



FIRSTWAVE
CLOUD SECURITY TECHNOLOGY

FY18 INVESTOR PRESENTATION

August 2018

OUR VISION

Is to be the world's most adaptive and comprehensive cloud cyber-security platform

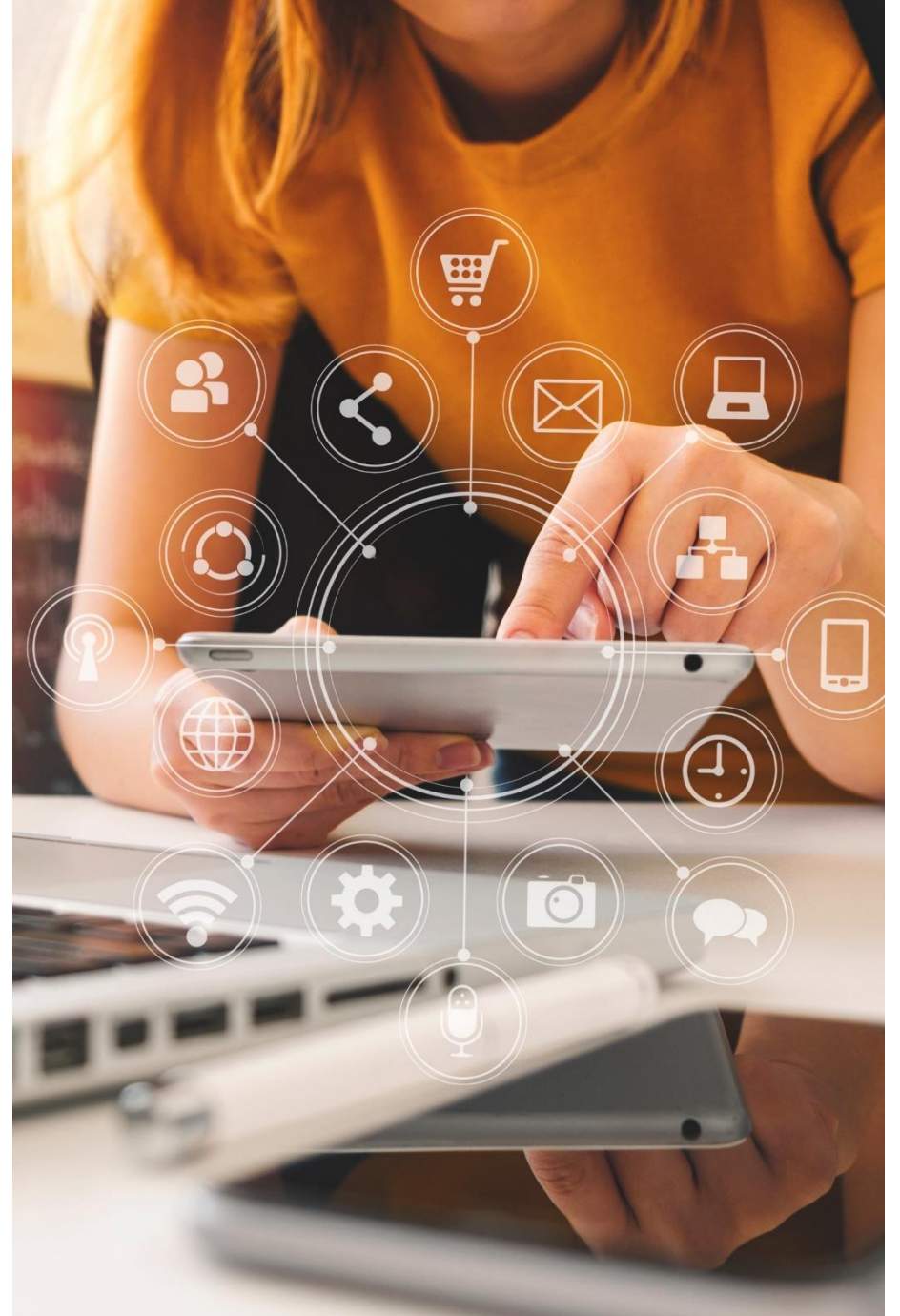
Key Strategic Highlights

Phase One: “Enable” Completed

- ❖ \$10.1 million in capital raised
- ❖ Public cloud security platform launched – Sydney, Singapore, North America
- ❖ APAC business development team in market
- ❖ Distribution and reseller agreements signed – First orders/revenue Q4 FY18
- ❖ Software original equipment manufacturer (OEM) development and license agreement signed. Pre-sale activity commenced
- ❖ Channel capacity - foundation established to achieve 3 and 5 year strategic aspiration

Phase Two: “Expand” Commenced

- ❖ Experienced CEO, David Kirton appointed
- ❖ Strengthening pipeline across multiple new channel partners



Strategy Execution

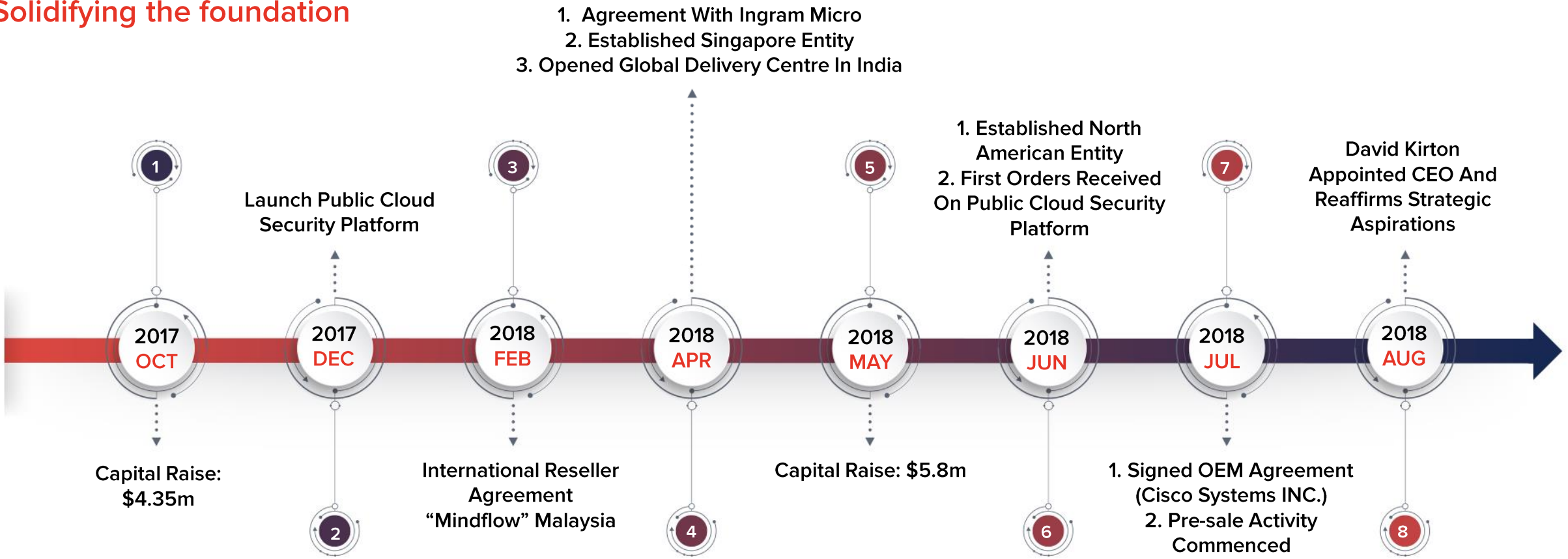
1% market share of \$13.8 billion industry by 2023

Phase	Timeframe	Metrics (On Exit)		Comments
"Enable"	FY18	Revenue	\$7.8m	FY18 Audited Financial Results Invested capital to date \$25m
		EBITDA	(\$6.3)m	
		Cash Balance	\$5.8m	
"Expand"	FY19 – FY21	Revenue	\$50m	Target three year plan Invested capital \$40m
		EBITDA Margin	~20%	
		Cash Requirement	\$15m	
"Scale"	FY22 – FY23	Revenue	\$138m	Target five year plan – 1% market share of global cyber security market* Capex as a % of revenue
		EBITDA Margin	~25%	
		Capital Expenditure	~12%	

* Source: Cybersecurity Ventures and IHS Technology Cloud and CPE Managed Security Services Annual Market Report: Regional 3.4.2017

“Enable” Phase – FY18

Solidifying the foundation



FY18 Financial Performance

Phase 1 “Enable”

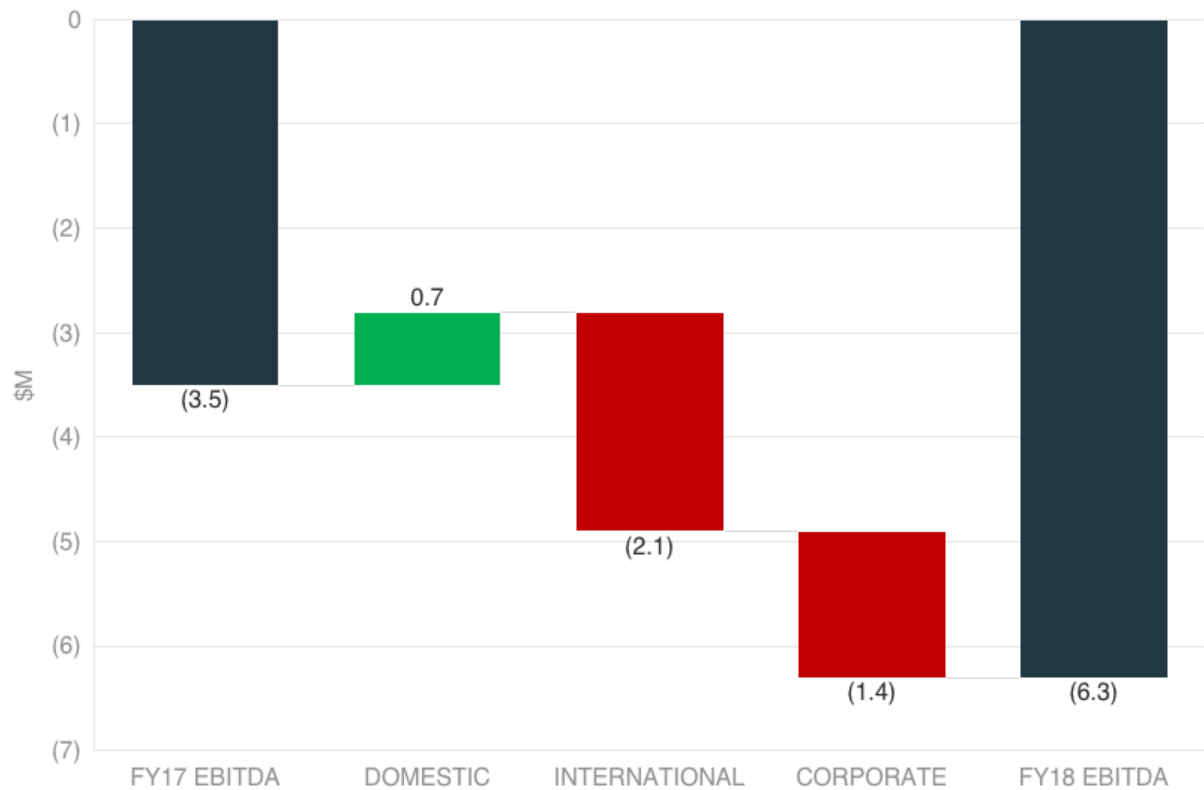
\$M	FY18	FY17	Var \$	Var %
Revenue	7.8	6.4	1.4	21%
Gross margin	4.3	4.0	0.3	8%
Operating cost	11.2	8.0	3.3	41%
EBITDA	(6.3)	(3.5)	(2.9)	(83%)
NPAT	(8.7)	(5.0)	(3.7)	(72%)
Cash Balance	5.8	1.8	4.0	241%

Comments

- ❖ 33% increase in recurring revenue, decline in nonrecurring revenue from \$0.8m to \$0.3m
- ❖ 8% increase in gross margin driven by incremental Next Generation Firewall volumes
- ❖ Increase in operating cost to support expansion of operations into international markets
- ❖ Reversal of deferred tax asset \$1.1m
- ❖ Capital raised in FY18: \$10.1m

FY18 EBITDA Bridge

Improvement in domestic business and investment in international expansion



Comments

- ❖ Domestic Business: 21% increase in revenue and 68% EBITDA improvement
- ❖ International: \$2.1m investment; expansion into Singapore and North America – setup and business development activity
- ❖ Corporate: Increase in expenditure, to support International expansion and once-off restructuring costs (\$0.3m)

Right Market At The Right Time

Cyber crime is exploding across the globe

43%

increase in cyber attacks
aimed at SMBs*

300%

increase in ransomware
attacks daily to 4000***

1 in 131

emails now
contain malware*

230,000

new malware samples
produced every day**

3,947%

increase in data breach cost to
average company by 2020**

\$3,000,000,000

cost to business from email phishing
attack over past 3 years**

\$2,000,000,000,000+

cyber crime cost to business by 2019**



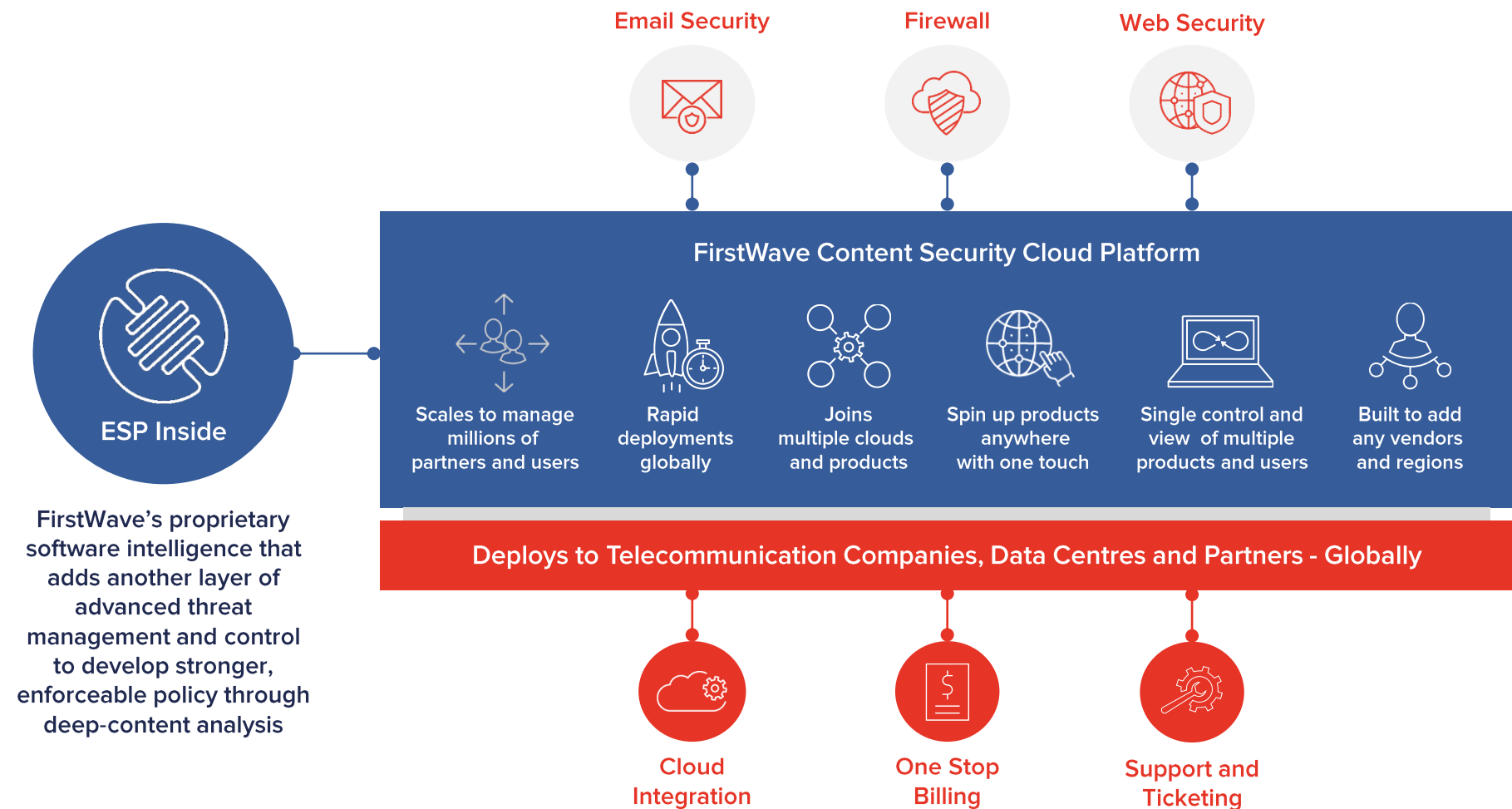
*'2017 Internet Security Threat Report' Symantec

**'The Future of Cybercrime & Security: Financial and Corporate Threats & Mitigation' Juniper Research, 2015

***'How to protect your networks from Ransomware' FBI 2017

World Leading Cloud Platform

Advanced security management in a multi-cloud world



Going To Market Through Six Channels



“Expand” FY19 Milestones



Product Growth

Invest and “Scale” our product offering and development teams, adding additional features, functions and virtualised security appliances to our Cloud Cyber Security Platform



Geographic Growth

Invest in the establishment of an additional business development team to cover Europe and North America, with first orders expected to be received from this region in Q4 FY19

International revenue growth to exceed year on year domestic revenue growth



Revenue Growth

First orders and revenue from our Palo Alto Networks virtualised NGFW security appliances in Asia

First orders and revenue under the software OEM development and license agreement with Cisco

“Expand” FY19 - FY21 Ambitions



Product Integration

FirstWave Cloud Content Secure Gateway Orchestration Platform deployed in leading Service Provider, Enterprise and Government organisations globally

FirstWave Platform as a Service offering deployed through leading cloud platform providers globally



Geographic Expansion

Revenue generation derived across 4-Key regions (ANZ, APJ, EMEA, North America)



Shareholder Return & Value Creation

International revenue target \$30m

Domestic revenue target \$20m

FirstWave becomes cash self sufficient

Disclaimer

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