ASX Announcement
30 October 2026

FTI September Q1 FY27 Activity Report

Highlights

- **NOL8 Version 2.0 commercially available ahead of schedule** — the production-ready AI Data Plane was launched after quarter end, more than two months ahead of the end-CY2026 roadmap target. It is now open to enterprise customers for paid proof-of-value engagements.
- **Independent Testing Confirmed NOL8 V1.0 Economic Performance**
- **Global validation on Megaport** — multi-continent testing across Virginia, Tokyo and Sydney delivered 100% accurate data governance and 10X more governed data per dollar of infrastructure than legacy software.
- **Equinix Fabric** — the NOL8 AI Data Plane became available on Equinix Fabric, enabling potential access to enterprises across more than 60 metros.
- **Expansion of Advisory Board** — further AI product and go-to-market leadership insight with addition of Priya Shivakumar (Archetype AI, formerly Lightning AI and Confluent) and Jason Forget to the Advisory Board.
- **Strong Balance Sheet** — closing cash position of $17.3M at 30 September 2026, with no debt.
- **Financial Snapshot** — cash receipts from customers of $275k for the quarter, and receipt of $286k from the South Australian video game development rebate.

FortifAI Limited (ASX: FTI) ("FTI" or the "Company") provides its Quarterly Activity Statement and Appendix 4C for the September 2026 Quarter ("Q1 FY27").

Operational Summary

During the quarter, the Company focused on proving the NOL8 AI Data Plane at global scale and building its route to market through infrastructure partners, ahead of commercial launch. NOL8 moved from benchmark testing to live, multi-continent deployment and secured its second major distribution channel.

The Company continued to strengthen its Advisory Board with the appointment of Priya Shivakumar, a product and go-to-market leader across AI infrastructure and enterprise SaaS, and Jason Forget, a leading global sales executive, during the quarter. Refer to ASX Announcements dated 27 July 2026 and 24 August 2026.

NOL8 Developments and Activity

In August, NOL8 completed its most comprehensive testing program to date, running Version 1.0 live across Megaport's private network in Virginia, Tokyo and Sydney. The results were:

- Performance met or exceeded expectations on every test, with 100% accurate data governance and every output verified byte-for-byte.
- The NOL8 engine governed 34 terabytes of data a day, compared with 2.6 terabytes a day for legacy software, with engine latency of 3 milliseconds in-region.

- NOL8 delivered more than 10X more governed data per dollar of infrastructure than legacy software on CPUs.

Refer to ASX Announcement dated 3 August 2026.

In September, the NOL8 AI Data Plane became available on Equinix Fabric. This makes NOL8 a potential infrastructure element to thousands of enterprises already connected through Equinix's neutral interconnection platform, across more than 60 metros. It forms part of NOL8's channel strategy of reaching enterprise AI buyers through the infrastructure networks they already use. Joint proof-of-concept engagements were opened to select customers. Refer to ASX Announcement dated 29 September 2026.

Subsequent to Quarter End

- **Independent verification (12 October 2026)**: independent verification confirmed testing results on AWS that NOL8 processes up to 118x more data per infrastructure dollar than Google RE2 at 5,000 rules. Throughput held above 950 MB/s as rules increased from 128 to 5,000 with NOL8 holding latency at workload.
- **Version 2.0 launch (12 October 2026)**: NOL8 launched Version 2.0, its production, revenue and enterprise-ready Commercial Engine, more than two months ahead of the end-CY2026 target. It was built in under four months, half the build cycle of Version 1.0.
  - Version 2.0 adds the resilience, hardening, security, scalability and full user interface enterprises need to run NOL8 on live production data.
  - It is generally available on AWS and can be used across the Megaport and Equinix networks.
  - Enterprise customers can now commission paid proof-of-value engagements, the step before full commercial contracts.
- **Noosa Investor Conference**: the Company presented to investors at the conference in October 2026.

Refer to ASX Announcements dated 12 October 2026, 20 October and 14 October 2026.

MKL Studio

The MKL Studio continued to receive royalty income and to deliver its existing development commitments. The team continues to pursue work-for-hire opportunities, with small contracts being won, and undertake ongoing in-house game development while managing its cost base. Subsequent to quarter end, it has been agreed with Eastside Games to end game development services agreement for the Power Rangers game and undertake handback and cease support services during the December quarter.

Financial Results

During the quarter, cash receipts from customers totalled $275k, including MKL Studio contract revenue and royalty receipts. In addition $286k was received for MKL Studio rebates relating to FY25 period. Net cash outflows from operating activities were $2,952k. This reflects:

- the first full quarter of the US leadership and commercial team;
- continued technology development of the NOL8 platform; and
- go-to-market activity ahead of commercial launch.

The Company ended the quarter with $17.3M in cash and no debt.

As required by ASX Listing Rules, FTI notes that the amount of $263k disclosed in Section 6.1 of the accompanying Appendix 4C relates to payments made during the quarter to related parties and their associates, including end of employment services contract payments. These payments consist of Directors' fees, salaries and consulting fees paid to members of the Board of Directors and their associated entities.

Outlook

With Version 2.0 now commercially available, the Company enters a new phase: moving from technology validation to paid customer engagements.

- **Next steps:** NOL8 will pursue paid proof-of-value engagements with enterprise customers on their own production data, and joint go-to-market activity with Megaport and Equinix focused on enterprise sales execution and joint architectures.
- **Roadmap:** the Company has delivered each roadmap milestone ahead of schedule to date. It is targeting first customer contracts by the end of CY2026 and first revenue in the March 2027 quarter.
- **Market opportunity:** enterprises increasingly recognise data governance as the key barrier to adopting agentic AI. NOL8 addresses this with deterministic, inline control of every byte of data moving into and out of AI. Its data-in-flight market is estimated at US$120 billion by 2030, within an agentic AI market expected to be worth around US$4 trillion.
- **Channel strategy:** Megaport (3,200+ customers, 1,100+ data centres) and Equinix (10,500+ customers, 280+ data centres) give NOL8 access to enterprises over the private networks that already carry their data.
- **Funding:** with $17.3M in cash and no debt, the Company is well funded to execute its commercialisation plan.

The Company will update the market as paid engagements are secured.

Authorised for release by the Board of Directors of FortifAI Limited.

Media Contact
Matt Wolpin | matt@nol8.io

Investor Relations
John Marrin | john.marrin.ir@nol8.io | +61 468 828 878

Forward-Looking Statements: This announcement may contain forward-looking statements that involve risks and uncertainties. Paid proof-of-value engagements are evaluation arrangements and are not commitments to enter commercial contracts; their number, timing, value and conversion are not assured. Customer and data centre figures are those published by Megaport (as at 30 June 2026) and Equinix; some customers may use both networks. References to Megaport, Equinix and other third-party providers do not imply endorsement. Actual results may differ materially from those anticipated. FortifAI undertakes no obligation to update forward-looking statements except as required by law.

About NOL8

AI systems make decisions on data that teams often can't fully see or verify in the moment, and NOL8 exists to close that gap. Its technology, the AI Data Plane, gives organisations visibility into how data moves through their AI systems, enabling certainty where there was once assumption. For more information, visit nol8.io.

About FortifAI

FortifAI Limited (ASX: FTI) is an Australian Securities Exchange listed technology company focused on artificial intelligence and advanced computing through its subsidiary NOL8.

APPENDIX 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
FortifAI Limited	
ABN	**Quarter ended ("current quarter")**
39 627 145 260	30 September 2026

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	275	275
1.2	Payments for		
	(a) research and development	0	0
	(b) product manufacturing and operating costs	(105)	(105)
	(c) advertising and marketing	0	0
	(d) leased assets	0	0
	(e) staff costs	(2,331)	(2,331)
	(f) administration and corporate costs	(1,255)	(1,255)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	178	178
1.5	Interest and other costs of finance paid	0	0
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives	286	286
1.8	Other	0	0
1.9	**Net cash from / (used in) operating activities**	**(2,952)**	**(2,952)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	(111)	(111)
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	3	3

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other	0	0
2.6	**Net cash from / (used in) investing activities**	**(108)**	**(108)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	145	145
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(62)	(62)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (Lease payments)	(73)	(73)
3.10	**Net cash from / (used in) financing activities**	**10**	**10**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	20,355	20,355
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,952)	(2,952)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(108)	(108)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	10	10

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(52)	(52)
4.6	**Cash and cash equivalents at end of period**	**17,253**	**17,253**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	17,253	20,355
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**17,253**	**20,355**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	263
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	0	0
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	**Total financing facilities**	**0**	**0**
7.5	**Unused financing facilities available at quarter end**		**0**
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,952)
8.2	Cash and cash equivalents at quarter end (item 4.6)	17,253
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	17,253
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**5.85**

If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6 8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: **30 October 2026**

Authorised by: **By the Board**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert

here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.