FTI March Q3 FY26 Activity Report

Highlights

- **Nol8 Acquisition Completed:** acquisition of FastAI and its Nol8 technology to complement existing projects finalised.
- **Data-in -Motion Nol8 Technology:** Technology Development and commercial roadmap for Nol8s AI Data Plane confirmed.
- **Strategic Placements:** strongly supported strategic placements raising a total of $20M, with a placement for $15M scheduled to complete in early May 2026.
- **Strong Balance Sheet:** Closing cash position of $6.8M as at 31 March 2026 with no debt plus rebates and tax incentive claims for FY25 period to be received.
- **Financial Snapshot:** Cash receipts from customers of $373k for the quarter.

FortifAI Limited (ASX: FTI) ("**FTI**" or the "**Company**") provides its Quarterly Activities Statement and Appendix 4C for the March 2026 Quarter ("Q3 FY26").

Operational Summary

During the quarter, the Company completed the acquisition of the exclusive licence to the Nol8 Technology via the acquisition of 100% of the issued capital of FastAI Pty Ltd ("FastAI") ("Acquisition"). Refer to ASX Announcement dated 4 February 2026.

FTI has raised a further $20M to support growing interest in Nol8 Technology and FTI Group. FTI completed a $5M strategic placement (before costs) at $0.30 per Share on 27 February 2026 and recently announced a further strategic placement to raise $15M (before costs) at $0.715 per Share. The $15M strategic placement is scheduled to complete on 7 May 2026. These strategic placements are the result of strong institutional demand and secures funds to accelerate technology, marketing and business development of Nol8 Technology, support business development programs for existing assets, strengthen commercial initiatives and general working capital. Refer to ASX Announcements dated 20 February 2026, 27 February 2026 and 28 April 2026.

Nol8 Developments and Activity

FortifAI unveiled the formal roadmap for Nol8's Agentic AI Data Plane, the high-speed infrastructure layer between large language model inference and execution. The roadmap outlines three stages of engine development: the Demonstration Engine, already proven; the Customer Benchmarking Engine, targeted for July 2026 and currently the subject of active enterprise conversations across AI verticals; and the revenue-ready Commercial Engine, targeted for launch by end of CY2026. Refer to ASX Announcement dated 16 February 2026.

Subsequent to quarter end, the RE2 benchmark testing findings were the subject of two dedicated market releases. The first confirmed Nol8's FPGA-accelerated engine delivers up to approximately 200,000 times the throughput of the Google RE2 standard at AI-grade workloads under extreme load conditions. The second confirmed a single Nol8 FPGA appliance replaces the compute capacity of up to 60,359 CPU's — establishing the infrastructure cost economics of the technology at enterprise scale. Refer to ASX Announcements dated 1 April 2026 and 28 April 2026.

FortifAI appointed Jamie Pope as Chief Solutions Officer of Nol8. Mr Pope brings deep technical software engineering experience combined with enterprise sales and customer success leadership, built across Elastic, MongoDB, Okta and Aviatrix. His appointment is focused on managing growing enterprise interest in the Nol8 AI Data Plane and driving customer integration ahead of the commercial engine launch. Refer to ASX Announcement dated 21 April 2026.

MKL Studio

Mighty Kingdom Games Studio ("MKL Studio") continues to deliver on existing contracts and maintain revenue streams through ongoing support, live operations, feature enhancements and roadmap delivery for current client titles. Royalty and contract cash receipts were lower than the previous quarter, partially due to the early payment of contracted revenue being delivered during H2 FY2026.

MKL Studio increased business development activity during the period, including attendance at several international industry conferences and engagement with new and existing prospective clients. The game development market remains competitive with MKL Studio submitting a number of proposals and bids for new work. The Company continues to pursue new revenue opportunities across work-for-hire development, live operations support, platform partnerships and owned IP monetisation as existing contracts approach completion.

During the quarter, FTI engaged a consultant to assist with a review of the MKL Studio business unit, including go-to-market strategy, cost structures, group IT process and infrastructure utilisation, website requirements and document management systems. MKL Studio has also continued to review its operating model and cost base, with business development activities being absorbed within existing resources following the redundancy of the Studio Director role. The studio remains focused on operational efficiencies and the adoption of AI-enabled production and workflow tools where appropriate.

Financial Results

The Company held a cash balance of $6.812M as at 31 March 2026 and had no debt. In addition, the Company has pending applications for State and Federal rebates and tax incentives with rebates for FY25 period anticipated to be received in FY26.

Cash receipts from customers in Q3 FY26 totalled $373k. Cash outflows from operating activities were $1.46m for the quarter, representing an investment of $1.1M in the Nol8 Technology and MKL Studio. This result reflects ongoing technology development, business development activities and ongoing contract delivery for the business units.

Corporate

During the quarter, as part of the completion of the Company's acquisition of the exclusive licence to the Nol8 Technology, Mr Yosef Keret was appointed as a director of the Company on 2 February 2026. Mr Keret is the Chief Executive Officer of Nol8 Ltd (formerly Celerriem Ltd). Refer to ASX announcement dated 2 February 2026.

During the quarter, the Company announced the appointment Mr Sonu Cheema as a non-executive director and the resignation of Mr Andrew Scott Cole. In addition, Mr Jake van der Hoek was appointed as joint company secretary. Refer to ASX Announcement dated 6 March 2026.

The Company advises that during the quarter a settlement was reached with KitCatCo Pty Ltd, its directors Dr Damien Rompapas, and Mr Justin Daley (collectively "KitCatCo") in relation to proceedings CIV-25-006973 in the South Australian Magistrates Court. The proceedings were commenced by KitCatCo in 2025 relating to matters that pre-date the current board and management. The Company denied all of the claims. The matter has been settled, and the proceedings are discontinued by consent with no order as to costs. The settlement deed binds KitCatCo Pty Ltd, Dr Rompapas personally, and Mr Daley personally.

As required by ASX Listing Rules, FTI notes that the amount of $138k disclosed in Section 6.1 of the accompanying Appendix 4C relates to payments made during the quarter to related parties and their associates. These payments consist of salaries, wages, and consultant fees paid to members of the Board of Directors.

Outlook

The FTI group continues to integrate the Nol8 Technology and Mighty Kingdom business units, following completion of the Acquisition. FTI has complementary business units with teams in both Australia and Israel, and more recently in USA. The operational efficiencies and continued gaming studio revenue and rebates together with ongoing capital market support will assist underpinning the development and progress to an MVP Nol8 Technology. The Nol8 team continues to expand its local team to advance its commercial objectives, expand technology capabilities and pursue potential partners.

Authorised for release by the board of FortifAI Limited.

About FortifAI

FortifAI Ltd (ASX: FTI) is an ASX listed AI infrastructure company developing and commercialising technology with a focus on AI. In addition to developing AI-forward technologies, FortifAI has developed a broad portfolio of video games. FortifAI uses AI to target efficiencies and expansion opportunities in technology.

Glossary

The following company and industry terms are used in this announcement:

Agentic AI: AI systems that operate autonomously and continuously, executing decisions and actions in real time without human input at each step.

AWS Bedrock Guardrails: Amazon's managed safeguard layer for generative AI applications, which uses RE2-based pattern matching to filter and govern data flows into and out of foundation models.

CPU's: Central Processing Units — the primary general-purpose processors used in conventional computing infrastructure.

FPGA: Field-Programmable Gate Array — a specialised semiconductor device whose hardware logic can be configured after manufacture, enabling parallel, high-speed data processing that far exceeds the throughput of conventional CPU's.

LLM: Large Language Model — an AI model trained on large volumes of data to understand and generate human language, such as OpenAI's GPT, Anthropic's Claude, and Google's Gemini.

P50: The median performance result — representing system behaviour under normal, typical operating conditions.

P90: The 90th percentile performance result — representing system behaviour under elevated, high-load operating conditions experienced in the top 10% of traffic events.

P99: The 99th percentile performance result — representing system behaviour under extreme load, reflecting the most demanding 1% of real-world operating conditions.

RE2 or RE2-based software: Google's open-source regular expression (regex) engine — an globally industry standard benchmark for data pattern-matching performance.

SIEM platform: Security Information and Event Management platform — enterprise software that aggregates and analyses security event data in real time for threat detection and compliance.

ZB: Zettabyte — a unit of digital data equal to one trillion gigabytes, used to measure global data volumes at scale.

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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	31 March 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	373	2,136
1.2	Payments for		
	(a) research and development	0	0
	(b) product manufacturing and operating costs	(79)	(237)
	(c) advertising and marketing	0	0
	(d) leased assets	0	0
	(e) staff costs	(755)	(1,753)
	(f) administration and corporate costs	(628)	(1,123)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	23	59
1.5	Interest and other costs of finance paid	(1)	(9)
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives	0	0
1.8	Other – ATO repayment of outstanding tax liabilities	0	(113)
1.9	**Net cash from / (used in) operating activities**	**(1,067)**	**(1,040)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	0	0
	(b) businesses	(200)	(200)
	(c) property, plant and equipment	(5)	(5)
	(d) investments	0	0
	(e) intellectual property	0	0

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
	(f) other non-current assets	0	0
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 (cash acquired from business acquisition)	244	244
2.6	**Net cash from / (used in) investing activities**	**39**	**39**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,001	5,004
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(49)	(147)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	(75)
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	**Net cash from / (used in) financing activities**	**4,952**	**4,782**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,888	3,031
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,067)	(1,040)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	39	39
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,952	4,782
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	**Cash and cash equivalents at end of period**	**6,812**	**6,812**

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	6,812	2,888
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)**	**6,812**	**2,888**

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	138
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) – debt facility with converting loan	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)	(1,066)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,812
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	6,812
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**6.39**

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 April 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.