



FIRSTWAVE
CLOUD SECURITY TECHNOLOGY

INVESTOR PRESENTATION

FY2019 - Update

“Our vision is a world where comprehensive, robust enterprise cyber-security is simple to obtain and manage, right down to the individual user; our mission is building the platforms that enable Security Service Providers to deliver this vision to benefit all businesses.”

David Kirton, CEO

Our story

- ❖ Headquartered in Sydney, Australia
- ❖ Listed on Australian Stock Exchange (ASX:FCT) – May 2016
- ❖ Our proprietary IP - Software technology in cloud content security service orchestration
- ❖ Enabling Security Service Providers to:
 - ❖ Sell security as a service
 - ❖ Manage the evolution of security vectors as risks evolve
 - ❖ View and manage from one pane of glass
 - ❖ Transform the economics of providing cyber-security, by simplifying user-level deployment, configuration, management and thus promoting long-term customer satisfaction and retention
 - ❖ Profitably deliver services to end-customers at prices that are economically superior when compared to traditional physical and legacy licence or end-point based solutions
- ❖ Deep, long-term experience in cloud email, web and firewall security
- ❖ 17% CAGR in recurring SaaS revenues for the last 3 years



“
In a vulnerable
digital world, we
develop technology
that enables everyone
to be cyber-secure.
”

David
Kirtton
CEO

Our market is still exploding



Cybercrime
is exploding
across the globe

1 in 131
emails now contain malware*

US\$3 billion+
cost to business from email phishing attack over past 3 years**

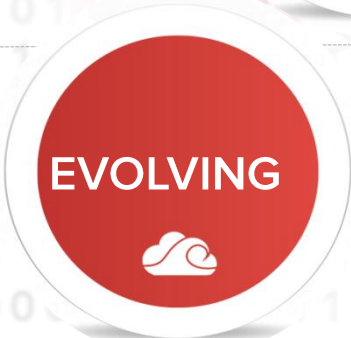
US\$2 trillion+
cybercrime cost to business by 2019***



Cybersecurity
market to grow
to US\$140B by 2021

US\$10 billion+
FirstWave addressable market by 2021

2,500+
global security vendors







Rapid move
to multiple cloud
infrastructure

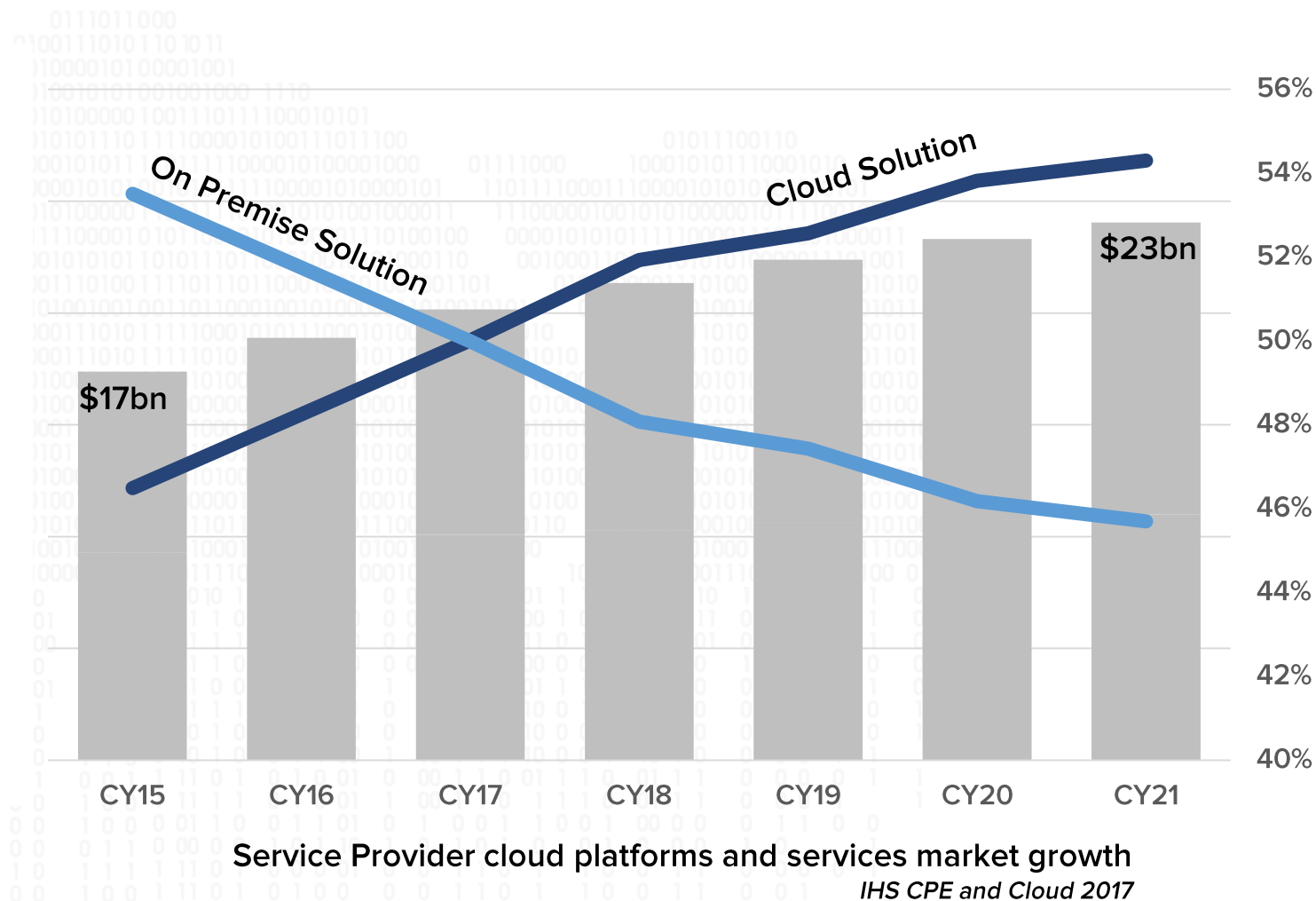
69%
of enterprises will have multi-cloud/hybrid IT
environments by 2019

US\$178 billion+
size of global public cloud market in 2018 with 24% growth rate

* '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

Customer's workloads are migrating to cloud/multi-cloud

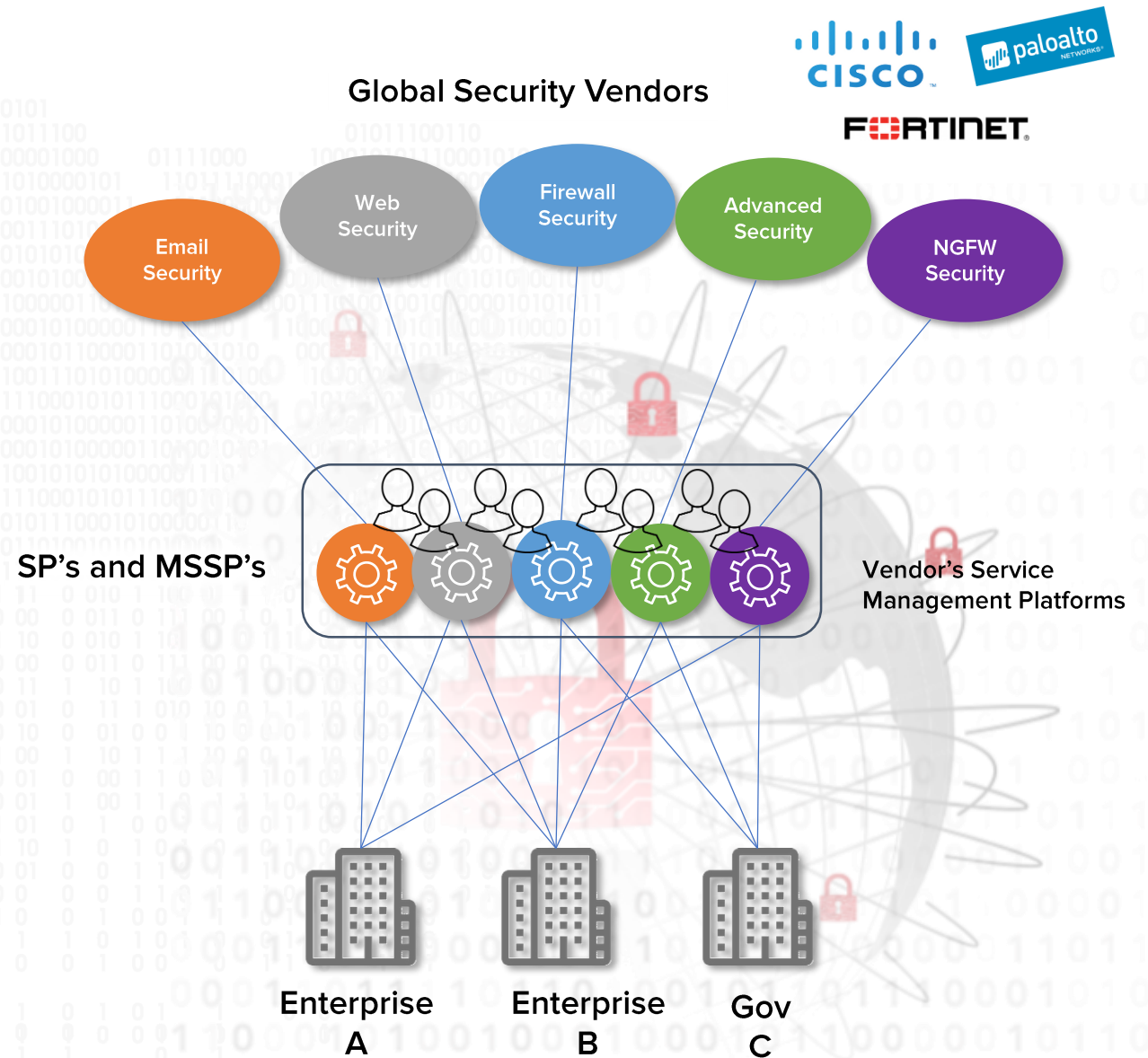
-  **Managed cloud security adoption growing**
-  **Customer cloud demand growing across business segments**
-  **Cloud migration driving customer churn at cyber security service providers**
-  **Explosion of new cloud security vendors**



The problem – maintaining robust cyber-security is becoming untenable

Managed Security Service Providers (MSSP/SP)

- ❖ The number of attacks is increasing
- ❖ Email remains the number 1 threat vector
- ❖ Regulation & compliance more difficult
- ❖ ‘Sprawl’ of security technology, with skills shortage
- ❖ Rising Board/C-level awareness of cyber threats/risks to enterprise
- ❖ Operational costs are increasing
- ❖ “Enterprise grade security” is out of reach for most in the market
- ❖ Security Service Providers need to provide an efficient way to secure users





FIRSTWAVE
CLOUD SECURITY TECHNOLOGY

We believe every business wants easy access to enterprise-quality, cyber-security solutions that are simple and powerful, providing comprehensive protection for every facet of their electronic presence

Delivered with the world's most adaptive and comprehensive cyber-security platform to help enable one touch multi-vendor automation



FIRSTWAVE
CLOUD SECURITY TECHNOLOGY

Our investment thesis

- ❖ The market for cyber-security technology and services will increasingly expand
- ❖ Managing the technology involved in protecting all facets of businesses' electronic presence will become unsustainable and largely outsourced to Security Service Providers
- ❖ The complexity of managing current and emerging cyber-security technologies will need to be automated via SP/MSSP orchestration platforms, that encompass all key user-level security tasks
- ❖ SP/MSSP orchestration is a “Goldilocks” opportunity: big enough to build multi-hundred million revenues; small enough market sliver for a specialist business to capture and sustain leadership
- ❖ FCT can scale and accelerate growth by solving key problems faced by Security Service Providers and major Cyber-Security Technology vendors

“
In a vulnerable
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David
Kirtan
CEO

Simplification and automation is essential

By providing a platform that offers SaaS to enable the telco/MSSP/GSI to switch on revenue rapidly

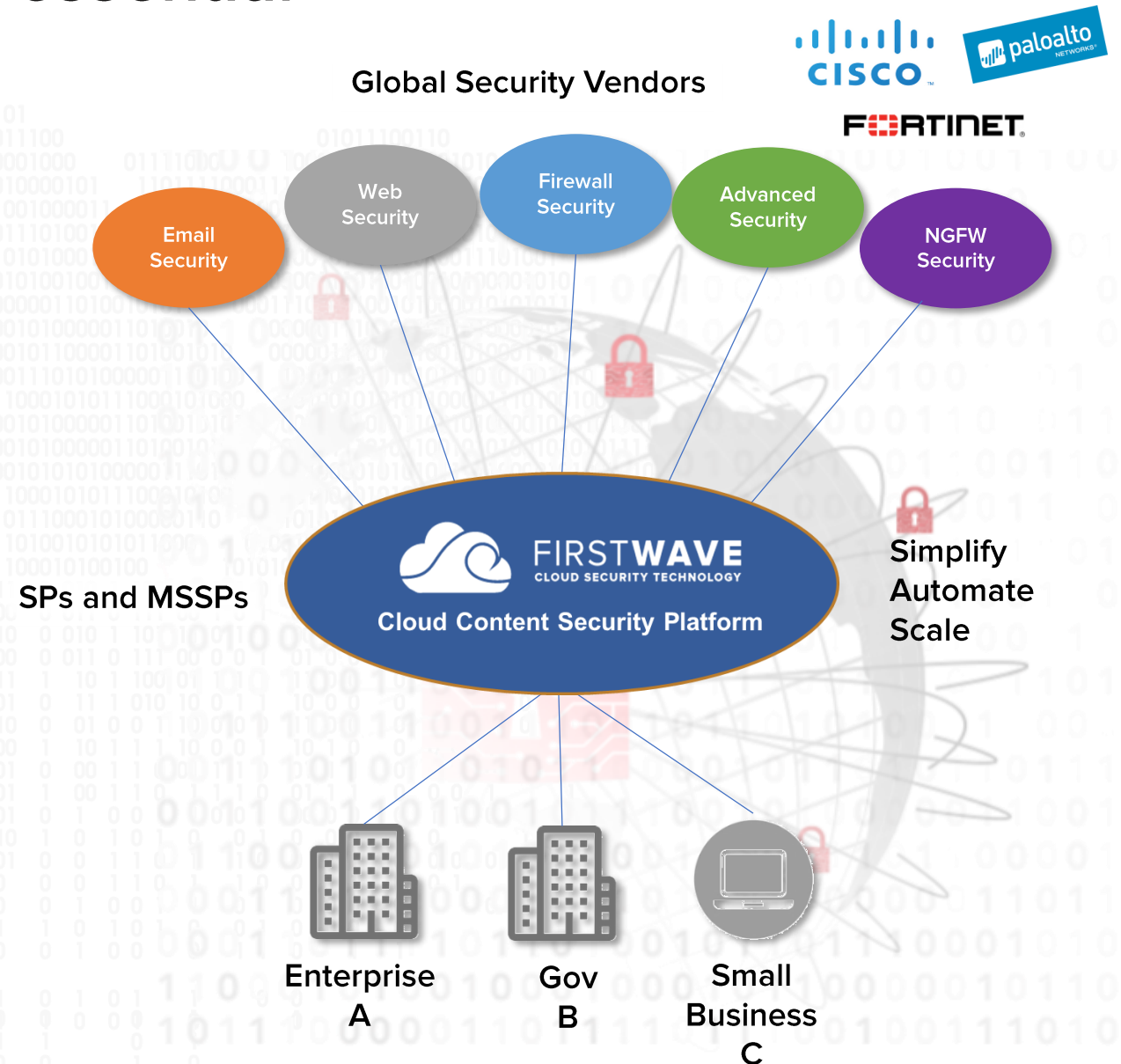
❖ Simplified security that works

❖ Enabling MSSP's, Telco's, GSV's to:

- ❖ Sell security as a service
- ❖ Manage the evolution of security vectors as risks evolves
- ❖ View and manage from one pane of glass
- ❖ Transform the economics of providing cyber security, by simplifying deployment, configuration, management and de-risking retention

❖ End Customers benefit by getting:

- ❖ Enterprise grade Security delivered as a service
- ❖ At prices that are economically superior when compared to traditional physical and legacy licence or end-point based solutions



FCT 5-year strategic plan

SCALE FY2021– FY2022

ENABLE FY2018-19 Completed

- Roll out FirstWave's unique Platforms commencing in North America and Asia.
- Establish a lean, targeted presence in key international markets.
- Deepen existing partner relationships and sign new key channel partnership agreements in Asia and North America.
- Drive efficiencies through automation.

EXPAND FY2019-21

- Invest in FirstWave's culture of innovation.
- Maturing DevOps capabilities.
- Adding support for new virtual appliances, hypervisors and consumable features to the platform.
- Increase market penetration through existing and new sales channels.
- Mirror platform expansion with market opportunities.
- Accelerate brand and stakeholder communications.
- Achieve operating cash-flow breakeven.

- Scale technology and operations in chosen markets.
- Continue to enter new markets.
- Stay lean.
- Deliver shareholder return on investment.

1%
of global
cyber security
market
~\$140M



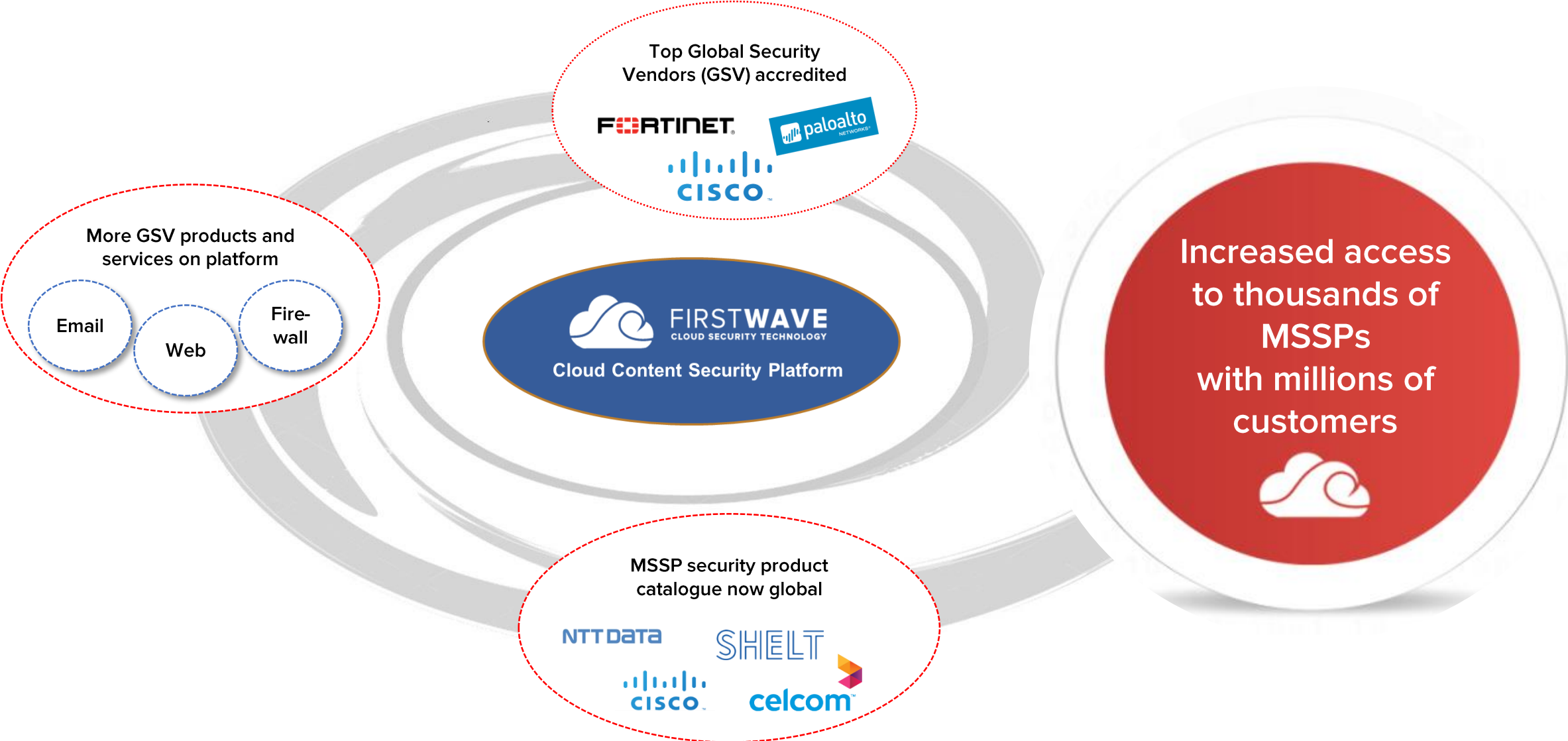
FY2019 achievements year to date

Now in “Expand Phase” of the FCT 5 year strategic plan

- ✓ Global market opportunity doubled in six months
- ✓ Distribution and reseller agreements signed:
 - ✓ First Asian Service Provider Celcom
 - ✓ First Global Service Integrator NTT Data UK
 - ✓ First MEA Service Integrator SHEL.T.Com
 - ✓ Additional resellers Mind-Flow, Kronicles
- ✓ Software original equipment manufacturer (OEM) agreement signed with global leader Cisco Systems Inc (Cisco)
- ✓ Cisco OEM certifications completed and ISO re-accreditation
- ✓ EMEA, North America and APAC business development teams in market
- ✓ First successful Cisco OEM Proof of Value (POV) with North American global SP
- ✓ Public cloud security platform launched in Sydney and London with North America ready for service Q4 FY2019
- ✓ Telstra Product and Service Agreement (PSA) re-signed



FCT's global market opportunity doubled in 6 months



Cisco OEM agreement in full flight

Global SP product ready with first revenue Q4 FY2019



H1 FY2019



Q3/Q4 FY2019



FY2019-21

H1 FY2019 financial performance

Continued investment, while maintaining >10% recurring revenue growth

\$M	H1 FY19	H1 FY18	PCP Var \$	PCP Var %
Revenue	4.2	4.0	0.2	4%
Gross margin	2.2	2.3	0.1	(2%)
Operating cost	7.5	4.5	3.0	66%
EBITDA	(5.2)	(2.2)	(3.0)	(136%)
NPAT	(5.8)	(2.7)	(3.2)	(119%)

- ❖ Growth of revenue: 4.1% increase with an increase in recurring revenue of 10% offset by decline in one-off revenue
- ❖ Operating costs: Increases related to expansion of operations into international markets
- ❖ Significant investment in business development, product development, IT infrastructure and IT development
- ❖ Compounded Average Growth Rate (CAGR) of 17% over the last 3 years for Security as a Service recurring revenues

Robust outlook heading into FY2020

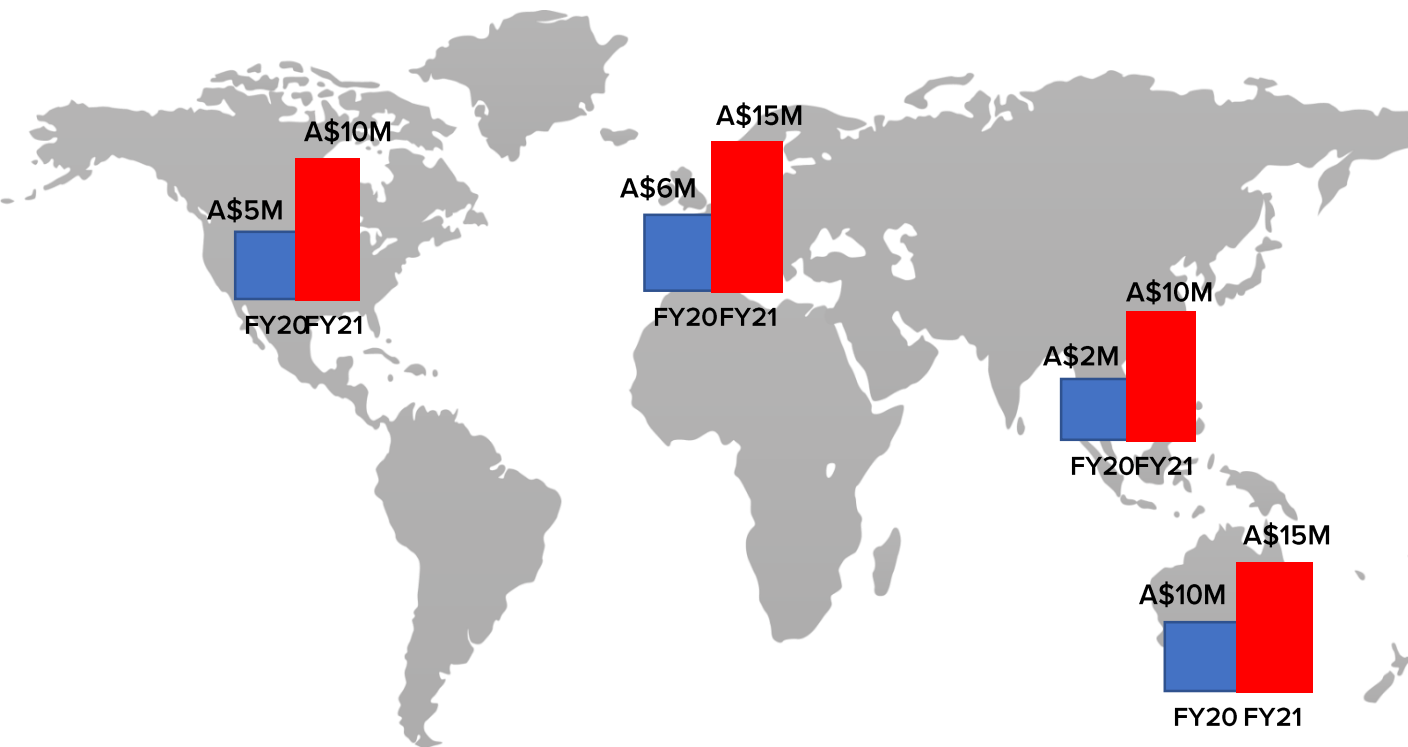
By Q4 FY2019, revenues from all key markets supported with comprehensive, differentiated product roadmap

- ✓ Cisco OEM agreement - first revenues North America and ANZ
- ✓ NTT DATA UK - first revenues from UK
- ✓ SHELT Global Ltd - first revenues Africa
- ✓ Celcom - first revenues from Asia
- ✓ Telstra - Incremental revenues from connected workplace initiative (CWP)
- ✓ Platform innovation includes virtual automation of GSV email security service, web and firewall
- ✓ Business development participation in global sales events
- ✓ Fulfil the high demand for POV deployments in Europe, Africa and Asia
- ✓ Exit MRR trajectory of A\$13.5million annualised, leading to potential FY20 in-year revenue of A\$23million



FY2021 targeted exit revenue on track

GSV and GSI market access - Provides the capacity to achieve three-year target. First revenues expected from all regions by June 2019 - Asia, North America, Europe, Africa



- ✓ Europe – Driven by NTT Data UK and Cisco OEM licensing agreement

Estimate 3-year revenue for the UK and Europe at between AUD\$8 million and AUD\$10 million annualized recurring.

- ✓ Middle East and Africa – Driven by SHEL.T.COM and Cisco OEM licensing agreement

Current forecasts estimate year one revenue for the Middle East and Africa at between A\$1 million and A\$4 million.

- ✓ North America – Driven by Cisco OEM licensing agreement, + Others

Current forecasts estimate 3-year revenue at between A\$8 million and A\$10 million. With FY2020 exit run rate at ~A\$2 million.

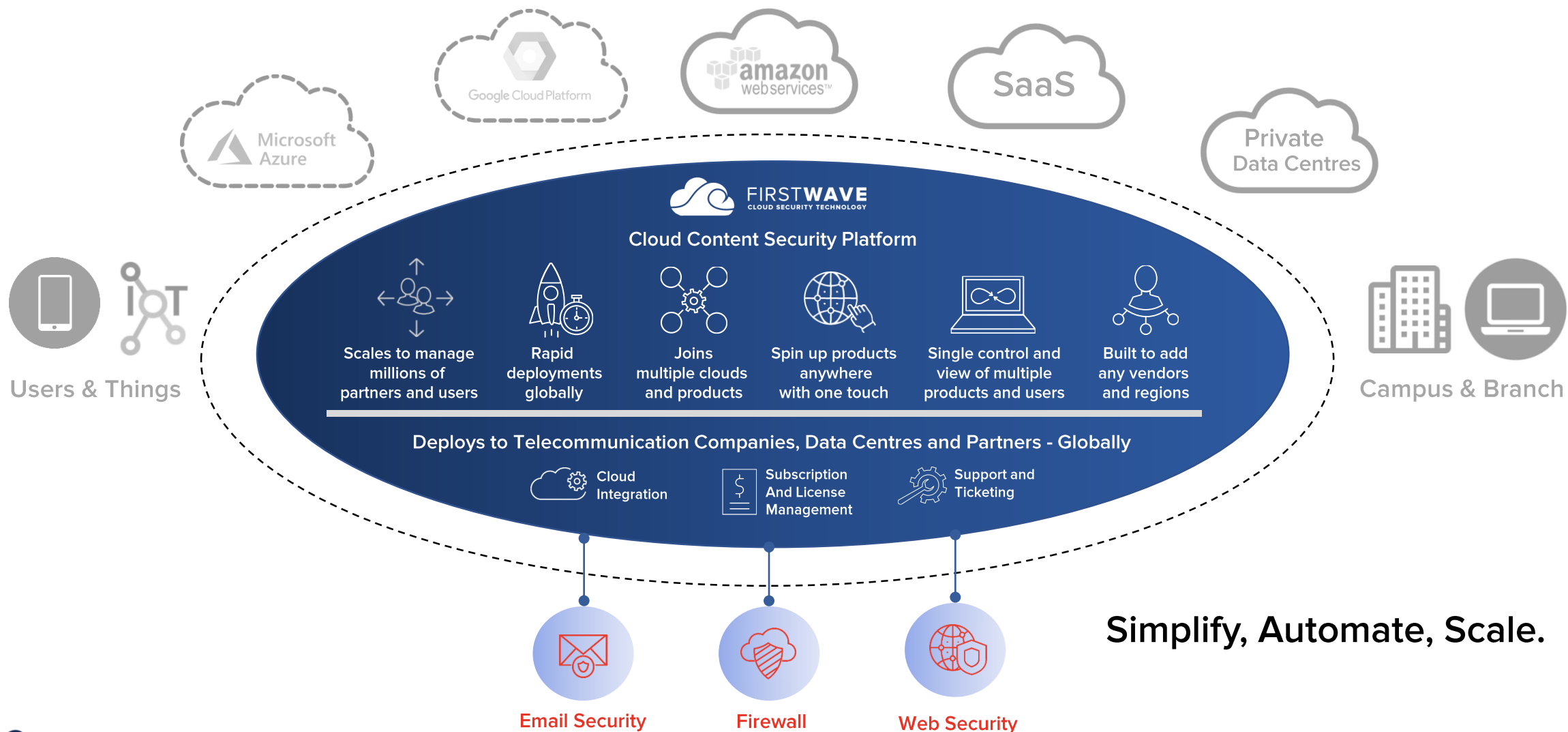
- ✓ APJ – Telstra, Cisco OEM licensing agreement, Mind-flow, + Others

Current forecasts estimate 3-year revenue at between A\$20 million and A\$25 million.

Exit revenues FY2019 - A\$13.5m. In-year revenue building to FY2020 - A\$23 million and FY2021 - A\$50 million

A closer look at our platform provides significant future upside

Our adaptive one touch cloud cyber-security platform purpose built for a multi-cloud world



Simplify, Automate, Scale.

Experienced management team to execute



Sam Saba
Chairman

Senior executive with over 20 years of experience in leading large multinational companies



Roger Carvosso
Director – Product and Innovation

Product professional with more than 20 years of experience in the global telco industry.



Neil Pollock
Chief Operating Officer and Head of International

Global business leader with 27 years of ICT, telco and energy sector experience across Asia Pacific, the Middle East and India.



Santosh Agrawal
Director - Global Deployment

Extensive experience across strategy, finance and operations developed over 20 years.



Gai Stephens
General Counsel

General counsel and company secretary with over 20 years of experience



David Kirton
Chief Executive Officer

Trusted business partner with over 20 years of ICT industry experience



Simon Ryan
Chief Technology Officer

Globally recognised leader and innovator in cloud technology with more than 12 years in the areas of AI, machine learning and data mining.



THANK YOU



David Kirton
CEO

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A simple guide to acronyms in our presentation

FirstWave plays in highly technical world so here are some definitions to help you navigate terminology

- ❖ BDM – Business Development Manager – sales executive
- ❖ CSP – Cloud Service Provider – e.g. a telecommunications company
- ❖ EMEA – Europe, Middle East, Africa – regions
- ❖ Exit revenue – Annualised Monthly Recurring Revenues (AMRR) as at June 30 of the corresponding fiscal year
- ❖ GSI – Global Service Integrator
- ❖ GSV – Global Security Vendor – e.g. Cisco, Palo Alto Networks, Fortinet
- ❖ MRR – Monthly Recurring Revenue
- ❖ MSSP – Managed Security Service Provider – e.g. a telecommunications company
- ❖ OEM – An original equipment manufacturer (OEM) is a company that produces parts and equipment that will be marketed and sold by another manufacturer – e.g. what FirstWave does with Cisco
- ❖ SaaS – Security as a Service
- ❖ SP – Service Provider – e.g. a telecommunications company

Disclaimer

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