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ActivePort Signs Multi-Million Dollar Agreement with Radian Arc to Deliver Private Cloud Orchestration

ActivePort Group Ltd (“ActivePort” or “the Company”), (ASX: ATV) is pleased to announce it has signed agreements with Radian Arc Limited (Radian Arc) to deliver orchestration software, private cloud infrastructure, and technical support services.

Highlights:

- Anticipated revenue potential of up to AUD\$8.65+ million over 5 years;
- ActivePort is delivering software licenses, cloud infrastructure, engineering, and technical support;
- The project leverages ActivePort’s existing resources with no additional capital required;
- ActivePort is supporting Radian Arc’s global customer base of major telecommunications providers;

Radian Arc provides a private cloud platform used for GPU*- centric applications such as gaming, artificial intelligence, machine learning, engineering visualisation, and cloud-based mapping systems.

Since 2020, ActivePort has been collaborating with Radian Arc to include ActivePort’s software into Radian Arc’s platform that already incorporates AMD’s industry-leading cloud GPU technology.

These new agreements extend the services that ActivePort already provides to Radian Arc to include software licensing, infrastructure and technical support as Radian Arc transitions its customers from delivery and testing into live production.

Radian Arc’s CEO, commented:

“We partnered with ActivePort early to develop our innovative GPU-centric private cloud solution and as Radian Arc has grown exponentially, ActivePort has demonstrated its ability to source, deliver and support our technology on a global scale.”

Karim Nejaim, ActivePort CEO, commented:

“The Radian Arc project demonstrates the versatility of ActivePort’s software products and the expertise of our technical team when tackling major projects at the forefront of cloud technology. Mark Middleton, ActivePort’s CTO and his engineers have been intricately involved with Radian Arc and AMD to optimise Radian Arc’s GPU-centric cloud platform and make it a world-leader in performance and price.”

* GPU or Graphics Processing Unit is a microprocessor designed to accelerate compute-intensive tasks such as interactive gaming, machine learning, engineering visualisation and map rendering. GPUs are found in most computers, games consoles and televisions. The world’s leading manufacturers of GPUs are AMD, Intel and NVIDIA.

About ActivePort Group Ltd

ActivePort Group Ltd (ASX: ATV) is an Australian software company developing network management and orchestration solutions (MANO) for Telecommunication, IT and Managed Service Providers. Using ActivePort software, providers have increased visibility and control across their network, provide customer self-service, and reduce operational complexity and costs. For more information, please visit www.activeport.com.au.

About Radian Arc

Radian Arc provides an infrastructure-as-a-service (IaaS) platform for running cloud gaming, artificial intelligence and machine learning applications inside telecommunication carrier networks. Radian Arc offers telecom operators a GPU-based Edge computing platform that delivers low latency for the best user experience. Radian Arc delivers a channel to market for GPU-intense interactive content and a platform for telecom operators to further monetize their networks. For more information, please visit www.radianarc.io.

Terms and Approvals

This Agreement is made in two parts. The first agreement is for Software and Support is comprised of a monthly engineering fee of USD\$50,000 plus a support fee of USD\$4,000 per nominated live system and a software license per virtual GPU (vGPU) of USD\$30 per month for the first 5,000 vGPU's. The license per vGPU scales down by volume to a weighted average of \$7.30 per vGPU per month when 100,000 vGPU's are deployed. There are currently 11 systems planned for delivery into production, with aggregate maximum capacity of 352 virtual GPU's, to 10 telecommunications companies in 11 countries. As more systems are deployed and virtual GPU capacity is added, revenues to ActivePort should increase. This Agreement is for a 5 year term that automatically renews for 24 months and can be terminated by ActivePort in an event of customer default including the appointment of an administrator, change of control and failure to pay.

The second agreement is for the delivery of up to AUD\$2,000,000 of private cloud infrastructure, supplied incrementally in units comprising servers, switches and routers, typically up to AUD\$60,000 each. Each unit of infrastructure is paid for in 18 monthly instalments including interest of 9% calculated on the outstanding balance at the time of payment. This Agreement can be terminated by ActivePort in an event of default including failure under the lease, misrepresentation, appointment of a receiver, suspension of payment, insolvency, the appointment of an administrator or winding up. Radian Arc has the option to purchase all or some of the hardware at any time during the term of the agreement for an amount equal to the outstanding principal component for that hardware. ActivePort retains title to and has a registered Purchase Money Security Interest (PMSI) over all units of hardware until such time as the full payment is made for a unit at which time title of that unit transfers to Radian Arc.

Using an exchange rate of 0.7482, ActivePort's estimate of the revenue potential under the Agreement is AUD\$8,654,924 for 11 systems. It is anticipated that more than 11 systems will be deployed.

Completion of the Agreement is subject to and conditional upon the Company obtaining all necessary regulatory approvals and obtaining shareholder approval pursuant to Listing Rule 10.1, as the Chairman of ActivePort, Mr Peter Christie is a director and significant shareholder of Radian Arc. The Company's notice of meeting seeking approval for the Agreement will include an independent expert's report opining on the fairness and reasonableness of the agreements for non-interested shareholders of the Company.

Forward-Looking Statements

This announcement may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals, cost estimates and customers' ability to pay. This includes statements about market and industry trends, which are based on interpretations of current market conditions. Actual values, results or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, readers are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. To the maximum extent permitted by law, the Company and any of its affiliates and their directors, officers, employees, agents, associates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumption;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this announcement, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

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