agnostic and management believe that many competing software alternatives fail in this area, having been acquired by either product manufacturers or network owners that then limit scope to just their own domains. The ATV software platform also aims to distinguish itself as a white-labelled product that customers can sell under their own brand, helping clients generate sales and concurrently saving internal expense by reducing complexity and facilitating rapid system deployment for their customers.

<u>ActivePort's Software Vendor-Agnostic Design</u>



Source: Company Reports

The ATV software platform communicates with a range of different underlying external products, and the company continues to add new networks, products and cloud services to match customer requirements.

Examples of ActivePort's capability and solutions include:

- Rapid deployment of SD-WAN connections from corporate premises to the cloud.
- Utilisation of ActivePort by telecommunications carriers to deliver their own brand of automated network provisioning.
- Automated integration of cloud services to corporate networks (Service Injection).

While SD-WAN is a core capability as well as orchestration, an API based solution provides the software engine underpinning it and allows the company to play right across the spectrum of those capabilities.

As such the ATV is not constrained within a single vertical and instead aims to provide a one-stop shop catering for a wholistic networking solution directly addressing the requirements of large telecommunications and enterprise customers.

COMPETITIVE ADVANTAGE: UNIQUE SOFTWARE UNDERPINNED BY A STRONG ECONOMIC PITCH

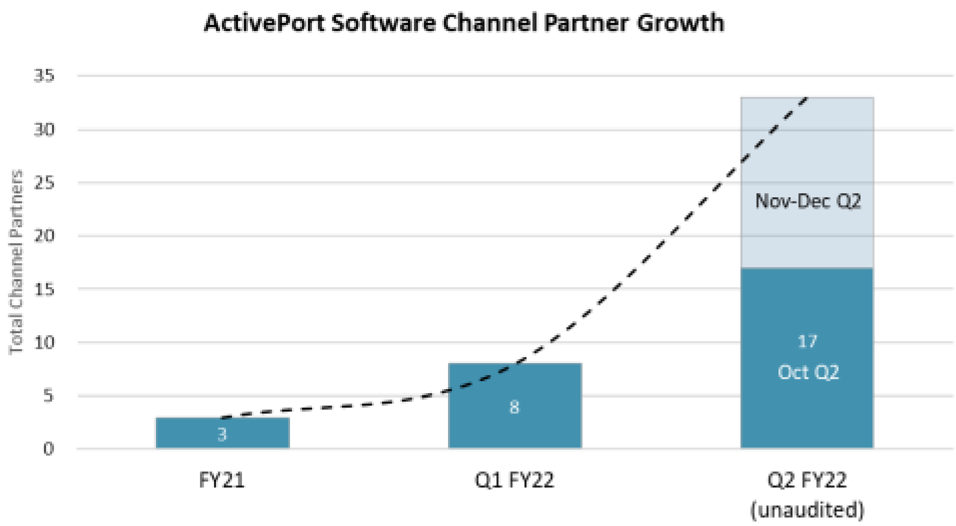
The core value proposition underpinning ATV is that the toolset aims to both make money as well as save money for its customers.

While this is easily claimed, the customer response is ultimately the determinant of the real-world fundamental reality of the technical capability and commercial appeal of the product.

In that regard, to date ATV has received significant interest from:

- Large players across the global telecommunications industry
- A wide range of managed services providers primarily located in the Australian market

In the most recent post-IPO market update the company noted that orchestration software deployments underway across 14 countries, and rapid channel partner growth is strong and indicative of momentum in near-term software sales.



Source: Company Reports

The core advantage of the software is that it is aimed at addressing shortcomings of existing/competing products as well as solve known problems faced by enterprise IT teams globally such as:

- The software communicates with the existing hardware solutions customers have in place
- The software integrates fluidly with cloud services across the spectrum
- The software also works across network providers
- Underpinning the connectivity is a very effective SD-WAN capability, which is a product which is growing (at an industry level) of ~70% globally

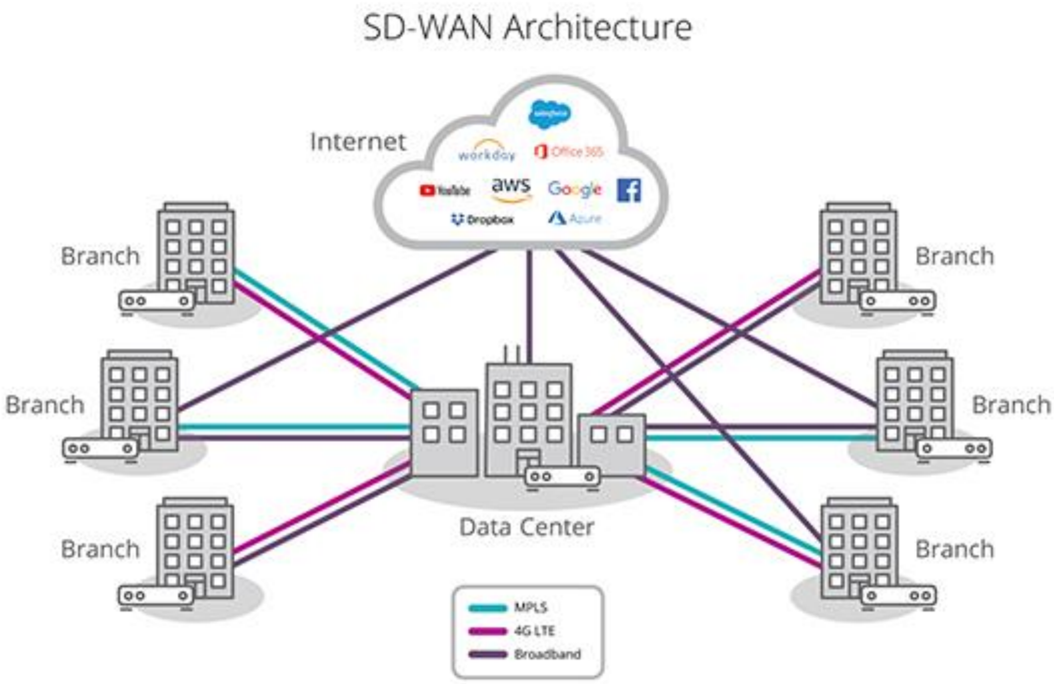
In simple terms, management have articulated the "special sauce" of the product as being able to orchestrate network deployment and cloud integration for the smallest single-site user to the largest global telecommunications carrier.

EXAMPLE USE CASE

An enterprise customer may have numerous company sites, consisting of retail premises, head office, warehouses, manufacturing facilities etc. The prior management of the corporate IT network may include a mix of router, telco, interconnect and cloud vendors, as well as reliance on legacy telco based or on-premise IT infrastructure.

An SD-WAN based architecture provides the customer with more flexibility to choose different types of network connections and automate the integration of cloud services to deliver a lower cost yet more reliable system. Typical architecture might be structured as follows:

SD-WAN Architecture



Source: Silver Peak

SD-WAN is fundamental to enabling the transition from legacy IT networks to cloud, and there are many potential SD-WAN solution providers. However combined with ATV's "single pane of glass" software tool which combines the management of a broader suite of critical IT network components such as routers, switches, telco, transit, interconnects and cloud service providers, the transition will not just enable a more modern IT network but vastly simplify the management of many core elements of it.

ATV licenses its technology on a per corporate network site basis, where each site connection represents a "Port". A monthly recurring charge is incurred per Port which varies depending on the software features chosen by the customer.

Additional services may also be provided by ATV to orchestrate parts of the enterprise network. For example, there may be numerous networking equipment components across a standard medium/large enterprise LAN or WAN. ATV is able to provide managed services for this network architecture and revenue is earned in a similar way based on the connected "Ports".

ATV has flagged that revenue from software is a monthly recurring revenue model, with $50-150/port a typical retail charge with an average $35 per port per month net to ActivePort.

CASH RUNWAY

Management have stated that cash burn of approximately $1.2m / quarter is required to run the basic organisational infrastructure.

A$12m was raised in the IPO which the company expects to provide sufficient cash proceeds to execute on the existing corporate strategy for approximately 2 years.

The prospectus documents outlined the allocation of funds on a minimum ($10m) and a maximum ($15m) scenario. With the actual funds raise falling at an approximate mid-point, the key variable is likely to be the investment in global sales team development:

Use of Funds – ATV IPO Proceeds

Funds available	Minimum Subscription[4] ($)	Percentage of Funds (%)	Maximum Subscription ($)	Percentage of Funds (%)
Existing cash reserves	250,000	2.44%	250,000	1.64%
Funds raised from the Offer[1]	10,000,000	97.56%	15,000,000	98.36%
Allocation of funds				
Business Growth & Acquisitions	1,500,000	14.63%	2,000,000	13.11%
Global Sales Team Development	3,000,000	29.27%	6,000,000	39.34%
Product Engineering & Technical Support	2,000,000	19.51%	3,000,000	19.67%
Capital raise and listing costs[2]	750,000	7.32%	1,075,000	7.05%
Administration costs[3]	375,000	3.66%	375,000	2.46%
Working capital	2,625,000	25.61%	2,800,000	18.36%
Total[4]	**10,250,000**	**100%**	**15,250,000**	**100%**

Source: ActivePort Prospectus

While the company is well funded and has clear plans for how that funding will be allocated to achieve it's near-term strategic plans, the company has also flagged in the prospectus that depending on the pace of sales growth which materialises over the coming months as well as the Board's view of the perceived market opportunity, supplemental equity funding may be utilised in the event of:

- An opportunistic bolt-on acquisition
- Compelling investment in further growing out networking capability globally

Additional capital requirements may also be necessary if additional technical resources are required around the world to support sales growth.

ATV's leadership team has clearly conveyed their view that the company has established a highly effective piece of software which needs sales and marketing support in order to commercialise the market opportunity and achieve scale.

The company has provided clear expectations with regards to the cash requirements over the near-term, and the balance sheet is in a strong position to support the next phase of growth for the business.

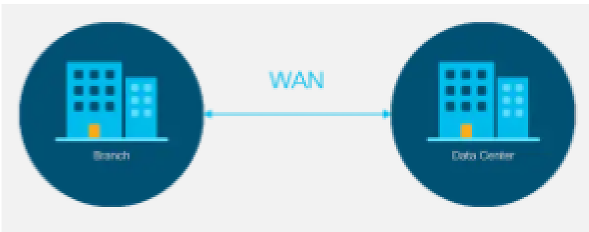
CONNECTIVITY IS CRITICAL IN THE CLOUD

Properly functioning business IT networks are dependent upon the ability to quickly and effectively transmit data between staff, clients, suppliers and other stakeholders, often over long distances bridging numerous distinct and geographically isolated locations.

This is called a WAN or wide area network and the physical components generally consist of the telecommunications circuits and internet infrastructure that link network participants and transmit data.

A conventional WAN can be thought of as a dedicated connection between on-premise computer infrastructure to remote servers which run business applications within a data centre.

Traditional WAN function:



Source: Cisco

Also critical to the effectiveness of a WAN are the software applications and communications protocols that manage and optimise its operation to ensure an efficient user experience, and this is where SD-WAN is crucial.

SD-WAN or a software-defined wide area network, is an approach to managing a WAN which utilises software to optimise and simplify user experience as well as reduce costs across the various network connection types.

Businesses understand that the management of traffic over the internet is a required function of core business capability vs complete dependence on telecommunications services. Technology in software defined networking is now effective enough to facilitate business usage over the internet as opposed to the traditional method of utilising expensive telecommunications pipes.

VIRTUAL PoP NETWORK: A GATEWAY TO THE CLOUD

A global network of points of presence (POPs) is a basic requirement for any global networking solution. In the case of ATV, this PoP network facilitates software defined wide area network (SD-WAN) connections between corporate premises and telco carrier networks, providing for connectivity and information transfer across the network including connection to the cloud.

As a software company first and foremost, ATV does not seek to own the physical network, and instead the strategic focus is on selling high-margin software licences. However to facilitate these sales ATV deployed a virtual edge network of nodes that their customers can use to deliver connectivity from anywhere in the world. ActivePort's virtual edge nodes are low cost software-only PoP's that are quickly deployed (multiple nodes can be deployed per day) to the cloud and are cheap to operate at less than $1,000 per month each.

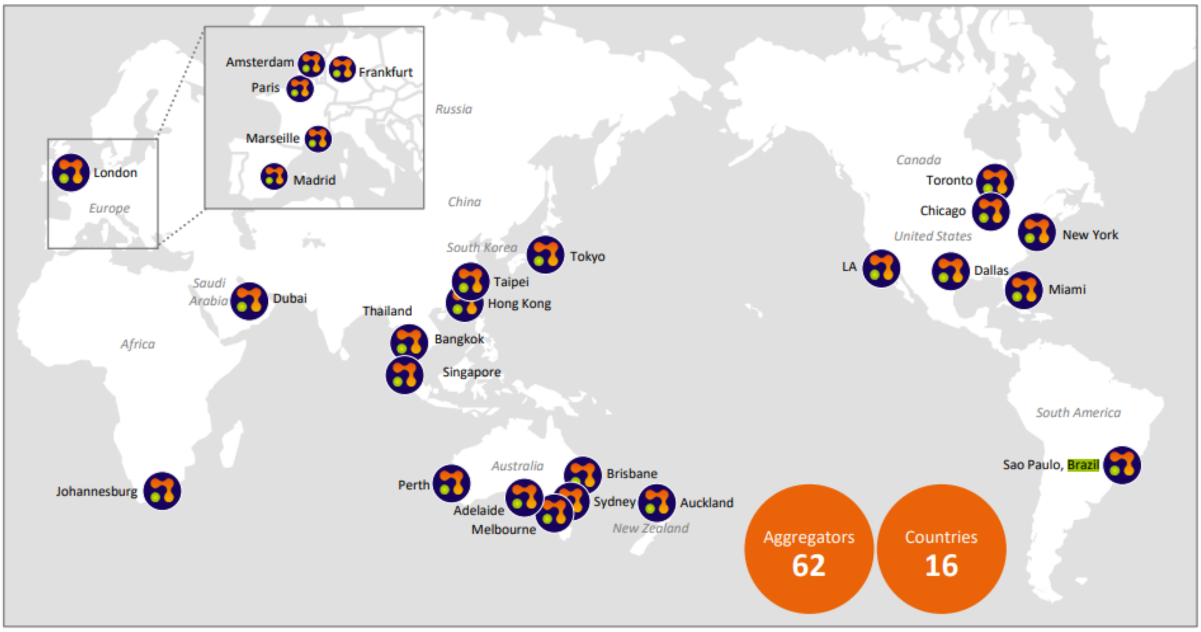
ATV integrates its nodes with third-party networks, providing a "virtual Edge" that customers can connect to globally and utilise ATV's software.

The currently established virtual network has significant global coverage and provides customers with:

- Simple connectivity using SD-WAN and the Internet
- The ability to create and manage network routes
- Bond cloud services into corporate IT networks
- Orchestrate other customised services

The breadth of ATV's established virtual network is illustrated in the following diagram:

ActivePort's Global SD-WAN Edge Aggregation Network



Source: Company Reports

EMERGENCE OF THE EDGE

While traditionally the network "edge" has been thought of as enterprise locations in disparate and occasionally far-flung locations, in the wake of COVID 19 the edge of many corporate networks had to undergo an accelerated adaption to an immediate and large-scale work from home environment. The lasting impacts of this rapid workplace shift are likely to sustain with many businesses contemplating a continued flexible workplace in order to minimise office footprint requirements as well as cater for the rapidly changing expectations of employees in navigating professional and personal needs.

5G A POTENTIAL BOOST FOR ADOPTION

The emergence of 5G mobile infrastructure is a potential major development in the connection of network "edge" services to the cloud, given the speed of connections which are possible which make the presence of compute power and other processing infrastructure in central datacentres possible to cater for a much broader range of use cases.

Connecting cloud to edge devices such as mobile phones or remote workers using a laptop in any particular location is increasingly becoming an accepted and expected normality in the proper functioning of modern business workplaces.

As is obvious, cloud services fail or operated with low efficiency without strong connectivity and so accelerated edge speeds with

5G are a potentially very significant development in the structural tailwinds behind the corporate IT migration which is creating strong demand for ATV's software.

SECURITY CONSIDERATIONS

Security concerns are a frequently cited major factor in the preservation of on-premise IT infrastructure by enterprise IT departments, given the perceived risks inherent in the transmission of highly sensitive company data (which often includes sensitive personal information of individual customers)

ATV's acquisition of Vizstone and Starboard as part of the IPO process, brought into the company established providers of IT services with specific capability in security. However the fundamental design of ATV's software is the interoperability with many external systems and software/hardware providers. The solution is therefore able to manage security utilising various internal and external capability at the end point, the core also end-to-end.

Protection against security breaches as a network orchestration provider is absolutely fundamental to ATV's capability and the success of the company. We believe these risks are well managed however as with all IT businesses it is a specific risk which needs careful management and can have significant consequences if breaches are incurred.

AS A SERVICE MODEL

Few rapidly growing software business models remain structured as a large upfront investment in either hardware or implementation. As the market has grown accustomed to the availability of most software tools, including business critical ones, on an "as a service basis" the importance of this in ensuring the scalability and long-term success of ATV is crucial. ATV has specifically designed its software and revenue model to cater for this which should provide highly recurring and stable revenues over time.

The company currently earns revenue as follows:

- Selling software licenses (base fee + per-connection fees)
- Selling data transit capacity on its SD-WAN aggregator network (charged on a per gigabit transferred basis)
- Providing managed services to assist customers to operate their networks

We expect the sale of software licenses to be the fastest growing and most material medium-term profit generator for the company. Refer to discussion in our financial estimates section for further details.

GROWTH STRATEGY

INVEST IN SALES TO DRIVE SOFTWARE LICENSE FEES

The ATV software has been in development for approximately 4 years and following recent traction with large customers has sought to conduct the IPO and rapidly grow and commercialise what management believe to be a vast global opportunity for the company.

There are 2 primary segments generating sales:

- Software licensing fees
- Managed Services

Management have stated that growth in software license fees will be the key focus of growth over the next 2 years driven by investment in sales and marketing to support the existing product suite.

Concurrently the managed services element is expected to achieve growth rates of 30-40% according to management's public comments (in line with general market growth rates), which in itself represents healthy growth but is likely to be overshadowed by the software sales growth.

At IPO the company has approximately 150 managed service providers in the pipeline and are gaining customers internationally in telco.

The stated growth strategy in the prospectus documentation is as follows:

"*ActivePort's growth strategy is to expand its sales, support and delivery team across key geographic regions and languages to facilitate take-up of the ActivePort product globally.*"

As a result of the rapid growth expected in software sales management expect that within approximately 2-3 years, segment sales generated from each key category will be roughly equivalent.

STRONG CUSTOMER PIPELINE

In the course of the last 6-12 months ATV has conducted numerous sales presentations and product demonstrations to global telcos and managed service providers in Australia. On the back of these interactions the company has established a strong indication of the quality and commerciality of the software product it has developed.

Management have stated that feedback following these presentations has been strong and that the company is "*very confident we have a high-quality software product that is in demand and solves customer problems*".

The focus of the company up until early 2021 was selling into enterprise customers where it had built up to ~$300k of annualised port revenue. Post-IPO the focus has moved to managed service providers such as network providers and telcos, and a pipeline of over 40 Australian service providers is now in hand including some of the largest telecommunications providers in the market.

There are also existing customers in Brazil, Malaysia and 19 telcos around the world which are "ready to start using the product" according to company expectations.

This underpins the allocation of a large component of the equity raised at the IPO for investment in sales and marketing. The company has stated sales team in Australia doubled in size during the September quarter and the focus thereafter is to invest in offshore capability.

A significant amount of interest appears to have been being generated over recent months from potential customers around the world, providing a strong pipeline for growth in managed services as well as port deployment.

OFFSHORE GROWTH FOCUS: PARTNERSHIP MODEL

Instead of setting up greenfield sites in new markets, ATV has outlined a sensible strategy of entering partnerships with established in-market organisations (primarily telcos) in order to gain a foothold and a presence in new markets offshore. The basis of the partnership is that ATV provides capital to pay for technicians and salespeople in-country which supplements the telco's in-country presence and for ATV avoids the expense of setting up a greenfield outpost.

The prerequisite to these partnerships has been securing a telecommunications customer in a particular market, which is a formula management have already executed in Brazil and Malaysia.

Once an initial telco customer and local partner are established, in support of growth and expansion in a new market ATV plans to place a salesperson and technician into each key region and then build out the market presence from this beachhead position.

We view this model as sensible and highly strategic as it reflects a careful deployment of capital and leverages the existing in-country capability of established companies where local language and customs can be an important consideration and need to be understood from the outset to ensure the most effective market penetration runway.

The offshore expansion strategy defined is similar to the overarching growth strategy outlined however is focused across 3 primary areas being:

1. Licensing ATV software
2. Selling access to SD-WAN access points (via the global virtual edge network)
3. Growing a global resource base to assist with delivery and support

A number of active conversations have already been underway regarding potential partnerships in the following regions:

- Brazil
- Canada
- Malaysia
- Indonesia
- Singapore

This model is planned to be replicated across another 8 areas globally.

To supplement this ATV has allocated approximately 1/3 of the IPO proceeds to fund international sales team growth, as well as in-country technical support for that sales capacity.

The overarching strategy is ultimately to expand internationally using this partnership model to make the product available across key regions and drive expansion and growth.

ATV has also had conversations regarding partnerships in the Chinese market however management have stated that there are a number of sensitivities around Australian regulations as well as navigating the legal and cultural frameworks on the ground in China. Discussions in the region have mainly focused on Hong Kong, however we expect ATV will look for a strong partnership in China to pursue this market opportunity in the medium-term.

ACQUISITIVE GROWTH TO FURTHER BOLSTER GLOBAL ROLLOUT

Management have indicated the company is also looking to drive expansion via acquisitions in key markets and in that regard the following regions have been identified as priorities:

- Americas
- Asia
- Europe
- Africa

When ATV was seeking acquisitions as part of the IPO which resulted in the acquisitions of Starboard IT and Vizstone, the characteristics sought in target entities were:

- Approximately $m of sales
- Well-run, good quality businesses
- Must be profitable
- Capability focus on networking

The acquisitions were aimed at expanding the business presence and sales capability, with one situated on the West coast (Vizstone) and the other on the East coast (Starboard) of Australia.

Vistone has a focus on managed services and in particular networking with several customers in offshore oil rigs and mining.

Starboard has a presence in both Sydney and Melbourne and the business is a managed network provider with a focus on networking and a strong exposure to the finance industry.

While ATV sees their software as highly relevant in the telecommunications industry which is the current highest priority industry focus, other industries including mining, finance are also seen as highly prospective.

The companies were acquired with a view to being able to be run at arm's length, however ATV also looks for opportunities to bundle the ATV software into existing customer solutions and drive sales and market penetration.

Acquisitions are strong channel partners for ATV's product as well as providing technical support capacity through existing suite of customers and established local presence.

We expect additional bolt-on acquisition opportunities to emerge over time, with target businesses likely to be offshore but with similar characteristics to those sought in securing Vizstone and Starboard.

INDUSTRY FOCUS

The initial industry focus for ATV has been the telecommunications industry, which makes sense given the extensive telecommunications industry experience in the senior management ranks of the company.

Management believe that the potential customer set within telecommunications spans the entire length and breadth of the industry from the very large end and including smaller players.

However in the broader corporate space ATV believes that the software tools are most well suited for the medium and large size businesses who have numerous offices and other corporate sites (e.g. mine sites etc), particularly where a diverse international footprint needs to be capably managed.

ATV's software is designed specifically for effective management of these broad corporate networks. It serves a dual purpose which underpins the value proposition of the software being:

- Saves money by removing complexity in managing corporate technology requirements
- Enables a shift to cloud-native network services by implementing SD-WAN

ATV believes that large enterprise customers are a huge opportunity for the business on the basis of the core capability of the software (i.e making internal tech environment more efficient), and therefore a broader industry focus with large potential clients is likely to emerge in the wake of telcos.

MANAGEMENT: EXPERIENCED LEADERSHIP TEAM

The CEO of the company Mr Karim Nejaim is a telco industry veteran who was most recently head of product engineering at Telstra. Prior to that he also held roles at Optus, including during the mobile phone boom when the consumption of mobile data was proliferating.

Karim built Telsta technology across all product verticals and his core responsibility was to translate highly complex and technical services for easy and effective usage by customers. As such strong customer orientation was fundamental to Karim's career success.

Similarly to his background at Telstra, at ATV the key success factors for Karim and the broader leadership team will be to help ATV break down existing technology barriers and build disruptive products to solve problems for customers.

We see Karim's deep telco industry experience as a key advantage in driving the success and uptake of ATV's software, which is initially focused on the telco industry. He is highly experienced and has worked across a range of technologies and customers in the Australian telco marketplace.

FORECASTS

CORE REVENUE DRIVER #1: PORT LICENSE FEES

When a client is secured and ATV software is deployed, connections are then made using the software to either:

1. A network
2. A cloud service

Any connection made to one of these alternatives is referred to as a "Port".

ATV charges a licence fee for the software on a per-port-per-month basis. Management have indicated that the standard retail price per port is $150/month, however with larger clients volume discounts may apply with a likely gross average of $90-$120/port/month indicative.

This gross sales revenue is shared between the telco partner as well as channel partners in certain markets, and the broad objective is to sustain $35-90/month/port on average.

We expect an approximate midpoint of $60/month/port as a base case estimate of software license fees.

Due to the "Edge" nature of the ATP capability, large customers may have hundreds or even thousands of edge services which require connection during the on-boarding and rollout process. Therefore given the current customer focus on large international telcos the potential growth rate within this segment is significant.

Management have stated that the target for software licensing sales over the first year post listing on the ASX is approximately

$3m. We have relied upon this as the most clear reference point in setting expectations for FY22 sales in this segment.

CORE REVENUE DRIVER #2: MANAGED SERVICES

The second key segment of sales revenue is in managed services which represents assisting customer to operate their networks.

We understand that the majority of the post IPO pro-forma sales of $8-10m relates to managed services and we expect ATP can grow this at least in line with typical industry growth rates of 30-40%.

We have adopted these core assumptions in underpinning our projections for managed services revenue estimates.

BSCP FORECASTS

ATV's strategy in the first year is to drive software licensing revenues as fast as possible with the existing Australian based managed service providers, internet service providers and Telco's where ATV has existing conversations underway and relationships established.

No explicit guidance has been established in the near-term however as discussed above management have stated that "multiple millions" in sales are targeted from incremental software licensing revenue (in the 12 months post listing) and upside scenarios being contemplated thereafter include a rapid increase of 2-4x over FY23/FY24.

ATV highlights that once a customer is established and they commence rolling out the product, the revenue model (which charges by port) facilitates a rapid escalation in sales as additional ports are added during a roll-out phase of the product across large global telco customers.

Incorporating all of the above summarised background information we adopt the following sales growth forecasts for FY22 and FY23:

SALES GROWTH	Units	2021	2022e	2023e
Ports/Devices/Nodes/Licenses/Cloud Revenue	A$m	-	2.5	11.5
A$m Growth	A$m		n/a	360%
% Gross Margin	%		75%	75%
Managed Services Revenue	A$m	8.4	11.3	15.3
% Growth	%		35%	35%
% Gross Margin	%		50%	50%

Source: BSCP Estimates

MEGAPORT'S GROWTH TRAJECTORY

MP1 is a key comparable company given the similarity in the underlying business although we note that ActivePort is focused on the software license sales and maintains a virtual network of global connection points, versus MP1 who incur the cost of investing in physical network infrastructure.

Nonetheless MP1's growth since listing on the ASX in 2016 has been rapid with and the company has expanded from an EV of $58m at IPO to a current EV of $3.1bn.

A summary of the growth in MP1's key performance indicators is outlined below:

MEGAPORT	Units	2016	2017	2018	2019	2020	2021	CAGR
Ports	#	736	1,829	2,755	4,069	5,767	7,689	60%
Services	#	1,500	3,764	6,567	11,561	16,712	21,712	71%
Revenue	A$m	2.7	10.7	19.8	35.1	58.0	78.3	96%
Revenue / Service	A$k	1.8	2.8	3.0	3.0	3.5	3.6	15%
Monthly Recurring Revenue	A$m	0.3	1.2	2.0	3.6	5.7	7.5	90%

Source: MP1 Company Reports, BSCP Estimates

MP1's reported sales in the first year of listing of $2.7m is lower than Activeport and over the next couple of years we expect the sales growth trajectory to follow a similar pathway.

Over the medium and longer term ActivePort's performance relative to MP1 will ultimately be determined by management execution, however we believe the company has the potential to scale along a similar course.

COMPARABLE COMPANIES

ActivePort operates in the same market as Megaport, albeit as a software provider as opposed to a network operator. Other companies deriving revenue from end-points or ports include Solar Winds (NASDAQ: SWI). Dubber is another notable ASX listed company that like ActivePort, sells a software solution to the global telco community. In the SD-WAN segment there are few if any independent listed software vendors although notable transactions include SilverPeak (sold to HPE) with revenue in excess of $100M.

We have identified a subset of companies which we believe to be the most relevant comparable companies which are summarised below:

Megaport Limited (ASX: MP1)

Megaport is a provider of Elastic Interconnection services which by using Software Defined Networking (SDN) allows customers to quickly and easily connect their network to digital services. The company mission is to be a global leader in Network as a Service (NaaS), which serves as the interconnection point between customers and data centres, cloud service providers, network service providers and managed service providers.

MP1 has >1800 customers across SME's to large corporates and the platform is available in >24 countries. The company has installed server equipment in >385 datacentres and is physically connected to >700 datacentres where services are operated. The infrastructure removes the need for customers to invest in physical interconnection infrastructure. MP1's sales in FY20 was $58m.

Dubber Corporation Limited (ASX: DUB)

Dubber is a Unified Conversational Recording (UCR) and AI platform. It creates voice intelligence cloud services which are used to analyse call recordings and create insights, transcripts and other outputs. Dubber listed on the ASX in 2015 with the objective of making call recording cloud-native and building a global scale platform. In FY21 Dubber reported annualised recurring revenue of $39m and over 420,000 users.

SolarWinds (NASDAQ: SWI)

SolarWinds provides solutions focused on end-to-end IT observability and performance management. It sells IT management software which is used by customers to monitor and manage the performance of their IT environments. The company has over 300,000 customers and is listed on the NASDAQ with a current market capitalisation of approximately US$2.3bn.

PEER VALUATION ANALYSIS

We have summarised key comparable companies and compared EV/Sales multiples based on trailing-twelve months sales below:

Company	M.Cap (A$m)	EV/Sales
MP1	3,250	27.9x
DUB	869	18.7x
SWI	3,184	4.6x
Mean		**17.1x**

Source: Stockopedia, 24 November 2021

ASX listed comparable companies MP1 and DUB are trading on elevated EV/Sales multiples reflecting their recent rapid growth rates. ActivePort has similarities to both businesses and the growth trajectory has the potential to be similar depending on strategic execution.

As it remains too early to assess ActivePort's growth trajectory relative to comparable companies we do not think that capitalising projected sales with similar multiples is reasonable at this point. However the analysis does highlight the opportunity for ActivePort to achieve a strong re-rating if management execute well and deliver rapid uptake in the software licensing revenues.

We adopt the following benchmark multiples for the 2 distinct underlying revenue drivers for ActivePort:

- Managed Services Revenue: 3.0x Sales
- Software Licensing Revenue: 5.0x Sales

Software licencing revenues are much higher margin and more durable, and comparable companies who have displayed rapid growth in this category of revenue trade at very high multiples many times in excess of our base case assumption. Therefore we consider this valuation framework to be reasonable.

VALUATION SUMMARY

We adopt EV/Sales multiple methodology as our primary valuation framework for ATV, given the higher degree of confidence we can assign to sales projections versus free cash flows, given the early stage, high growth strategy being undertaken by the company.

We apply a separate multiple for each of the core segments being Managed Services and Software/Port license fees given the distinct nature of each of these categories as discussed in the section above.

Our sales assumptions are:

- Managed Services FY23 sales of $15.3m based on 35% growth from FY21 of $8.4m
- Software licences & port sales in FY23 of $11.5m based on indicative management commentary around the growth trajectory of the segment
- EV/Sales multiple applied of 3.0x for Managed Services revenue and 5.0x for Software/Port revenue, assumed with reference to industry and peer averages

A summary of our valuation is outlined below:

Valuation		
Managed Services Sales FY23e	A$m	15.3
EV/Sales Multiple Applied	x	3.0
Segment EV	A$m	45.8
Ports & Software Sales FY23e	A$m	11.5
EV/Sales Multiple Applied	x	5.0
Segment EV	A$m	57.5
Group Enterprise Value	A$m	103
Net Debt / (Cash)	A$m	(9.9)
Shares Out	m	247
Options Out	m	13
Diluted Share Count	m	260
Equity Value Per Share	A$/sh	0.36

We set our 12-month target price equal to the valuation derived in the analysis presented above of A$0.36/share.

BOARD OF DIRECTORS

Peter Christie – Non-Executive Chairman

Peter is a technology specialist with 30 years across all aspects of the IT industry including software development, global network management and enterprise systems implementation. Extensive experience in capital raising, IPO's and senior management of listed technology companies. Peter's long career includes global technology companies such as Kodak, Unisys, IBM, Logica, Mincom and Orange. Chairman of Nexion Group and RadianArc.

Karim Nejaim – Managing Director & CEO

Karim has a background of 25 years in telecommunications, most recently with Telstra as Executive Director - Product Engineering. Previously Karim held positions of Dir. Global Enterprise Product Engineering and Dir. Network Services and Facilities. Prior to Telstra, Karim was Group VP, IP Core at Optus having held positions including VP, Converged Services Engineering, Head of Strategy and Planning, Networks and GM, IP Services Engineering.

Chris Daly – Non-Executive Director

Chris has 30 years of management experience operating in the contracting, fabrication, equipment rental, mining and construction sectors. Chris has extensive experience in managing businesses with a keen focus on financial management, job costing, business processes and safety and standards accreditation. Chris was previously owner of a multifaceted mining services provider, DSA that was sold to ASX-listed REL in 2011.

Kathryn Soares – Non-Executive Director

Kathryn is an information technology business owner and manager with 30 years of experience in delivering ICT solutions across multiple industry sectors. Kathryn started her career with Platinum Technology in Chicago (later CA technologies) before moving to Sun Microsystems in Melbourne. Kathryn's various roles included technical delivery, pre-sales engineer, project management and later Pre-Sales Manager. Kathryn then accepted a role within Siemens as WA Branch Manager going on to work within the local ICT market. In 2009, Kathryn established Vizstone, a Perth based ICT provider looking after the Energy Market. Kathryn has a Masters in Digital Communications from Monash University and is a champion for Women in STEM.

KEY MANAGEMENT PERSONNEL

Mark Middleton – Chief Technology Officer

Mark has a 34-year career as a technologist well versed in all aspects of software development, network engineering and data centre infrastructure development. Mark worked for Novell in the 90's before establishing Rescue Technology and Acure which he later sold to Amcom (now Vocus). Mark is an expert in wide area networks and architect of the ActivePort software.

Robert Molkenthin – Chief Financial Officer

Robert brings over 25 years of corporate finance experience from senior CFO positions across Australia, Europe and the USA. Previous experience includes raising capital, completing IPOs and managing ASX compliance. Robert's track record also includes building international businesses and operating within a globally distributed executive team.

Steven Norris – Head of Global Sales

Steven has a 26-year career in Sales, Marketing and Product Management in the IT&T sector. Steven worked at TPG Telecom for 14 years in several roles, most recently as Northern Region Manager, with prior roles as State Manager and Head of Business and Corporate. Previously, Steven was the Solution Sales Manager at Netcomm, the Business Unit Manager at Unitel, and ran product for the system Integration business unit at Commander.

Steven brings experience of multi-channel sales with roles responsible for Direct, Wholesale and Dealer in the Systems Integration, Hardware Distribution and Telecommunications sectors.

Simon Love – Global Head of Infrastructure

Simon began his career as a Transmission Engineer 28 years ago and has built a career in leadership roles including Vice-President Fixed and Satellite Services, General Manager Technology Strategy & Planning and Director of Transmission & Access Engineering for Optus. Simon joined ActivePort from his role as General Manager, Fixed Networks for Visionstream. Simon has a Bachelor of Applied Science, Physics from the University of Technology, Sydney.

Jack Toby – Company Secretary

Jack is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Institute of Chartered Accountants in England and Wales and an Associate member of the Australian Computer Society. Jack has extensive experience as Company Secretary and Chief Financial Officer of several listed public companies and major corporations for over the last 30 years.

COMPANY SPECIFIC RISKS

The following risks are important factors for investors to be mindful of when considering an investment in shares of the company. This list is by no means exhaustive and should be read carefully in conjunction with the body of the report.

Limited History

ActivePort has a limited history and track record. Past growth rates may not be a reliable indication of future growth rates.

Customer Relationships

The growth of ActivePort depends in part on increasing the number of its customers and retaining existing customers. ActivePort's ability to maintain levels of customer numbers, or to increase the number of customers, could result in ActivePort's revenue or margin declining or operating results being materially and adversely affected.

Reputational Risk

Extended disruption to ActivePort's services within or beyond its control could cause customers to view ActivePort as an operational risk and this could adversely affect ActivePort's ability to retain existing customers or attract new ones.

Supplier Relationships

ActivePort is dependent on ongoing relationships with key suppliers, including wholesale suppliers of data and voice networks, power suppliers, product vendors including software component developers and third-party data centre operators. Termination or failure to renew agreements with key suppliers could have a material adverse effect on ActivePort's price-points, operations and financial position.

Competition Risk

ActivePort provides software and services that are similar to those available from other suppliers. Competition from suppliers that offer an improved or cheaper service could negatively impact ActivePort's revenue and growth.

Changes to Laws & Regulations

ActivePort is subject to local laws and regulations in each jurisdiction in which it provides its services. Changes in or extensions of laws and regulations affecting ActivePort's business could restrict or complicate ActivePort's operations. In conducting its operations, the Group is required to comply with a range of laws and regulations applicable to the telecommunications, consumer protection, privacy, competition, employment and workplace safety. A failure to comply with applicable laws and regulations could result in restrictions or fines being imposed on the Group, or legal proceedings being commenced against the Group.

COVID-19 risks

The coronavirus disease (COVID-19) is impacting global economic markets. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The impact of COVID-19 on Australian business has also had an impact on sales of internet services in Australia. The small to medium business market segment has been adversely affected to a greater extent than other market segments, resulting in reduced new customer sales and higher customer cancellations than pre-COVID-19 averages in this segment. The decrease in customers in this segment has been offset to an extent by increased sales in wholesale and residential markets, however there is a risk that the ongoing impact of COVID-19 on customer demand in the small to medium business market (or in the market for internet services generally) could have an adverse impact on the performance of the Group.

Technology Risks

A failure by ActivePort to adapt to technological changes could have an adverse effect on ActivePort's business, operating results and financial position. The telecommunications and communications industry continues to experience rapid technological change and development. ActivePort is at risk from major technological improvements in alternative services or on its ability to access and adapt to technological changes in a cost-effective manner.

Technology Performance

Whilst ActivePort believes it is using proven technologies and has established systems to efficiently carry out its operations, the viability of its endeavours can be affected by force majeure circumstances, incompatibility of hardware or software with customer systems, market access constraints, cost overruns, the performance of associated parties or unforeseen claims and events

Hacking & Vandalism

ActivePort may be adversely affected by malicious third-party applications that interfere with or exploit potential security flaws in its software and infrastructure, which may result in a material adverse effect on ActivePort's reputation, operations and financial position.

Catastrophic Loss

Computer viruses, fire and other natural disasters, break-in or other security problems, a failure of power supply, information systems, hardware, software or telecommunication systems or other catastrophic events could lead to interruption, delays or cessation in service to ActivePort's customers and subsequent adverse impact on ActivePort's revenue.

Acquisitions

ActivePort's sales targets may be impacted if it is unable to find suitable businesses and acquire them on reasonable terms. Once acquired, businesses might perform worse than expected. As part of its growth strategy, ActivePort may make further acquisitions of complementary businesses or enter into strategic alliances with third parties. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, and retaining key staff.

Growth

There is a risk that ActivePort may be unable to grow its business through acquisition of new customers or increasing revenue generated from existing customers. A lack of growth may cause future losses.

International Expansion

ActivePort has and will continue to attempt to acquire customers in foreign jurisdictions. There is no guarantee that ActivePort will be able to retain or continue to grow its revenues in those jurisdictions. As ActivePort expands into existing or new jurisdictions, there are risks that these initiatives may result in additional operating complexities, new and unique regulatory requirements, unforeseen costs, failure to achieve expected revenue or to achieve the intended outcomes.

Insurance

ActivePort will maintain adequate insurance coverage in line with industry practice, but there may be some losses against which it cannot be protected or claims that are refused. If ActivePort incurs uninsured losses or liabilities, its business may be materially, adversely affected.

Requirement to Raise Additional Funds

ActivePort may be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be un-satisfactory.

Economic Risks

ActivePort's performance will be dependent on the general conditions and outlook of the local and global economies. These economies may in turn be affected by levels of business spending, inflation, interest rates, exchange rates and access to debt and capital markets. A prolonged or significant downturn in general economic conditions may have a material adverse impact upon ActivePort's financial performance.

Reliance on Key Management

ActivePort's success relies to a significant extent on its key technical experts, management and staff. There is a risk that ActivePort may not be able to find similarly skilled replacements should any of these individuals be unable to fulfill their roles.

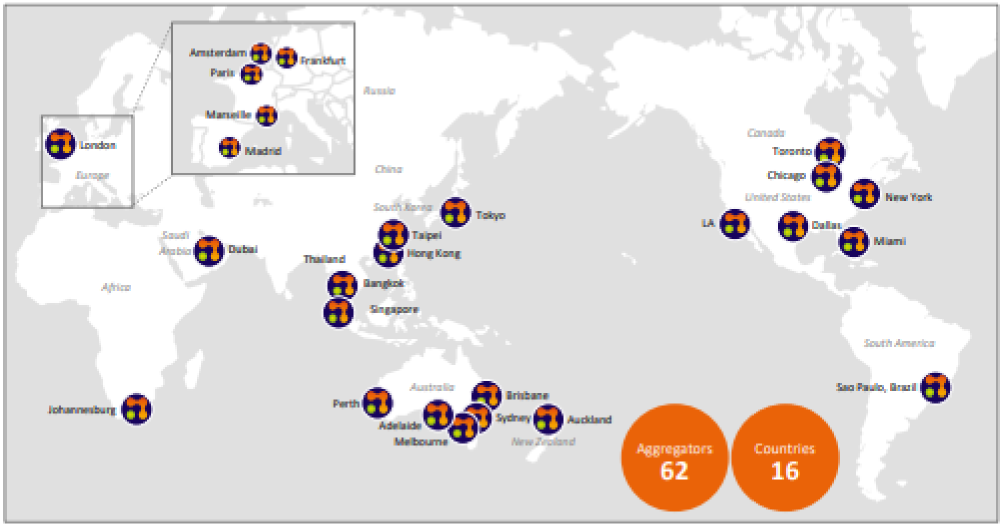
Other Risks

There are a range of other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors.

COMPANY DESCRIPTION

ActivePort Group Limited (ATV) offers a software defined wide area network (SD-WAN) orchestration solution to the global telecommunications industry. ActivePort's software lets customers create network connections, deliver cloud services and manage their networks at a local, national or global scale. The result is simplicity, agility, speed and reduced costs.

<u>ActivePort's Global SD-WAN Edge Aggregation Network:</u>



Source: Company Reports

ActivePort generates revenue by licensing its software on a per-connection basis, selling data transit capacity on its SD-WAN aggregator network, and providing managed services to assist customers in operating their networks. ActivePort is network independent and device agnostic allowing our customers to create global networks from a blend of services and technologies.

The company's strategic plan is to expand quickly around the globe to take advantage of the rapidly growing SD-WAN and cloud orchestration markets.

APPENDIX 1

By downloading this report you acknowledge receipt of our Financial Services Guide, available on our web page www.bridgestreetcapital.com.au.

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DISCLAIMER

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DISCLOSURE

Daniel Seeney, an authorised representative of BSCP, certifies that the advice in this report reflects his honest view of the company. He has over 15 years investment experience in wholesale capital markets. He worked as an equity research analyst for J.P. Morgan, Citigroup & Investors Mutual Limited. He now provides equity research services. He may own securities in companies he recommends but will declare this when providing advice. He does not own shares in ATV. He is paid a fee for providing this report. BSCP are Corporate Advisors to ATV and receives fees from services provided. BSCP, its directors and consultants may own shares and options in ATV and may, from time to time, buy and sell the securities of ATV.

Bridge Street Capital Partners Pty Ltd (BSCP) acted as lead manager and received fees from the IPO of ActivePort (ATV) including (a) a lead management fee of 2% of all funds raised under the Offer; (b) a placement fee of 4% of all funds raised under the Offer; (c) a retainer of AUD$6,000 plus GST per quarter; and (d) 9,811,475 Lead Manager Options exercisable at $0.40 on or before 30 September 2024.

BSCP has an interest in the securities and options of ATV and may earn brokerage, commissions, fees and other benefits and advantages in connection with the making of a recommendation or a dealing by a client in these securities and has done business with the company covered in this report. Investors should consider

investment risks and conflicts highlighted at the end of this report and not only consider this report in making an investment decision.

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