

Research Note | ASX: ATV

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Market Data (as of 9 Aug 2024)

Connect. Orchestrate. Innovate.

52-week Range	AUD 0.04 to AUD 0.15
Current Price	AUD 0.05
Target Price	AUD 0.18
Fully Diluted Shares Outstanding	355.9mn
Est. Cash & Cash Equivalents	AUD 3.1mn
Est. Total Debt	AUD 6.0mn

Activeport is set to enter a period of sustained profitability and top-line growth while significantly leveraging on operational efficiencies. The immediate outlook for ATV is underpinned by their suite of superior offerings and strong commercial relationships across three focused target channels: Telco Orchestration, SaaS, and GPU Streaming Solutions.

The Group recently received enthusiastic support (heavily over-subscribed placement) from existing and new investors to raise AUD1.9mn of working capital, enabling ATV to commence the next stage in its growth phase with a healthy capital structure.

Continuous innovation coupled with Activeport’s seamless execution track record would demonstrate to market participants that the accretive value trajectory of the Group is not only just beginning- but here to stay.

Substantial Shareholders

What are the Sparks?

Herdsmen Lake Capital Asia Pte Ltd	11.03%
Pine Street Pty Ltd	7.33%
Middleton Family	5.22%
101IC Pty Ltd	4.79%

- Global Sales Footprint with Tremendous Scaling Opportunity**

The Group’s existing client base spans across the entire APAC and MENA regions, essentially de-risking any uncertainties arising from country/regional-specific characteristics. This geographical diversity presents Activeport with tremendous scaling opportunities amongst their existing and prospective clients across these regions and beyond. Exploitation of these opportunities are made possible, mainly through:

Options Outstanding (All Unlisted)

Focused Product Market Fit & Track Record

Strike Price	Expiry	Qty ('000)
1.75	31-Oct-24	630
0.40	30-Sep-24	9,811
0.20	30-Nov-26	19,500
0.10	31-Aug-27	19,000
0.10	31-Aug-27	13,300

The Group has already undergone earlier periods (in FY20 and FY21) of “trial-and-error” by selling across the entire vertical chain. Fast-forward to the present day, ATV has **diligently positioned** their software technology by catering towards “**Tier 1**” telcos where there is a global industry trend to cloud-enable their core network infrastructure and automate provisioning of services to enterprise customers.

Furthermore, the **c.90% sales conversion rate** from ATV’s sales pipeline demonstrates the demand for their solutions as well as validity of their software technology.



Homogenous Market with Few Direct Competitors

Owing to the **homogenous pricing nature** of Tier 1 Telcos across the different regions, the unit economics for both (absolute & relative) uplifts are astounding, especially for clients situated in highly populated cities: Consistent recurring license fees across regions **that scales** on a per-network point or bandwidth basis.

Proliferation of this market is expected to continue, partly owing to the fact that there are **very few vendor-agnostic, enterprise-grade solutions** available in the market today for telcos to immediately deploy.

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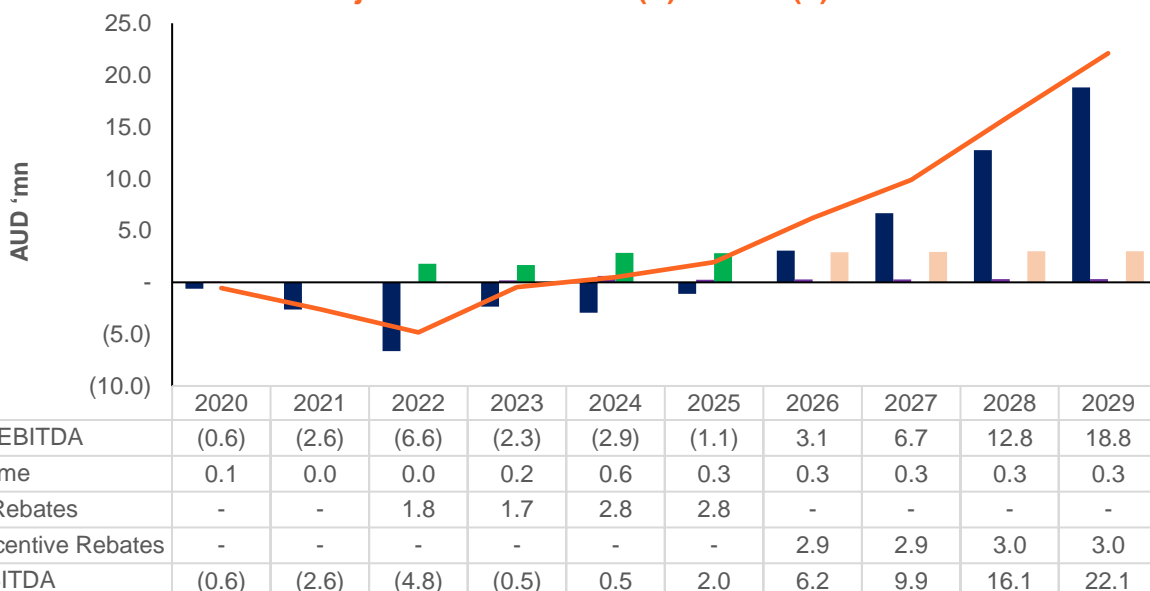
What are the Sparks? (Cont'd)

• Next Phase in ATV's Lifecycle: Inflection Point & Value Accretion

The Group achieved a significant milestone in FY24: **Positive adjusted-EBITDA** for the first time since inception. This was primarily achieved through optimising technical capacity to deliver software licenses to telcos and deploying resources across the most lucrative territories (India, APAC ex-India etc.).

The figure below illustrates historical (FY20 to FY24) normalised vs. adjusted EBITDA, as well as these projections over the forecast period (FY25 to FY29).

Normalised vs. Adjusted EBITDA FY20(A) to FY29(F)



For the avoidance of doubt, **normalised** profit margins were used in the computation of Terminal Value in our DCF model. As a prudent measure, both R&D tax incentive rebates and sundry income were not modelled into perpetuity, focusing rather on the cash-generating capabilities from Activeport's core operations.

R&D rebates are to be received as cash refunds when annual revenues are below the AUD20mn threshold, while these rebates are to be funnelled through as tax credits if annual revenues exceed AUD20mn. The model currently makes this distinction.

Price Action Relative to Revenues (as of 3 Sep 2024)

Investors aim to develop a view of the price action of a stock and associated key metrics. For a software-driven business like Activeport, KPI's are typically second and third derivatives of revenue growth, i.e., QoQ acceleration / deceleration in revenue growth as well as the margin by which they [beat] guidance / consensus estimates.

This **does not** constitute an opinion that revenue growth (and derivatives thereof) has an explanatory ability to predict future price action.



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Group Overview

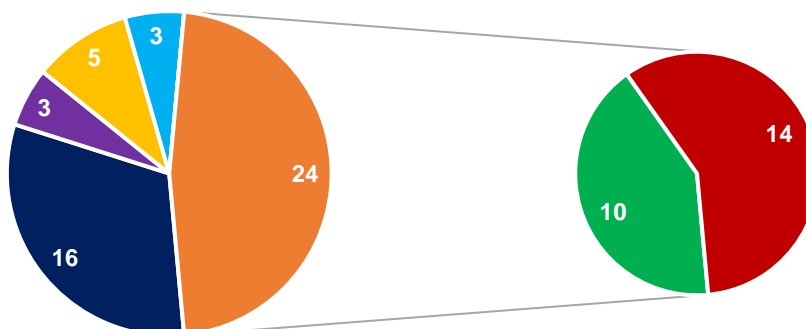
**Activeport Group Limited (ASX:ATV)** is an Australian company delivering software-defined networking (SDN) solutions, tailored to the global telecommunications and IT sectors. The product suite enables network automation, minimising operational costs while optimising customer control over their environment. Using Activeport’s unique software, customers can create network connections, deliver cloud services and manage their data on a local, national, or global scale.

The result is simplicity, agility, speed, and lower costs. Activeport Group Limited consists of Activeport Infrastructure Pty Ltd, Global Edge, Future Broadband, Vizstone Pty Ltd, and Starboard IT.

Employee Count by Business Unit

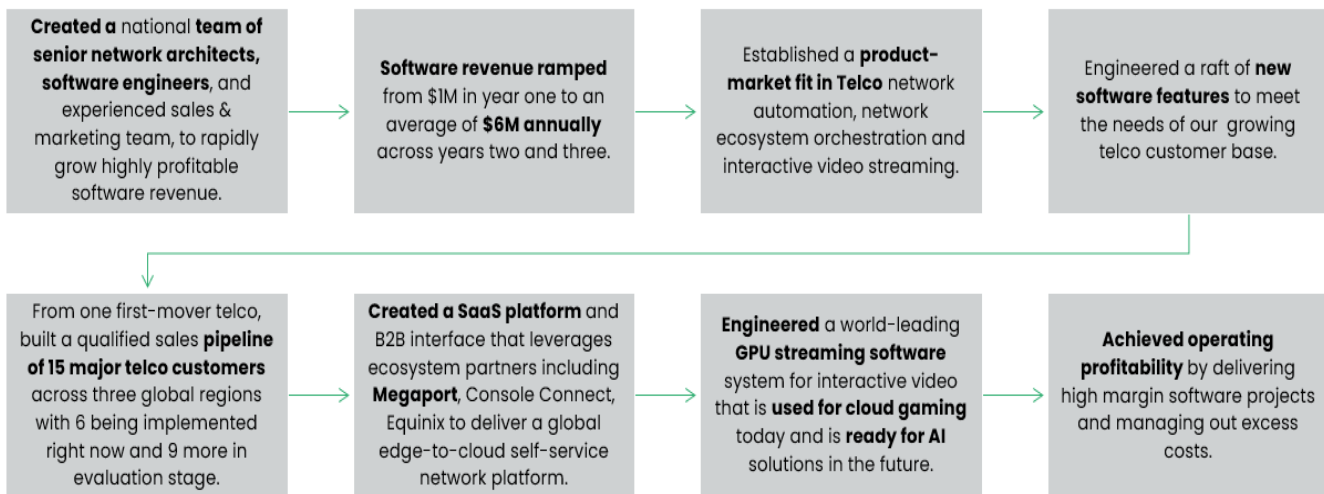
Full-time Employee Count by Business Unit FY24

- Software
- SaaS (Global Edge)
- Corporate
- Executive Directors
- MSP
- Vizstone
- Starboard



Total Headcount: 51

Milestones Since IPO (Oct 2021): c. Three Years



Caveat: Departure of Ex-CEO Karim Nejaim

Activeport’s previous CEO, Karim, resigned on 28 April 2023 due to health-related reasons. His unwavering dedication to steer the Group through its IPO debut has provided ATV with the necessary platform to execute what is already a well-thought-out, systemic foundation. Since Karim’s departure, Mark Middleton (Executive Director & CTO) and Peter Christie (Executive Chairman & CEO) have taken over the reigns to provide leadership and guidance to the Group as they scale-up the business.



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Group Overview

Target Channel #1: Activeport's Flagship Software Technology

Who:	Telcos (Tier 1) / Enterprise network orchestration
What:	Activeport's orchestration software is an enterprise application that is <b>deeply embedded</b> in a Telco's information technology ecosystem. The primary use of the software is to <b>enable customer self-service</b> of a telco's core cloud-centric network services through internet portals.
Why:	The enterprise revenue for telco's is under threat from the hyperscale cloud providers and Network-as-a-Service (NaaS) providers. To protect that highly profitable on-net revenue stream, telcos <b>need to pivot to the cloud</b> by offering their services online.

Use Cases: Telco's Ditching Legacy IT Platforms for the Public Cloud

Recent Developments Jan 2024:

- Vodafone inks 10-yr strategic partnership with Microsoft Azure
- Migration of Vodafone's servers to the public cloud hosted by Azure



Recent Developments May 2024:

- Telefonica Germany (O<sub>2</sub>) strikes cloud-hosting deal with AWS
- Migration of core network to the AWS cloud.
- Cloud infrastructure provided by AWS while 5G core software provided by Nokia



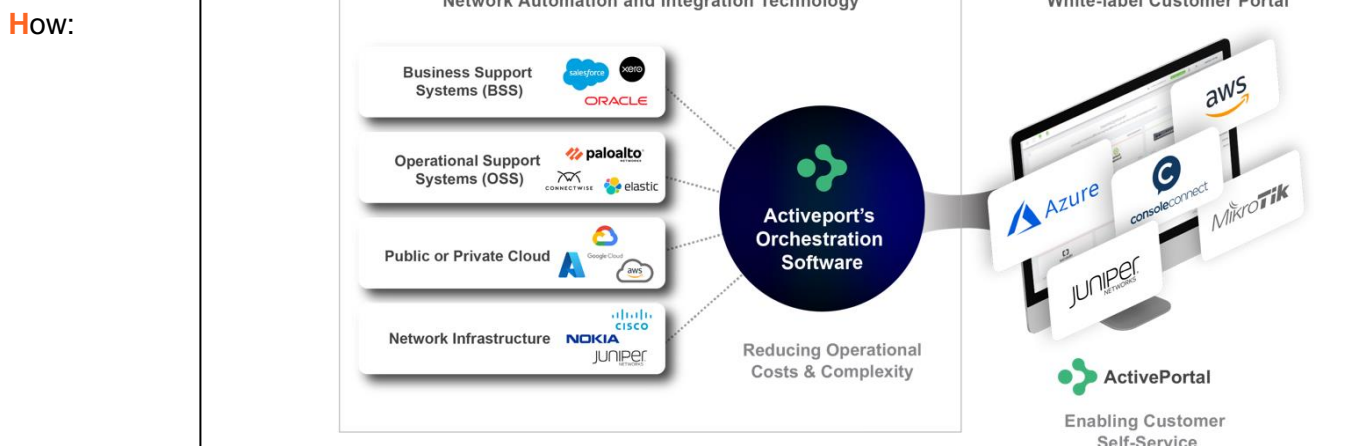
Where: APAC, MENA, with expansion into NA and EU in FY25.

When: Live since October 2021

The software **enables customer self-service** of a telco's core cloud-centric network services through internet portals **by integrating the network hardware via API's** with the CRM, Order Fulfilment, Billing and Payment applications that run a telco's back office.

Activeport's network orchestration software platform offers telco's the **fastest path to cloud-enabled automation**. There are **very few vendor-agnostic, enterprise-grade solutions** available in the market today for telcos to immediately deploy.

Customers pay for installation services upfront, followed by monthly recurring payments for the **software license that scales** on a per-network point or bandwidth basis.



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Group Overview

Target Channel #2: Activeport's Wholesale SaaS / NaaS Solution

<b>Who:</b>	Telcos (Tier 2) / MSPs / ISPs / Enterprise.
<b>What:</b>	<p>Activeport's <b>Global Edge SaaS/NaaS platform</b> offers customers an alternative to traditional legacy solutions. By providing a self-service, automated solution, businesses can now optimize their operations, increase scalability, and achieve enhanced connectivity like never before.</p> <p>By adopting a flexible self-service pay-as-you-go model, businesses can also enhance network performance while simultaneously reducing costs.</p>
<b>Why:</b>	<p>The recent surge in remote working has compelled businesses to seek secure and scalable remote connectivity solutions. Addressing this demand head-on, Global Edge incorporates a built-in virtual private network and SD-WAN technology, positioning itself as the ideal solution.</p> <p>With this platform, businesses of all sizes can <b>seamlessly connect, manage, and monitor their networks through a single portal</b>. Offering essential tools for security management and performance optimization, Global Edge eliminates the need for costly hardware and reliance on traditional telecommunications providers.</p>
<b>Where:</b>	AUS, NZ, with expansion into APAC and MENA in FY25.
<b>When:</b>	<p><b>Global Edge</b> – Live since July 2023</p> <p><b>NEO B2B Services*</b> – Live since July 2024</p>

NEO is accessible in Australia and New Zealand today with expansion to Southeast Asia planned next. NEO is a recurring revenue SaaS business with immediate order-to-cash and high gross margins.

Constant feature updates and integrations will deliver new revenue for the business and regular news-flow for investors.

<b>How:</b>	<p>The software <b>enables customer self-service</b> of a telco's core cloud-centric network services through internet portals <b>by integrating the network hardware via API's</b> with the CRM, Order Fulfilment, Billing and Payment applications that run a telco's back office.</p> <p>Customers pay for installation services upfront, followed by monthly recurring payments for the <b>software license that scales</b> on a per-network point or bandwidth basis.</p>
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Group Overview (Cont'd)

Target Channel #3: Activeport's GPU Streaming Solutions

Who:	Telcos and downstream consumer channels (e.g., mobile and set-top box customers)
What:	<b>Cloud gaming, artificial intelligence, immersive 3D and other interactive application classes</b> that have real-time interaction with video content can be streamed to mass audiences using Activeport's innovative software.
Why:	<p><b>Current Opportunity: Cloud Gaming</b></p> <p><b>Accessibility &amp; Reduced Barriers to Entry</b> – Gaming audiences can stream games directly to their devices (computer, smartphone, smart TV etc.) without needing to invest in expensive gaming hardware or consoles.</p> <p><b>Unparalleled Convenience</b> – Players no longer need to worry about downloading and installing large game files nor updating them regularly. This eliminates the need for extensive storage space on the users' device as games can be streamed directly from powerful (cloud) servers.</p> <p><b>Seamless Mobility</b> – Players can pick up their game progress on different devices and continue playing without any interruptions (convenience &amp; ease of use).</p> <p><b>Gaming on Demand</b> – With cloud gaming services, players are able to access a vast library of games without the need to purchase them individually. This inherently increases the reach and visibility for game developers and publishers alike.</p>
	<p><b>Future Opportunity: AI Application / Inference</b></p> <p><b>Accretive Margin Capture</b> – Deployment of AI models allows Telcos to automate traditionally-lengthy processes such as billing and order management, resulting in enhanced operational efficiency minimizing resource requirements and mitigating the risk of human errors.</p> <p><b>Managing and Interpreting Big Data</b> – AI simplifies extensive data analysis by automating the data process, providing timely and predictive insights needed for effective decision-making.</p> <p><b>Network Quality and Optimization</b> - AI leverages on historical data to produce predictive trends in identifying network and operational malfunctions. This enables Telcos to be proactive in maintaining its hardware and software infrastructure, improving overall network quality and customer experience.</p> <p><b>Identification of Security and Data Breaches</b> - Sophisticated AI models play a crucial role in identifying unusual activities occurring within a telco's network. Adopting AI technology dramatically reduces the identification and response time to handle potential threats in a swift manner.</p>
Where:	Global
When:	<p><b>Cloud Gaming V1.0</b> – Live since September 2022</p> <p><b>V2.5</b> – Released May 2024</p> <p><b>V3.0</b> – Expected release September 2024</p> <p><b>Orchestration for AI Inference</b> – Live trials in H2 FY25</p>

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Group Overview

Target Channel #3: Activeport's GPU Streaming Solutions (Cont'd)

<p><b>How:</b></p>	<p>Synergies between Activeport's orchestration technology and AMD-based GPU platforms (that are already integrated in a Telco's network) seeks to exploit opportunities in AI model training and deployment across the Telco sector. Adoption of ATV's technology would mean that Telcos can offer high-performance AI models directly within their networks while ensuring <b>reduced latency and enhanced data security</b>.</p> <p>Furthermore, ATV's model data never leaves the secure confines of the telco's network (ensuring sensitive data remains protected). This makes ATV's solution <b>ideal for projects with strict security requirements</b> (e.g., sensitive country-specific data).</p> <p>Activeport currently licenses its software for cloud gaming to a renowned channel partner, securing <b>AUD 1mn (floor) p.a.</b> in licensing fees that <b>scales with the number of GPU servers deployed</b>.</p>
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Valuation Findings

DCF Valuation Output: Target Price per Share

DCF Valuation	AUD '000
PV of Forecast Period	11,152
PV of Terminal Value	55,390
<b>Enterprise Value</b>	<b>66,542</b>
Minus Total Financial Liabilities	(6,008)
Minus Preferred Stock	-
Minus Non-controlling Interest	-
Plus Cash & Cash Equivalents	3,072
<b>Equity Value</b>	<b>63,607</b>
Fully Diluted Shares Outstanding ('000)	355,942
<b>Target Price per Share (AUD)</b>	<b>0.18</b>

The DCF valuation was modelled over a 5-year forecast period (FY25 to FY29) as of 9 August 2024. For the avoidance of doubt, R&D rebates & tax incentives were **not** modelled into perpetuity and thus removed from the computation of terminal value.

Key Model Assumptions: Discount Rate, Terminal Growth, CapEx

Key Assumptions (Discount Rate)	Input	Key Assumptions (Terminal Growth)	Input
Risk-free Rate (AUS 5Y Treasury Bond)	3.66%	Real GDP Growth	2.33%
Levered Beta	1.37	CPI	2.65%
Equity Risk Premium	4.12%	<b>Terminal Growth Rate</b>	<b>5.04%</b>
Company-specific Risk Premium (FY25)	5.50%		
Company-specific Risk Premium (FY29)	2.78%		
Pre-tax Cost of Debt	12.00%		
<b>Time-weighted WACC</b>	<b>12.68%</b>		
		Key Assumptions (CapEx)	Input
		PP&E CapEx as % of Revenues (FY25)	0.19%
		R&D CapEx as % of Revenues (FY25)	13.38%
		<b>Total CapEx as % of Revenues (FY25)</b>	<b>13.57%</b>

Scenario Analysis: Change in Discount Rate & Change in YoY Revenues on Price per Share

Price per Share (AUD)	(Under)/Overshoot Revenues YoY (FY25 to FY29)						
	(15.0%)	(10.0%)	(5.0%)	0.0%	5.0%	10.0%	15.0%
Change in Discount Rate							
3.0%	0.03	0.06	0.09	0.13	0.16	0.18	0.21
2.0%	0.03	0.07	0.11	0.14	0.18	0.20	0.24
1.0%	0.04	0.08	0.12	0.16	0.20	0.23	0.26
<b>0.0%</b>	<b>0.05</b>	0.09	0.14	<b>0.18</b>	0.22	0.26	0.29
(1.0%)	0.06	0.11	0.16	0.20	0.25	0.29	0.33
(2.0%)	0.07	0.13	0.18	0.24	0.29	0.33	0.38
(3.0%)	0.09	0.15	0.22	0.28	0.34	0.39	0.45



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Investment Thesis

Pure-play Software Opportunity

Activeport’s prudent approach to building up its technological capabilities and enhance their solutions over the years have presented the Group with an undeniable path towards transitioning into a pure-play software business. Salient contributing factors include, but not limited to:

Market Momentum & Validation

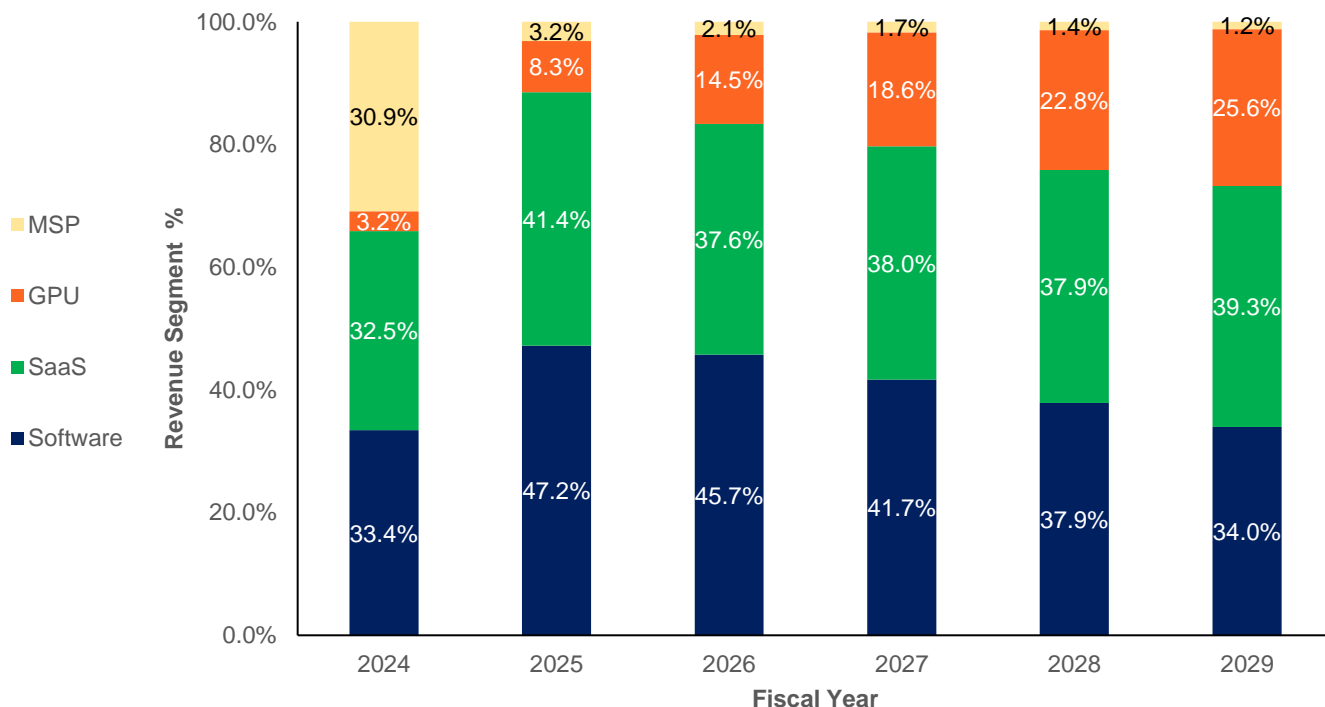
Regional endorsement from leading telco operators across APAC and MENA further supplements ATV’s unblemished track record of successfully provisioning large-scale projects and delivering seamless integration. The next phase beginning in FY25 would include EU and NA regional presence through a deliberate, systemic approach (start with smaller-scale projects, build confidence and a foundation for growth). The deep pipeline of prospective customers offers ATV an opportunity to realise considerable top-line growth, built on a strong recurring revenue base.

Deliberate Transition Away from MSP and into SaaS

In FY24, Activeport’s Management made a conscious decision to realise **c. AUD8.0mn of impairment charges** against its MSP business unit. This reinforces the Group’s desire to “take the hit now and start from a clean slate”, further laying claim to ATV’s irrefutable transition into a pure-play software entity. This is mainly done through re-allocating technical capacity away from MSP and into SaaS while simultaneously designating sales efforts into the recurring SaaS segment.

Exhibit of Revenue Segment Proportions between FY2024(A) to FY2029(F):

Revenue Segment Proportions % (ATV)





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**Investment Thesis**

**Pure-play Software Opportunity (Cont'd)**

**Technology Lead & Competitive Moat**

ATV has accumulated c.2 years of technological lead time relative to any new entrants in their markets served. This is especially significant for any emerging technology seeking to disrupt the market, whereby:

- Accrual of brand equity for Activeport not only through successful deployment & integration of the Group’s software, but also through a measured approach towards commercialisation of their solutions.
- This enables Activeport to side-step many of the pitfalls associated with a “growth-at-all-costs” model for high-growth technology incumbents.

The limited direct competitors again offers insulation against market share and profit margins. Being a first-mover armed with endorsements across leading industry players, we believe this “moat” is not only durable but likely to inflate over time.

- Diligent market positioning, consistent messaging, accrual of brand equity, network effects etc. all play a crucial role in building up this “moat”.

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Investment Thesis

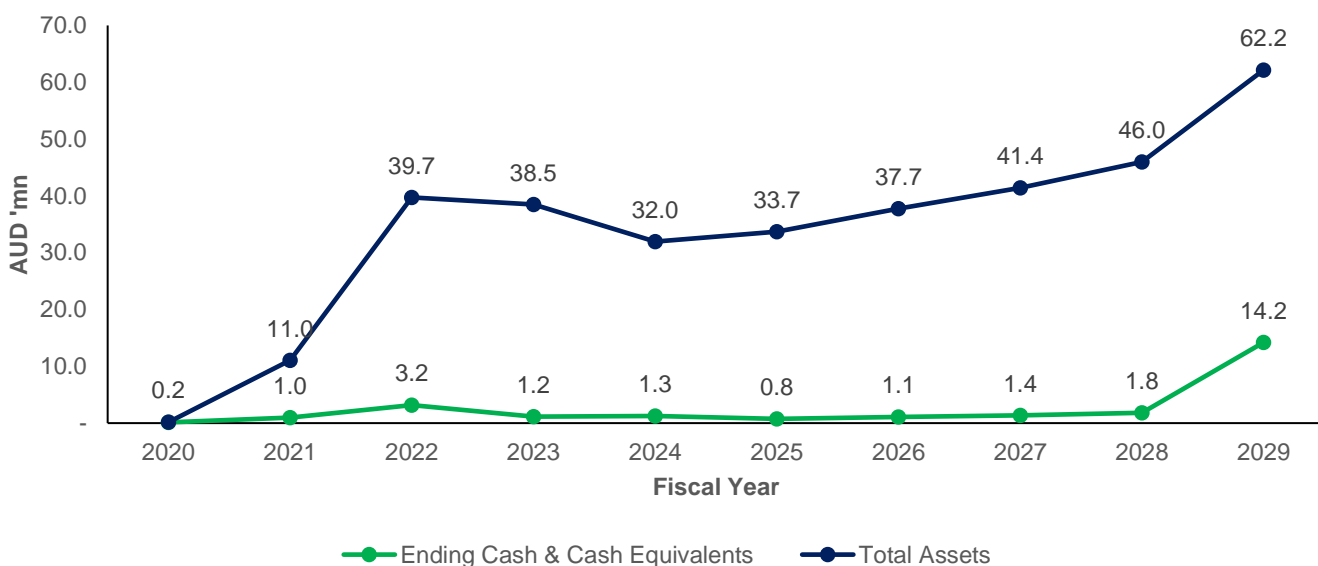
Balance Sheet Poised for Growth and Capturing Shareholder Value

The recently **over-subscribed** capital raise (announced 9 Aug 2024) amounted to gross proceeds of AUD 1.9mn from existing and new investors, to provide working capital & delivery capacity across primary APAC and MENA markets.

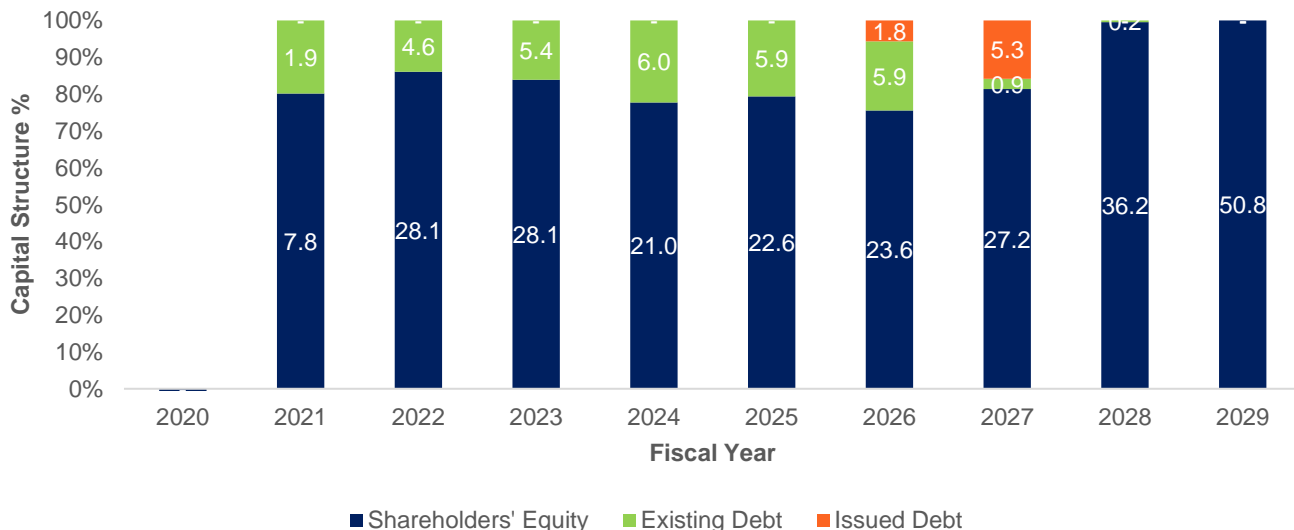
- Market signal that investor sentiment, especially institutional, is still strong despite the recent dip in share price;
- Expansion of the technical team internationally to monetise opportunities in ATV's sales pipeline sooner; and
- Delivering expected growth in **established, familiar** territories rather than facing a skewed risk profile when entering new markets.

• Projected Balance Sheet Profile (Ending Cash, Total Assets, Debt-to-Equity % Capital Structure)

Projected Ending Cash Balance & Total Assets (ATV)



Projected Debt-to-Equity Profile (ATV)



Note: FY20(A) balance sheet reflects zero financial debt and negative *shareholders'* equity amounting to c.(AUD0.03mn). Figures embedded within the bar chart are in AUD 'mn.

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Investment Thesis

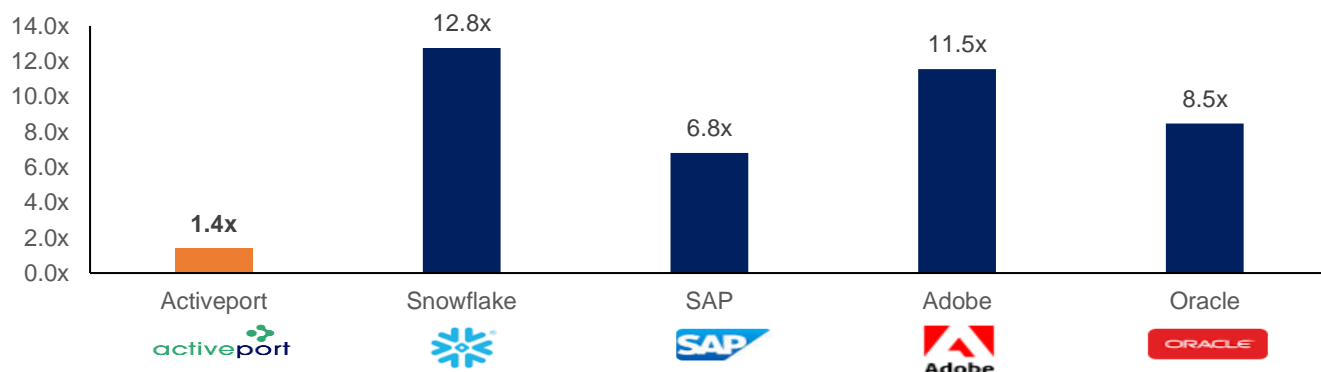
Attractive Relative Valuation at Current Share Price

At the current market price of **AUD0.05** per share, Activeport's implied EV/Revenue (LTM) multiple stands at **1.4x**.

- EV = Enterprise Value
  - Improves comparability between varying capital structure across companies
- LTM (Last Twelve Months) Revenue
  - Latest reported Fiscal Year Revenue, not TTM (Trailing Twelve Months)

It is noted that there are very few, if any, pure-play comparable companies to Activeport in the market today. Even if they exist, relative valuation comparisons are difficult to obtain due to the private status of these players. As such, **mature and/or established international companies predominantly offering software solutions** can offer quick rule-of-thumb valuation benchmarks, essentially circumventing this comparison hurdle.

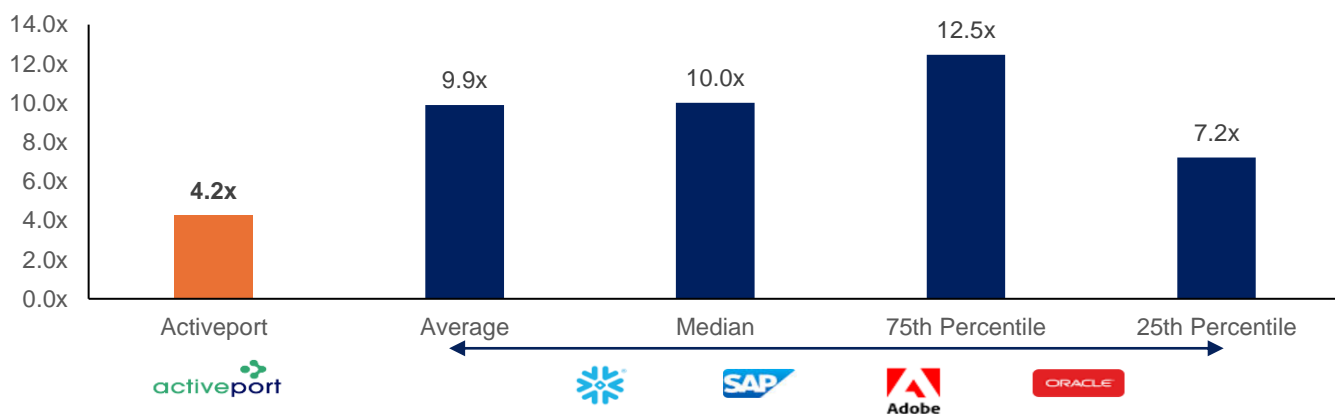
Actual EV/Revenue (LTM) Multiple as of 9 August 2024



Activeport's EV/Revenue (LTM) of 1.4x implies a steep valuation discount, unsurprisingly, to global industry leaders. This could be due to a myriad of factors whereby younger, smaller capitalisation companies often, but not always:

- Are yet to realise operational economies of scale;
- Warrant larger discount rates (higher required rate of return);
- Face capital hurdles often to a higher degree; and
- Face greater potential for misalignment between market participants' expectations and articulation of the companies' value proposition.

Implied EV/Revenue (LTM) Multiple as of 9 August 2024



The intrinsic value of Activeport, based on the DCF model, implies an EV/Revenue (LTM) of **4.2x**. This still rests below the 25<sup>th</sup> percentile of established comparable companies of 7.2x. From this perspective, potential gap-ups in valuation multiples for the Group would be made possible via meeting/exceeding future expectations while de-risking its operations over time.



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Investment Risks

Capital Funding Risks via Missing Expectations

All else being equal, the base projections for Activeport’s cash surplus/deficit over the next 5 years are mainly predicated on the free cash flows the Group is able to generate YoY. As a prudent approach, the minimum cash balance required in each year over the forecast period (FY25 to FY29) corresponds to 4% of annual revenue (i.e., any shortfall would have to be covered by raising additional capital).

- For simplicity, the 2 diagrams below illustrates the sensitivity of free cash flows and associated capital requirements by flexing **only** revenue projections YoY.

Base Case: No Change in Projected Revenues

Base Case: Free Cash Flow Profile & Capital Requirements (ATV)

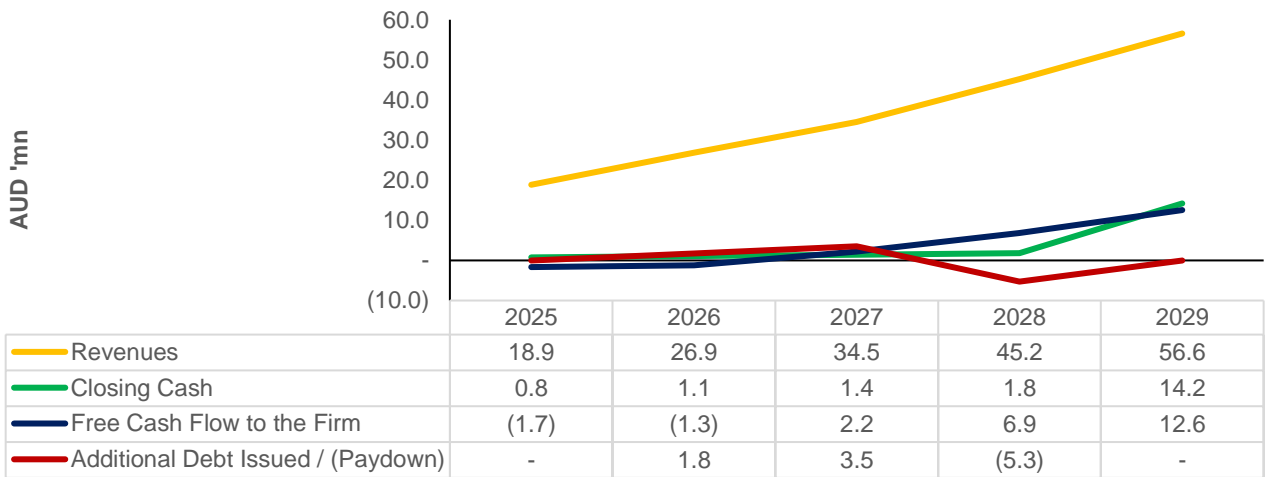
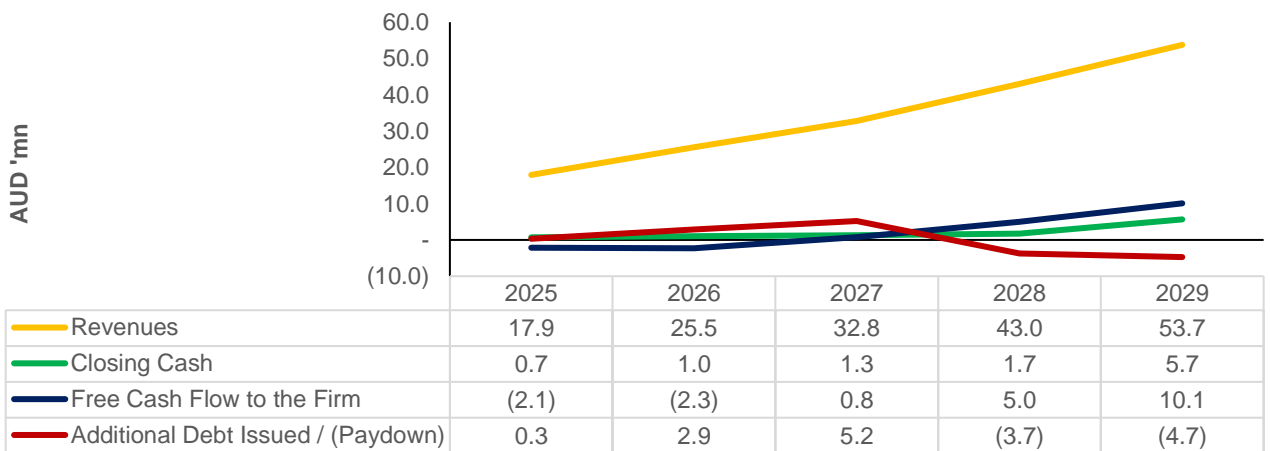


Illustration: Undershoot Revenues by 5% YoY

Illustration: Free Cash Flow Profile & Capital Requirements (ATV)



As seen, the free cash flow profile (and hence future capital requirements for the Group) is highly sensitive to top-line performance. This is typical for lucrative, high-growth companies where investors should weigh assess their risk/return trade-offs.

Admittedly, the current market price of AUD 0.05 seemingly mitigates a large proportion of value lost due to missing top-line targets over the forecast period.

- All else being equal, the current price per share of AUD0.05 entails ATV missing our projected top-line projections by c.25% YoY.

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## Investment Risks

## Time-to-Market / Lead Time

During the early years of Activeport's technology incubation phase, the Group's **prudent approach in developing and commercialising its novel technology** provided them with a duopoly of outcomes:

1. Entry into the market with a product that meets the specific needs of target clientele; and
2. In order to achieve outcome 1. above, ATV faced longer product launch lead times mainly due to establishing product fit (selling across the vertical) as well as implementation of additional features.

Since then, the "core foundation" of ATV's technology has been established, requiring only periodic minor tweaks and adjustments, eventually shrinking the lead time for new product/feature launches. In spite of ATV's superior track record and bullishness in efficiently monetising its R&D efforts, we remain cautious that technological disruptions and/or client needs are ever-changing in this dynamic industry.

## Ecosystem Partners' Risks

**SaaS/NaaS Channel:**

Activeport's vendor-agnostic Global Edge SaaS/NaaS platform facilitates the integration of its channel partners' tools (including legacy technology), ensuring seamless hybrid-cloud migrations. Careful selection and diversification of ecosystem partners ensures that delivery capacity is not hampered by the loss of any specific partner.

Specifically, Activeport released its retail B2B version of Global Edge (NEO) in July 2024 that enables customers to connect, manage, and monitor their networks **without the intervention** of a channel partner. Activeport continues to seek out and support ISPs and technology MSPs to sell its wholesale instance of Global Edge and the diversification to include a direct B2B model aims to **mitigate channel churn risks**.

**GPU Streaming Channel:**

The loss of Activeport's existing channel partner would serve more as a **momentary disruption**, rather than an outright breakdown in their positioning within the GPU Streaming channel. The current licensing agreement spans till 27 July 2026, with a 24 month auto-renewal clause effectively ending 27 July 2028.

ATV is poised to mitigate these risks, at least partially, through:

- The source code and Intellectual Property belongs to ATV;
- ATV has built and maintained a direct relationship with their Telco customers via its service desk;
- ATV offers an AMD-based GPU orchestration solution thus they are still able to license directly to AMD as the sole channel partner; or
- ATV is able to go-to-market directly although this would require substantial additional capacity in its delivery and sales resources.

Nonetheless, evolving reputational risks from ATV's channel partners are beyond the control of the Group. Moreover, customer satisfaction must be maintained (at a minimum) to realise "sticky" recurring revenues. Investors should weigh these risks accordingly.

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Key Financial Exhibits

FY end 30-Jun	2020A	2021A	2022A	2023A	2024A	2025E	2026P	2027P	2028P	2029P
<b>Valuation Metrics</b>										
P/S		41.8x	1.7x	0.9x	1.2x	0.9x	0.7x	0.5x	0.4x	0.3x
P/E							18.3x	4.9x	2.0x	1.2x
P/BV		2.3x	0.6x	0.6x	0.8x	0.8x	0.8x	0.7x	0.5x	0.4x
EV/Revenue		48.7x	1.9x	1.1x	1.4x	1.1x	0.8x	0.6x	0.5x	0.4x
EV/EBITDA							6.8x	3.1x	1.6x	1.1x
EV/EBIT						69.9x	18.0x	5.1x	2.2x	1.4x

FY end 30-Jun	2020A	2021A	2022A	2023A	2024A	2025E	2026P	2027P	2028P	2029P
<b>Income Statement (AUD 'mn)</b>										
Revenues		0.4	10.6	19.4	15.0	18.9	26.9	34.5	45.2	56.6
EBITDA	(0.6)	(2.6)	(6.6)	(2.3)	(2.9)	(1.1)	3.1	6.7	12.8	18.8
EBIT	(0.6)	(2.6)	(5.7)	(2.2)	(9.0)	0.3	1.2	4.1	9.4	14.5
Pre-tax Income	(0.6)	(2.7)	(7.2)	(3.4)	(9.7)	(0.2)	1.0	3.6	9.1	14.6
Net Income	(0.6)	(2.7)	(6.7)	(3.4)	(9.7)	(0.2)	1.0	3.6	9.1	14.6

FY end 30-Jun	2020A	2021A	2022A	2023A	2024A	2025E	2026P	2027P	2028P	2029P
<b>Balance Sheet (AUD 'mn)</b>										
Cash and Cash Equivalents	0.1	1.0	3.2	1.2	1.3	0.8	1.1	1.4	1.8	14.2
Current Assets	0.2	1.8	9.1	7.8	10.2	11.1	13.9	16.3	19.5	34.6
PP&E	-	0.1	0.3	1.2	0.1	0.1	0.1	0.1	0.2	0.2
Intangibles	-	8.8	27.8	28.1	21.2	22.1	23.4	24.6	25.9	27.0
Total Assets	0.2	11.0	39.7	38.5	32.0	33.7	37.7	41.4	46.0	62.2
Total Debt	-	1.9	4.6	5.4	6.0	5.9	7.6	6.2	0.2	-
Total Liabilities	0.2	3.3	11.6	10.4	10.9	11.1	14.2	14.2	9.7	11.3
Total Shareholders' Equity	(0.0)	7.8	28.1	28.1	21.0	22.6	23.6	27.2	36.2	50.8
Net Debt	(0.1)	0.9	1.4	4.2	4.7	5.1	6.5	4.9	(1.7)	(14.2)

FY end 30-Jun	2020A	2021A	2022A	2023A	2024A	2025E	2026P	2027P	2028P	2029P
<b>Cash Flow (AUD 'mn)</b>										
Cash Flow from Operations	(0.4)	(2.3)	(7.8)	(1.3)	1.3	0.9	2.2	6.3	11.9	18.3
Cash Flow from Investments	(0.0)	(0.4)	(1.3)	(1.5)	(2.9)	(2.6)	(3.4)	(4.1)	(5.0)	(5.8)
Cash Flow from Financing	0.5	3.6	11.2	0.7	-	1.6	1.8	(1.4)	(6.1)	(0.2)
Net Cash Flow	0.1	0.9	2.2	(2.0)	(1.6)	(0.0)	0.5	0.8	0.8	12.4
Change in Working Capital					0.8	(1.1)	(1.2)	(0.7)	(1.2)	(0.9)

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Key Financial Exhibits (Cont'd)

FY end 30-Jun	2020A	2021A	2022A	2023A	2024A	2025E	2026P	2027P	2028P	2029P
<b>DuPont Analysis</b>										
Net Income Margin		(629.6%)	(62.8%)	(17.5%)	(64.9%)	(1.1%)	3.6%	10.4%	20.1%	25.8%
Total Asset Turnover		0.1x	0.4x	0.5x	0.4x	0.6x	0.8x	0.9x	1.0x	1.0x
Equity Multiplier		1.4x	1.4x	1.4x	1.4x	1.5x	1.5x	1.6x	1.4x	1.2x
Return on Equity		(69.2%)	(37.2%)	(12.1%)	(39.6%)	(1.0%)	4.2%	14.2%	28.6%	33.5%
<b>Solvency</b>										
Net Debt	(0.1)	0.9	1.4	4.2	4.7	5.1	6.5	4.9	(1.7)	(14.2)
Total Equity	(0.0)	7.8	28.1	28.1	21.0	22.6	23.6	27.2	36.2	50.8
Net Debt to Equity	4.9x	0.1x	0.0x	0.2x	0.2x	0.2x	0.3x	0.2x	(0.0x)	(0.3x)
Interest Expense	-	(0.1)	(0.2)	(0.6)	(0.8)	(0.5)	(0.2)	(0.5)	(0.4)	(0.0)
Interest Coverage		(41.1x)	(23.3x)	(3.9x)	(11.2x)	0.6x	6.1x	8.3x	26.7x	3092.4x



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Directors and Key Management

Name	Title	Description & Credentials
Peter Christie	Executive Chairman & CEO	<p>Peter is an IT industry expert with 30 years of experience across the full stack of information technology from enterprise applications down through middleware, servers, operating systems, networks and data centres. Peter began his career as a software engineer in the banking sector and has held business development and solution architecture positions with many global technology corporations including Unisys, Informix (IBM), Logica, ABB, Tibco and Orange.</p> <p>Peter successfully formed and listed Australia’s first modular data centre operator, The Data Exchange Network (DXN) on the ASX and as CEO, delivered and certified a world-first mixed Tier-III and Tier-IV engineering solution for low-cost, scalable data centre construction.</p> <p>Peter has extensive experience in capital raising, IPO’s and senior management of listed technology companies. He has a Bachelor degree in Economics and Computer Science from Flinders University. Peter is also nonexecutive Chairman of Radian Arc Pty Ltd.</p>
Chris Daly	Non-executive Director	<p>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.</p> <p>Chris has a strong background in design, estimating and management of infrastructure installation projects and more recently in development and construction of multi-level commercial and domestic buildings.</p>
Kathryn Soares	Executive Director & Commercial Manager	<p>Kathryn is an information technology business owner and manager with 30 years of experience delivering ICT solutions across multiple industries. From Platinum Technology in Chicago to Sun Micro systems and Siemens in Australia, Kathryn’s experience spans technical delivery, pre-sales engineering and project management.</p> <p>In 2009, Kathryn established Perth-based ICT provider Vizstone. She has a Masters in Digital Communications and is a champion for women in STEM.</p>
Mark Middleton	Executive Director & CTO	<p>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 Telecommunications Limited (now Vocus Communications).</p> <p>Mark is an expert in wide area networks and architect of the Activeport software.</p>
Ashley Sheiles	Head of Global Sales	<p>Ashley has a 25-year career in Sales, Marketing and Technical Support in the IT&amp;T sector. Ashley worked at AAPT (a fixed-line telco company owned by TPG Telecom) for 22 years in numerous roles, most recently as Wholesale Manager, working with key stakeholders from C-level across the partner organisations to understand their business strategy and develop AAPT revenue acquisition and growth plans with each partner.</p> <p>At Activeport, Ashley has worked with foundation customers across Africa, Europe, India, Asia, and Australia to find product-market fit and guide evolution of the Activeport technology into the mature enterprise solution it is today.</p>
Jack Toby	Company Secretary	<p>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.</p>

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