



FIRSTWAVE
CLOUD SECURITY TECHNOLOGY

FIRSTWAVE INVESTOR UPDATE

28 FEBRUARY 2018
ASX: FCT

AT FIRSTWAVE WE'RE BUILDING MOMENTUM

Right place to take advantage of a \$10bn opportunity.

Right technology – unique in the market place.

Right team – established experts in place.

Right direction in financials.

Right direction with strategic plan.



REAL MOMENTUM AGAINST COMMITMENTS THROUGH THE 1ST HALF OF FY2018

STRATEGIC

- ✓ Raised \$4.35m via a private placement (October 2017) to support the Enable phase of the International expansion strategy
- ✓ Commenced the deployment of a 3 segment operating framework
 - Domestic – Australia, International and Corporate Services
 - Neil Pollock is appointed Chief of Operations and International
 - FirstWave invests \$711k business development expenditure supporting the International Segment

EXPANSION

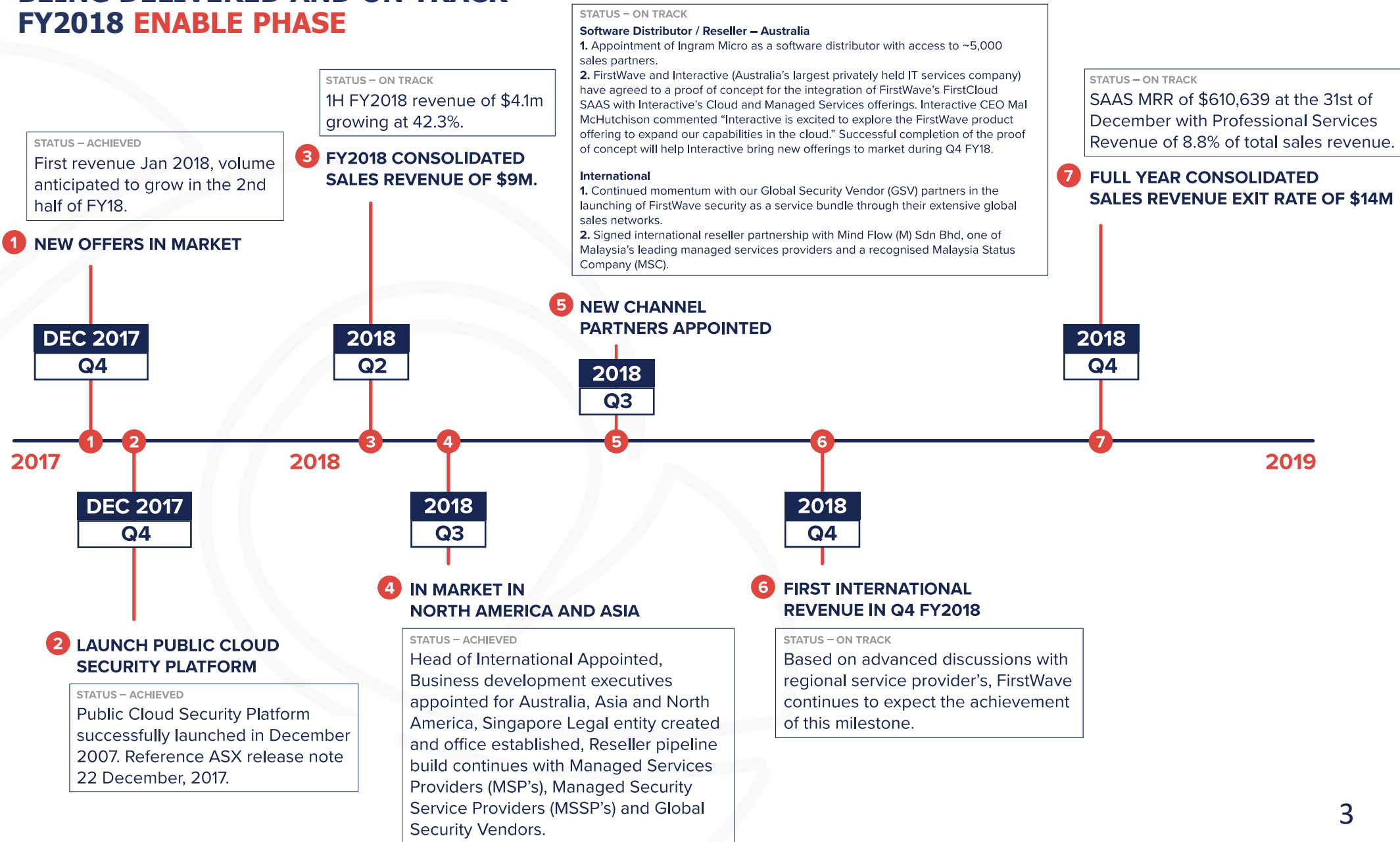
- ✓ Launched new Private Cloud Internet Protect Security offers to FirstWave's Australian private cloud channel partner
- ✓ Launched Public Cloud Security Platform in International Markets
 - Public platform is operational on Amazon Web Services (AWS) using Cisco Amazon Machine Image (AMI) optimised security appliances
 - FirstWave's unique public cloud security platform is available in North America and Asia and is designed to be replicated quickly in other regions to meet demand

FINANCIAL

- ✓ Generated new cloud security revenue streams
 - Strong headline revenue growth, reduced operating losses, reduced operating cash outflow
 - Security-as-a-service revenue (licensing and support) grew 57%
 - Private Cloud customer orders grew to 243 up 88 (57%) on the same period last year
 - Total Contract Value of orders was \$1.374m

KEY MILESTONES

BEING DELIVERED AND ON TRACK FY2018 **ENABLE PHASE**



FINANCIAL MOMENTUM

Consolidated Income Statement	FCTL SEGMENTS			FCTL Consolidated	
	Aus \$	Int' \$	Corp \$	1st Half FY2018	1st Half FY2017
Revenue					
- Sales Revenue	\$ 4,056,727	\$ -	\$ -	\$ 4,056,727	\$ 2,850,900
- Cost of Sales	\$ 1,788,997	\$ -	\$ -	\$ 1,788,997	\$ 1,024,800
- Gross Profit	\$ 2,267,730	\$ -	\$ -	\$ 2,267,730	\$ 1,826,100
- Gross Margin %	55.9%	n/a	n/a	55.9%	64.1%
Other Income	\$ -	\$ -	\$ 468,933	\$ 468,933	\$ 406,820
Expenditure					
- Sales and Marketing	\$ 932,800	\$ 711,400	\$ -	\$ 1,644,200	\$ 1,427,300
- Engineering and Development	\$ 1,269,400	\$ -	\$ 94,213	\$ 1,363,613	\$ 1,246,500
- General and Administration	\$ -	\$ -	\$ 1,888,300	\$ 1,888,300	\$ 1,435,241
- Share Option	\$ -	\$ -	\$ 48,100	\$ 48,100	\$ 671,400
	\$ 2,202,200	\$ 711,400	\$ 2,030,613	\$ 4,944,213	\$ 4,780,441
EBITDA	\$ 65,530	\$ (711,400.0)	\$ (1,561,680)	\$ (2,207,550)	\$ (2,547,521)
Interest			\$ 13,925	\$ 13,925	\$ 20,002
Tax			\$ (58,380)	\$ (58,380)	\$ (21,000)
Depreciation and Amortisation			\$ 512,965	\$ 512,965	\$ 412,600
Net Profit/(Loss)	\$ 65,530	\$ (711,400.0)	\$ (2,030,191)	\$ (2,676,061)	\$ (2,959,123)

Financial Results

Revenue \$4.1m up 42.3% compared to the same period last year

Gross margin of 55.9% impacted by pass through of Infrastructure as a service (IAAS) and the change in revenue mix to Next Generation Firewalls (NGFW)

Other income growing through the recovery of Research and Development expenditure incentives

The Australian segment is contributing towards EBITDA

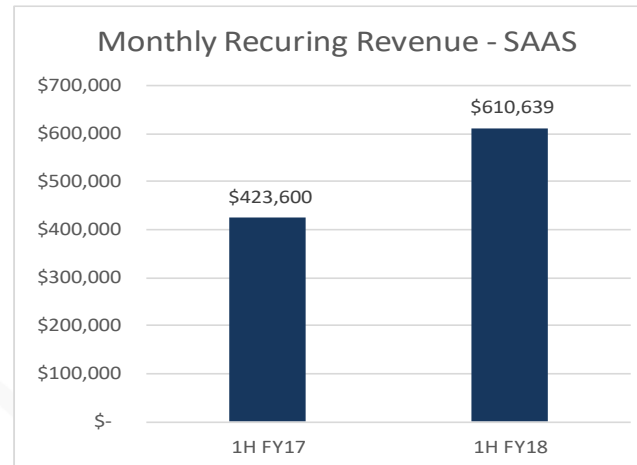
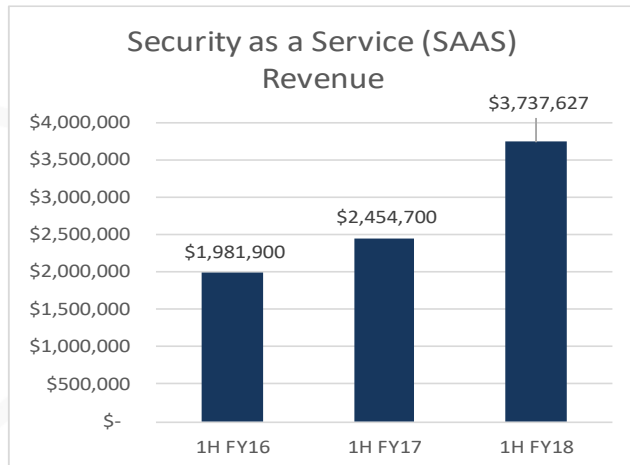
Result includes \$711,400 investment in business development for the International Segment

EBITDA loss is down 13.3% compared to the same period last year

Amortisation continues to grow as FCT invests in software development

Net Loss is down 9.6% compared to the same period last year

REVENUE MOMENTUM



Revenue: \$4.1m

UP 42.3% from 1H FY17

MRR SAAS: \$610,639 *

UP 44.2% from 1H FY17

* MRR - SAAS is closing monthly revenue for December

Financial Results

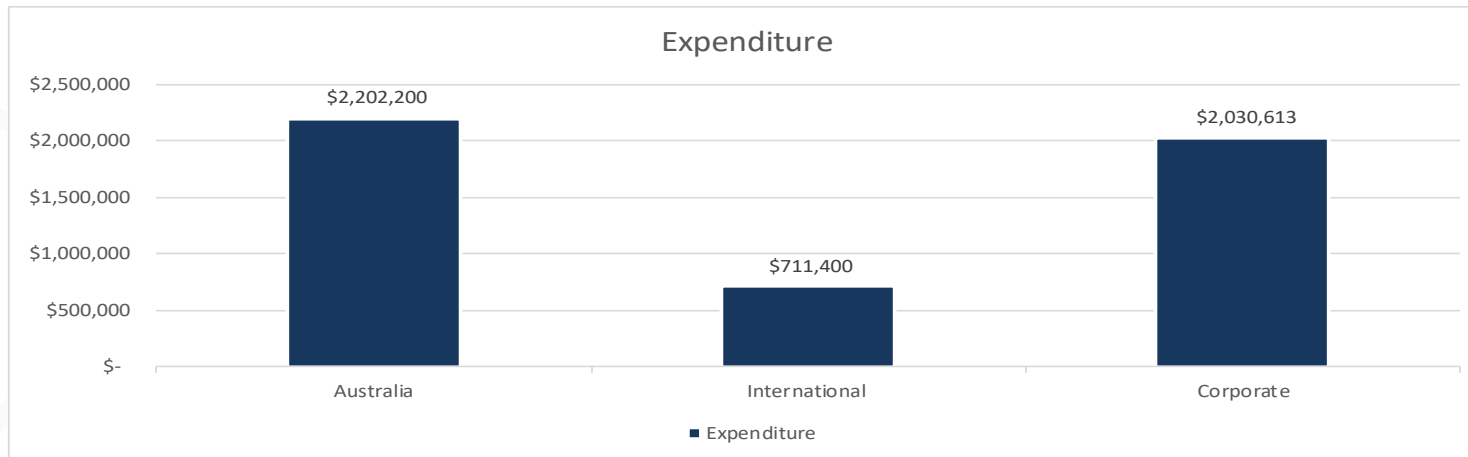
For the six months ending 31 December 2017

Revenue of \$4.1m, up 42.3% compared to the same period last year, driven by additional customers through the private cloud channel in the Australian segment

Monthly recurring revenue (MRR) \$610,639, up 44.2% compared to the same period last year, driven by additional next generation firewall and email security as a service volumes

Professional Service Revenue of \$329,742 is 8.1% of the total sales revenue for the 1H FY2018

BUSINESS DEVELOPMENT MOMENTUM



Operating Expenditure: \$5.5m

UP 4.9% from 1H FY17

Financial Results

For the six months ending 31 December 2017

Operating expenditure grew to \$5.5m, driven by increase business development expenditure supporting the International segment (\$711,400)

Operating Expenditure for the Australia segment \$2,202,200 was below the Australia segment gross profit by \$65,530 and is now at a consistent run rate, with capacity to scale

Operating Expenditure for the International business is expected to grow to similar levels as the Australia segment with the first revenue milestone anticipated in 4Q FY18

Corporate Expenditure \$2,030,613 includes the Board, Finance and Administration, CEO Office and Research and Development lead by the Chief Technology Officer

FINANCIAL POSITION

Consolidated Financial Position	31st December 2017		30th June 2017	
Current Assets	\$	7,161,585	\$	6,224,171
Non-Current Assets	\$	5,595,329	\$	5,684,893
Total Assets	\$	12,756,914	\$	11,909,064
Current Liabilities	\$	4,121,227	\$	4,825,506
Non-Current Liabilities	\$	2,314,270	\$	2,197,585
Total Liabilities	\$	6,435,497	\$	7,023,091
Equity	\$	6,321,417	\$	4,885,973
Cash Position		1st Half FY2018	30th June 2017	
Cash and Cash Equivalents at the end of the period	\$	4,080,864	\$	1,761,889

Financial Position

Successful Capital Raise of \$4.35m completed in October, 2017

Continued investment in R&D highlighted by the launch of the Global Cloud Security Platform in December 2017

Closing cash balance of \$4.1m at the 31st of December 2017

DISCLAIMER AND ASIC GUIDANCE

Summary information

This Presentation contains summary information about FirstWave and their activities current as at 28 February 2018, unless otherwise stated. The information in this Presentation does not purport to be complete. It should be read in conjunction with the FirstWave's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

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Financial data

All dollar values are in Australian dollars (A\$).

Future performance

Forward looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

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Not an offer

This Presentation is not, and should not be considered, an offer or an invitation to acquire FirstWave shares.

ASIC GUIDANCE

In December 2011 ASIC issued Regulatory Guide 230. To comply with this Guide, FirstWave is required to make a clear statement about whether information disclosed in documents other than the financial report has been audited or reviewed in accordance with Australian Auditing Standards. This Presentation is unaudited.



THANK YOU