



FIRSTWAVE
CLOUD SECURITY TECHNOLOGY

FirstWave Cloud Technology Investor Update

29 October 2019

FirstWave's Cloud Content Security Platform (CCSP) is a unique SaaS email, web & firewall security services orchestration platform for Telco / Service Providers that prevents cyber security threats from impacting their customers

Disclaimer

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Agenda

Chairman's Update

Strategy

Progress on Path to Revenue

Partner Led Product and Platform Delivery

Financial Update

Q2 FY20 Outlook

Summary

Crystallising the Opportunity

Chairman's Update

Executive Chairman John Grant

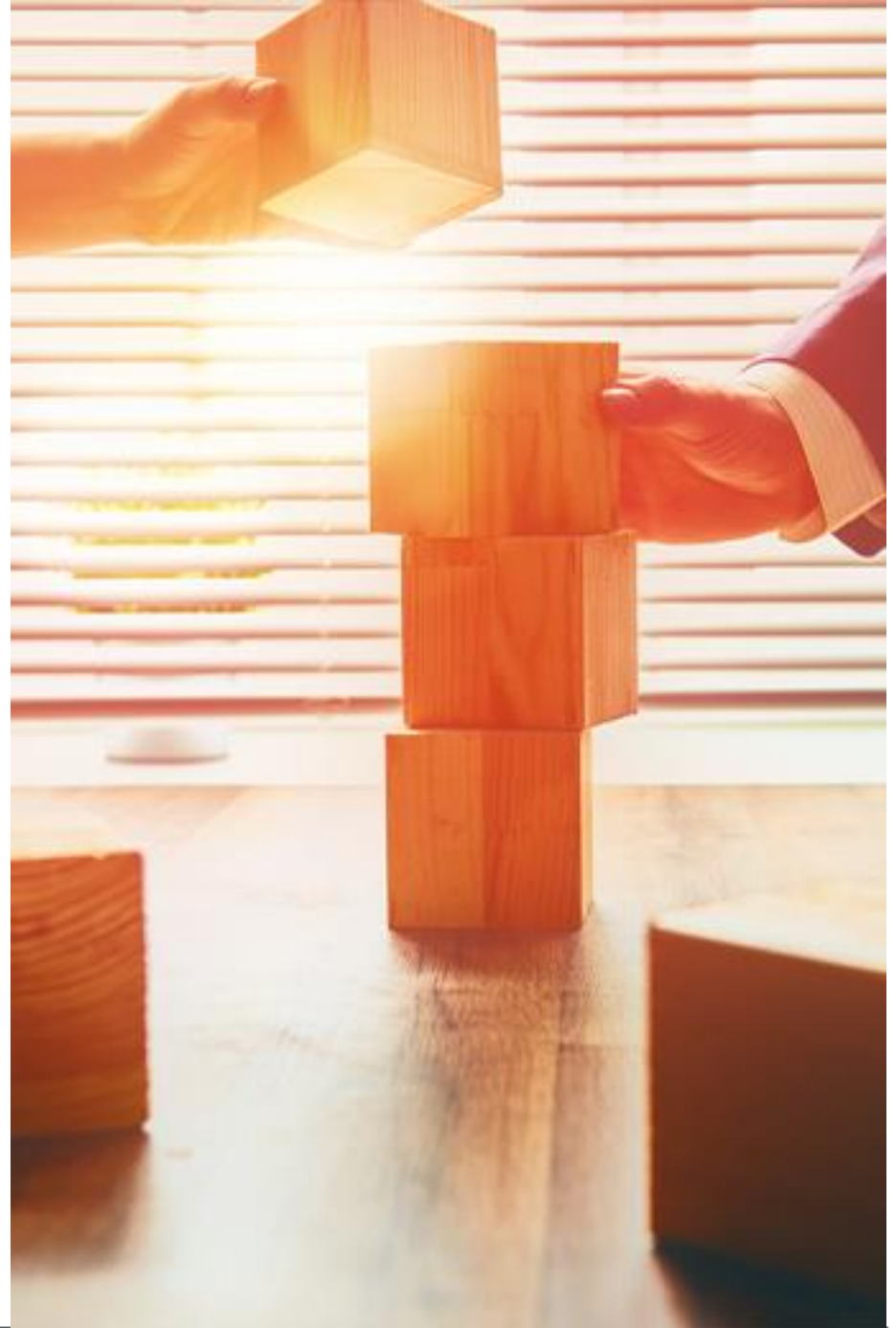


Chairman's Update

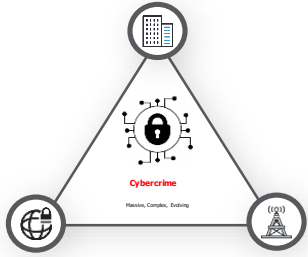
- Key investor markers for FY20
 1. Sustained Partner progress on the Path to Revenue
 2. # Customers to revenue with a target of 18
 3. Delivery of the product and technology roadmap
 4. Optimisation of cost structure
 5. Cashflow
- Update against key investor markers
 1. Good partner progress on the Path to Revenue – new Level 1 partner signed
 2. 7 partners deliver revenue – 4 international (albeit relatively small)
 3. On track delivery of product and technology roadmap but have to make strategic choices
 4. Reduced cost structure but offset by increased investment in the production business units
 5. Capital raise and expected R&D cash rebate will see business funded into Q3

Crystallising the Opportunity

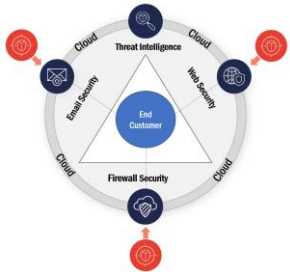
Strategy



Strategy



- Cybercrime – a global \$840b problem for Customers
- Global Security Vendors are challenged to address the SMB security opportunity and are struggling to operationalise a global SaaS model
- Telcos and Security Service Providers need new integrated SMB offerings and under attack from Cloud/SaaS competitors



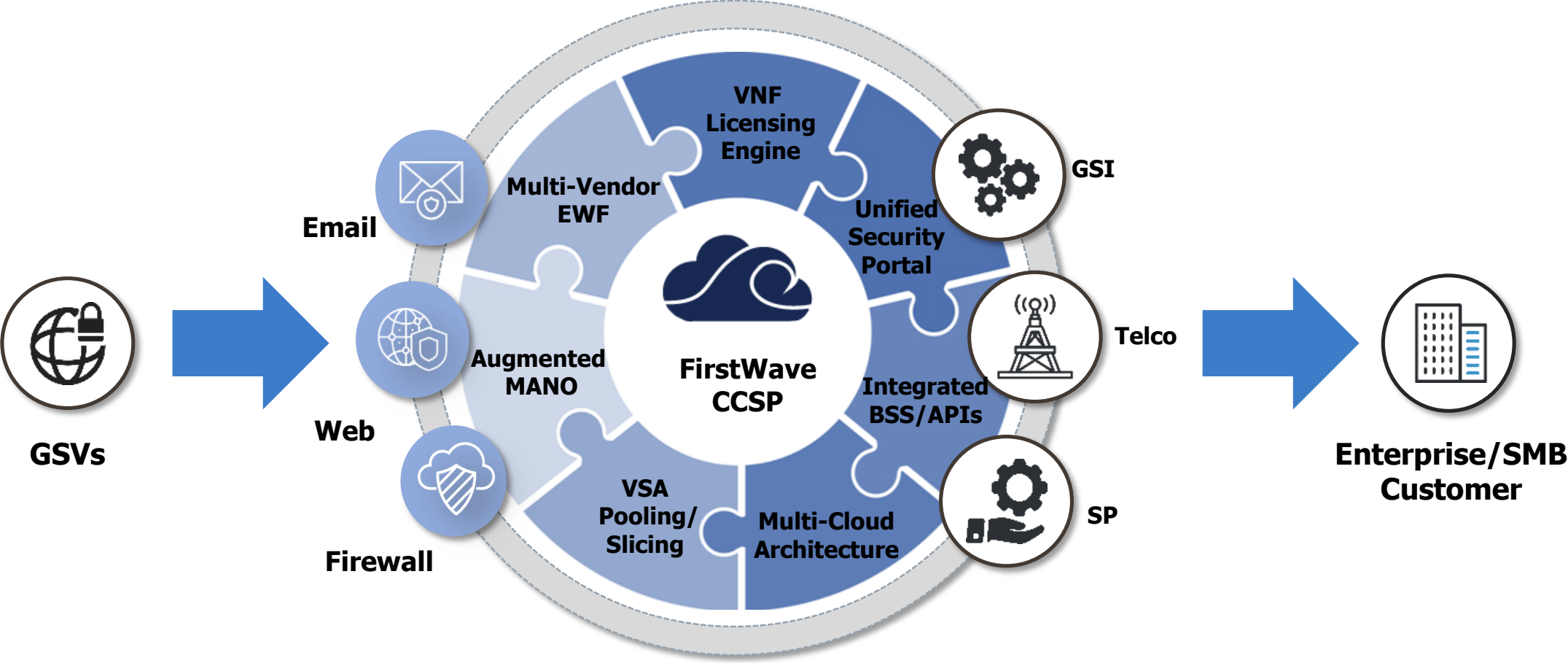
- The end user is under threat – at the perimeter through email, web, firewall and endpoint



FCT Cloud Content Security Platform (CCSP)

- FirstWave CCSP is a unique SaaS Security life-cycle orchestration PLATFORM for Telco/Service Providers that redefines their delivery economics and prevents cyber security threats from impacting their customers

FirstWave's Cloud Content Security Platform



Significant growth opportunity through SaaS Orchestration Platforms in Telco/CSPs for business customers

FirstWave's CCSP Continues to be Validated Globally



**12 years of
Telco
deployment**



**Global OEM
contract**



**Global System
Integrator
contract**



**EMEA Service
Provider contract**



**Telco
deployment**



**Technology
Aggregator**



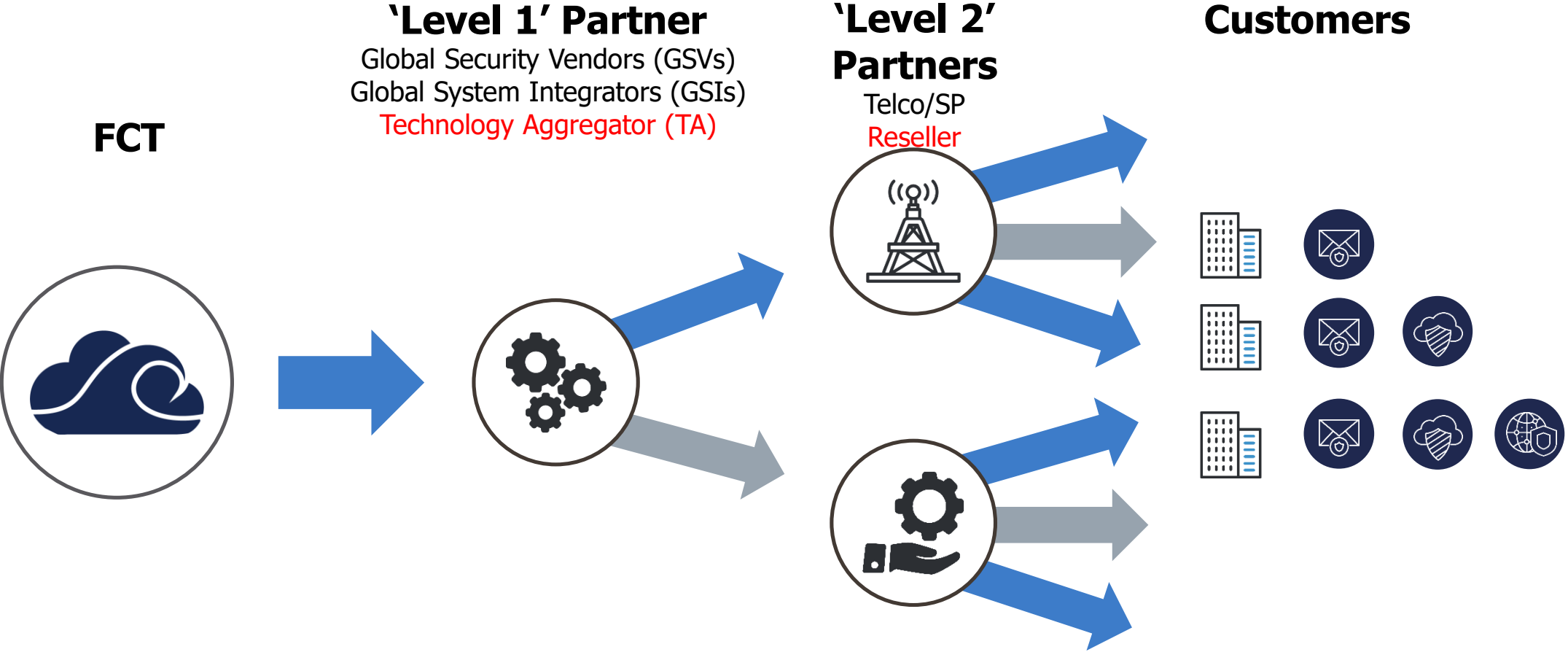
Crystallising the Opportunity

Progress on Path to Revenue

CEO David Kirton



Leveraged Go-to-Market Maximises Access to Revenue



FCT

'Level 1' Partner

Global Security Vendors (GSVs)
Global System Integrators (GSIs)
Technology Aggregator (TA)

'Level 2' Partners

Telco/SP
Reseller

Customers

FCT signs
Level 1 Partner or
signs direct to Level
2 partner

Level 1 Partner
signs multiple
Level 2 Partners

Each Level 2 Partner
signs multiple
customers

Each Level 2 Partner
upsells each customer to
multiple products

Path to Revenue has Clear Milestones

'Level 1'
Partner
PoC/PoV

**'Level 1'
Partner
OEM /
Reseller
Agreement**

'Level 2'
Partner
PoV

**'Level 2'
Partner
MSA /
Reseller
Agreement**

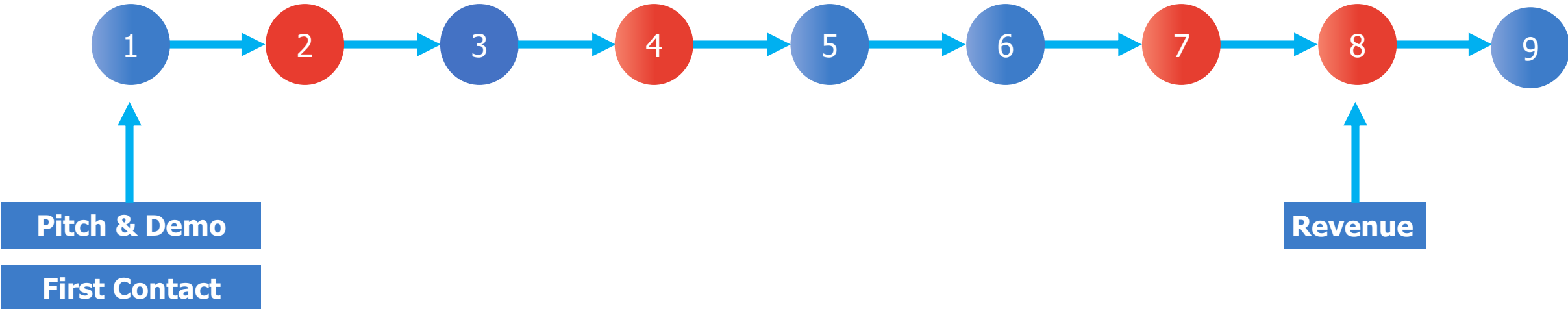
- Certification
- Offer & Sales Enablement
- GTM Launch

PoV for
End
Customer

**Sale to
End
Customer
&
On-
Boarding**

**End
Customer
Bill**

Products
X-Sell/
Upsell



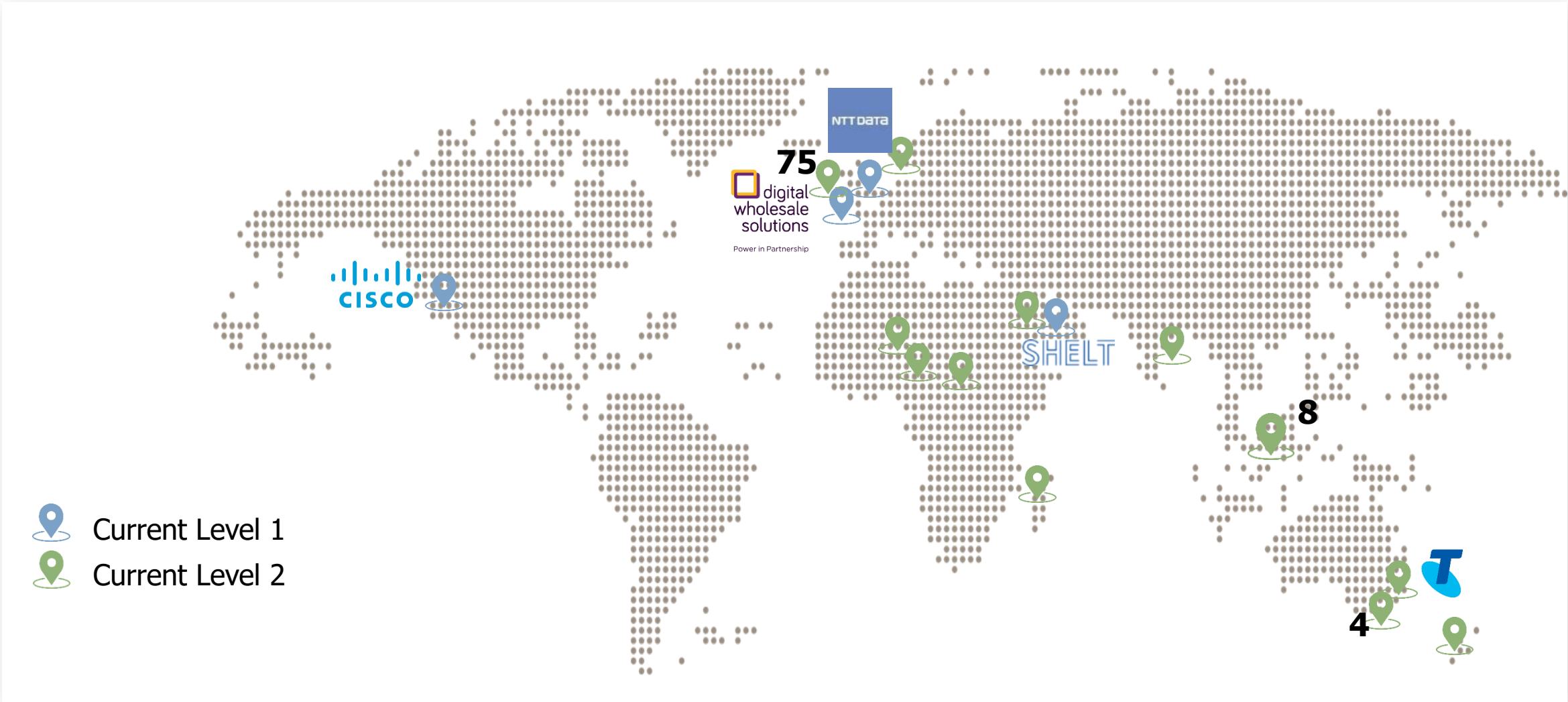
● Critical Path Milestones

7 Partners now at Revenue Stage (FY20 Target – 18 partners)

Channel	29 Aug 2019			→	29 Oct 2019		
	Level 1 Partners	Level 2 Partners	Partners Billing		Level 1 Partner	Level 2 Partners	Partners Billing
GSV	1	3		1	9	2	
GSI/TA	1			2	75		
MSSP	1	2	1	1	3	1	
FirstWave	0	5	3	0	10	4	
	3	10	4		4	97	7

*Full details on Path to Revenue in Appendix

Partners by Region

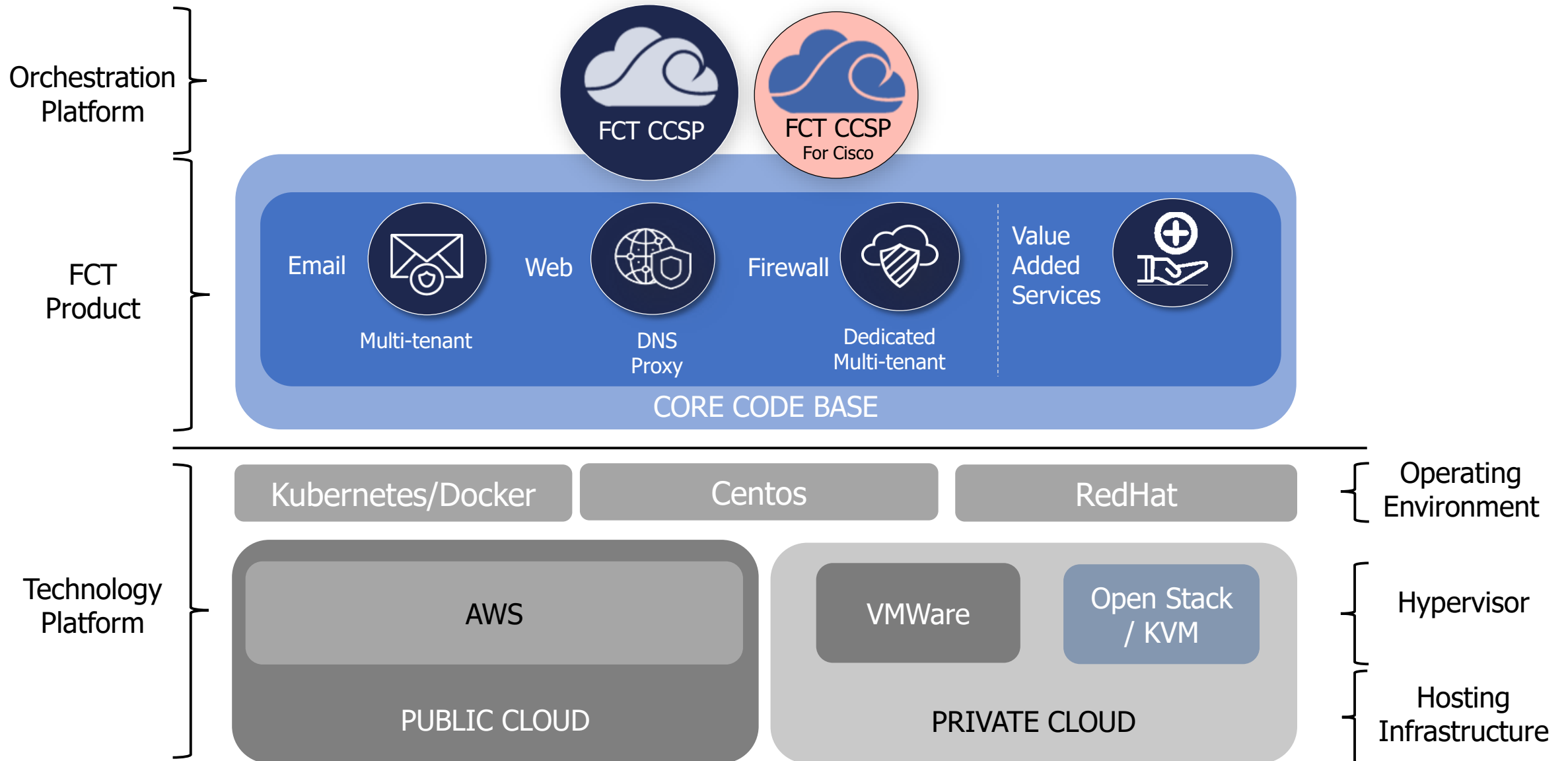


Crystallising the Opportunity

Partner Led Product and Platform Delivery



FY20 Architecture Supports 2 Orchestration Platforms



FY20 CCSP Product Roadmap

FY19 Exit

Q1 FY20 Completed

Q2 – End FY20 +

Multi-tenant DNS Dedicated



Email Web Firewall

Multi-tenant DNS Dedicated Multi-tenant



Email Web Firewall

Multi-tenant DNS Dedicated Multi-tenant



Email Web Firewall Value Added Services

Advanced Detect & Response (ADR) SIEM ↔ SOAR

KVM Open Stack

Development Common Framework



FY20 CCSP for Cisco Product Roadmap

FY19 Exit

Q1 FY20 Completed

Q2 – End FY20 +

Multi-tenant

DNS



Email

Web

Multi-tenant

DNS



Email

Web

Multi-tenant

Proxy DNS



Email

Web



Value Added Services



Development Common Framework

Open Stack / KVM

FY20 Platform Delivery



Crystallising the Opportunity

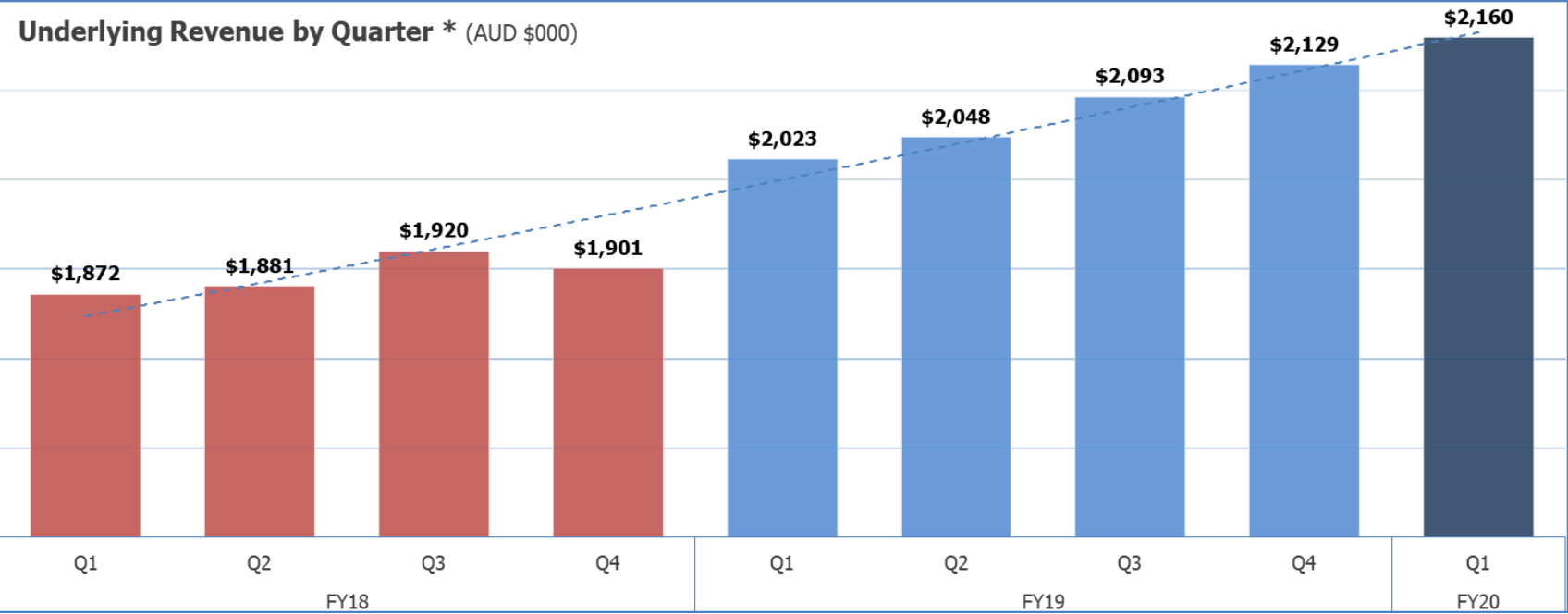
Financial Update

CFO Jason Singh

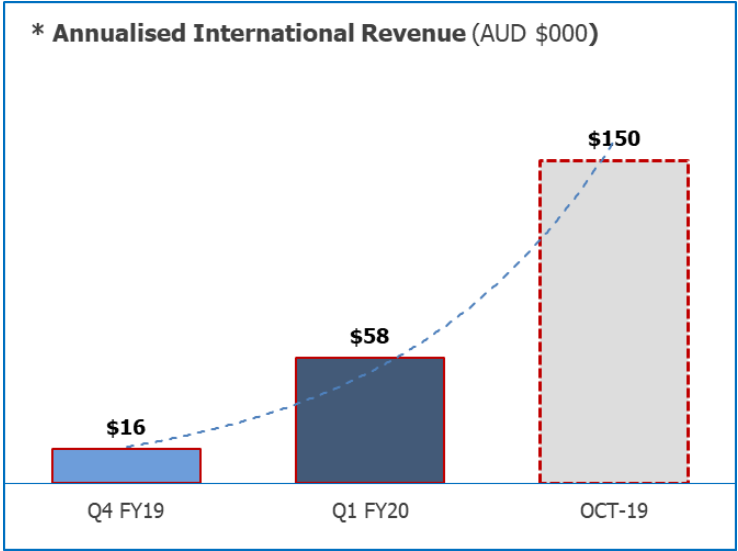


Sustaining Domestic and Growing International Revenue

Q1 revenue increased by 7% to \$2.160m, vs. \$2.023m PCP



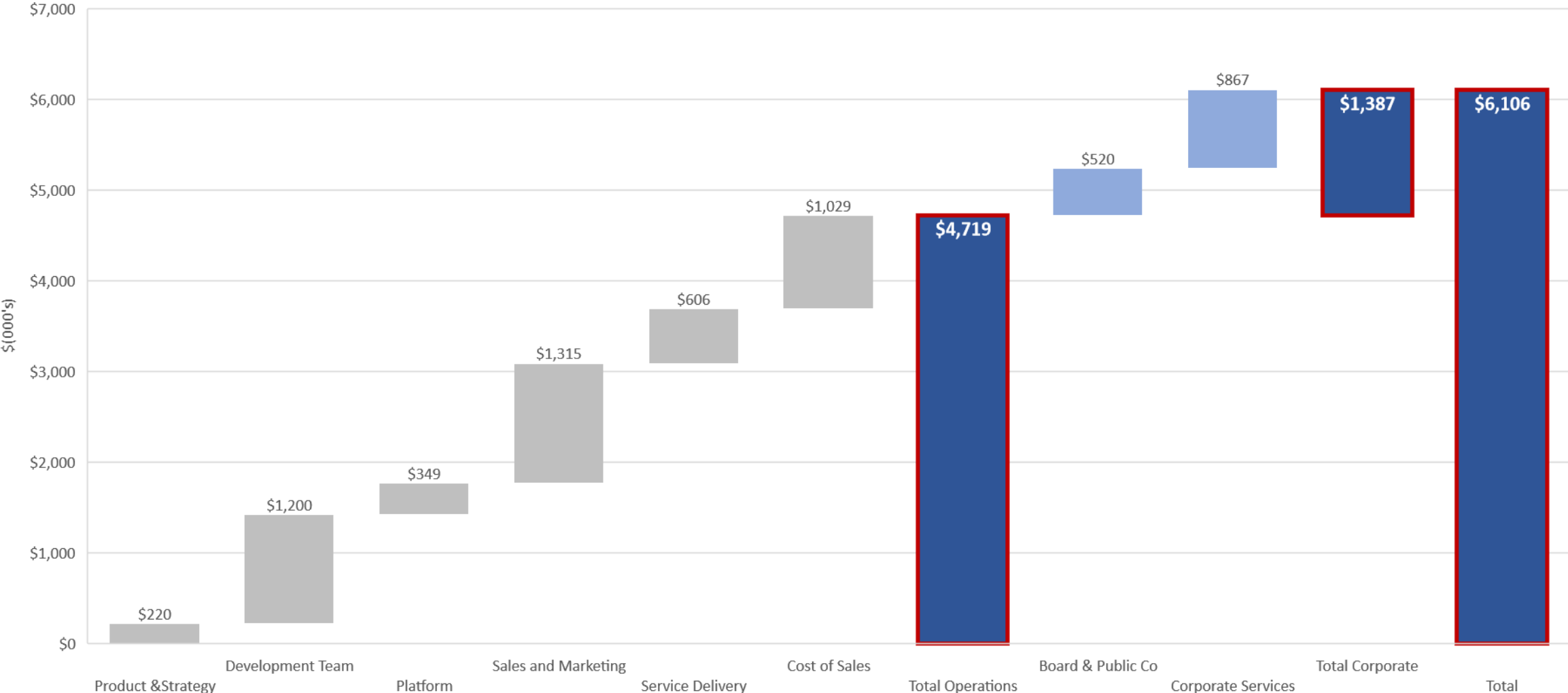
* This represents normalised revenue with once-off adjustments removed (FY18 \$244k, H1 FY19 \$155k, H2 FY19 \$384k), related to prior year and revenue recognition adjustments upon the adoption of AASB 15



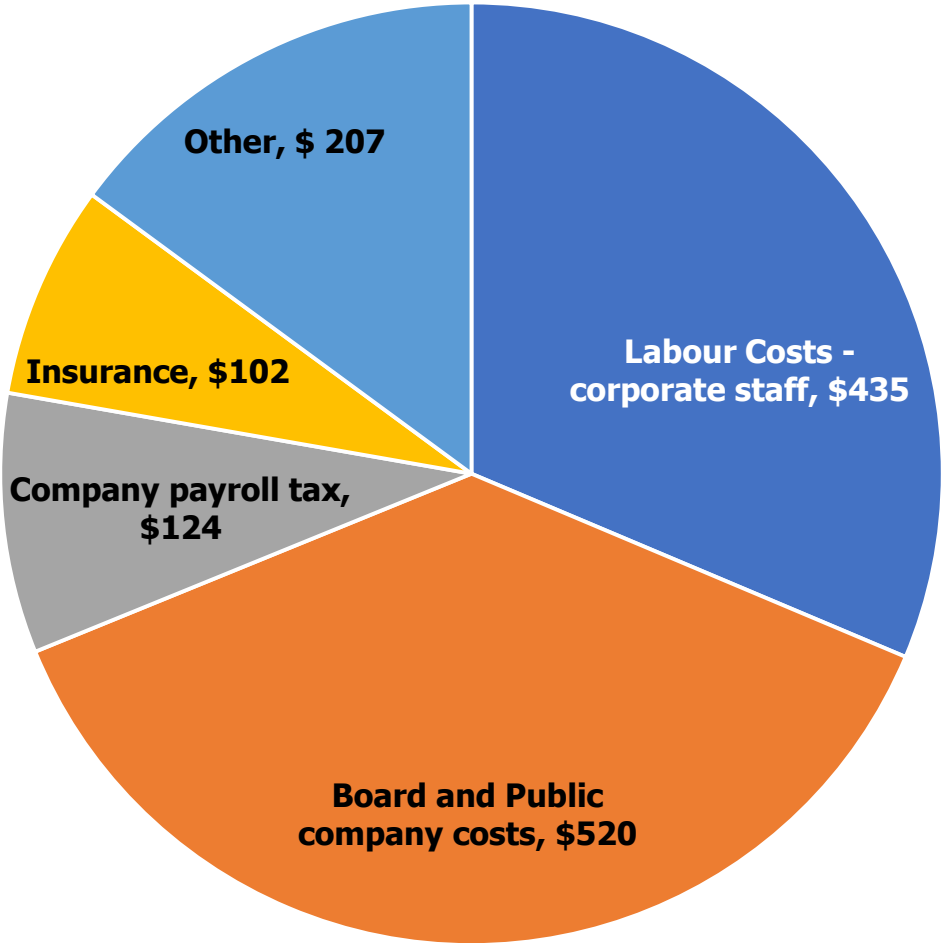
- Q1 annualised international revenue increased by 271% from FY19 exit, and increasing 157% in October

* Calculated by multiplying annualising exit month revenue

Q1 FY20 Operating and Capital Expenditure



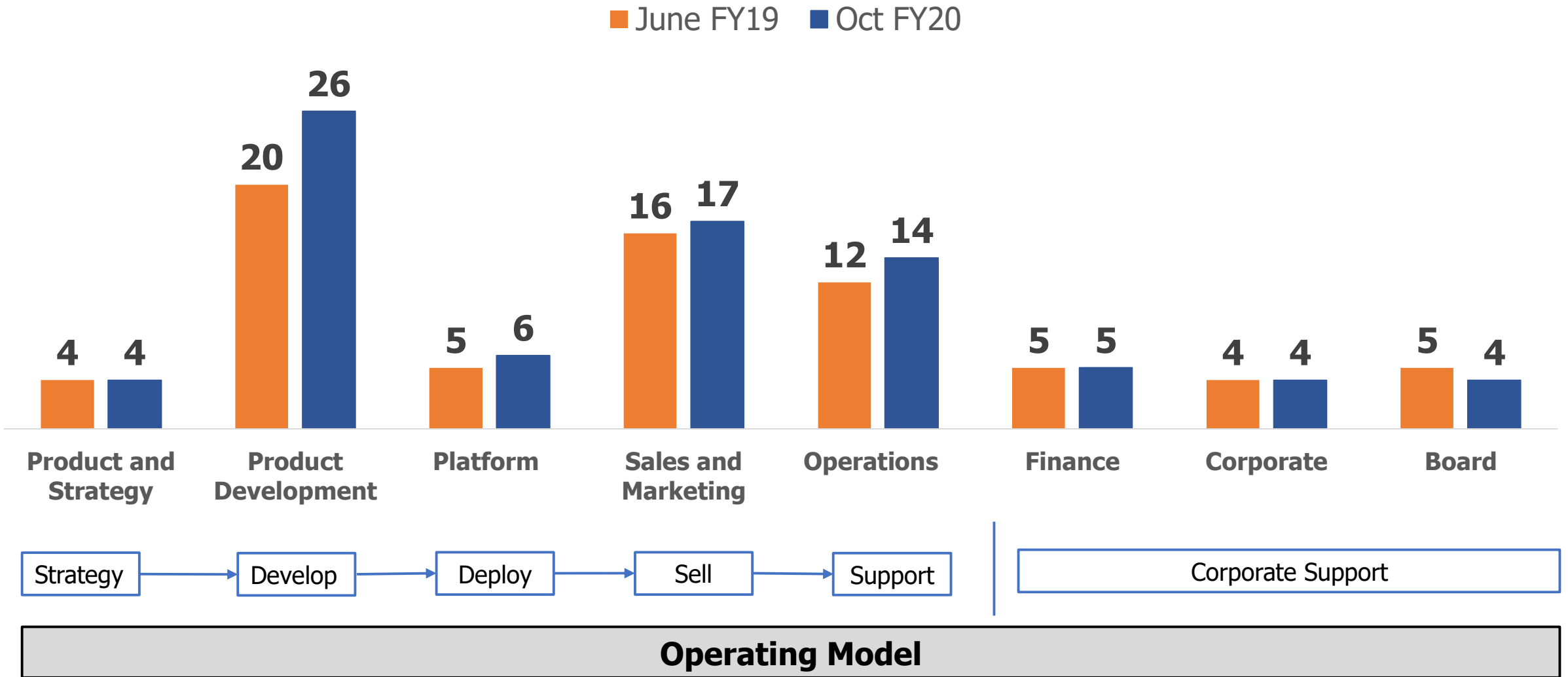
Q1 FY20 Corporate Costs \$1.388m



\$(000's)

- **Labour Cost : 9 FTE**
 - CEO Office – 3 FTE
CEO, Executive Assistant, Business Support
 - Finance – 5 FTE
CFO, Financial Controller, 2 Financial Accountants, Accounts Undergraduate
 - Company Secretary/General Counsel/HR – 1 FTE
- **Board and Public Company costs:** 4 Directors, listing fees, legal and accounting costs
- **Other Costs:** Includes all company operating systems, travel and utility costs

FirstWave Operating Model (Headcount by function)



Cashflow

Description	\$M	Comments
Q1 FY20 Closing Cash	\$2.9	
Q2 FY20 Expected Inflow Capital Raised Other Income Operating Inflow	\$8.2 \$6.2 \$1.3 \$0.7	Received 1 st October 2019 FY19 Grant Income
Q2 FY20 Estimated Outflow	\$6.2	As per Appendix 4C breakdown
Q2 FY20 Estimated Closing Cash	\$4.9	Estimated December closing cash

Crystallising the Opportunity

Q2 FY20 Outlook

CEO David Kirton



Q2 FY20 Milestone Objectives

1. Sustained Partner progress on the Path to Revenue

- # Partners billing end customers (FY2020 June Target = 18, current = 7)
- Continue the early progress in compounding QOQ MRR from International Partners
- Launching new campaigns into the domestic market

2. Delivery of the Product and Technology Roadmap

- Deploy product feature releases developed to the end of October onto existing platforms
- Develop beta web proxy solution
- Continued core platform development
- Deploy 2 new Cisco OEM platforms in Europe and North America

3. Optimisation of the Cost Structure

- Maximise resource utilisation and simplification of corporate resources (reducing by 2)
- Prioritise product and platform roadmap to the opportunities emerging from the CCSP for Cisco

4. Cash Flow

- Operate within levels of funding anticipated within the Appendix 4C while exploring other opportunities to secure its capital base

Summary – Key Take-outs

- FirstWave's CCSP is a unique solution, playing into a significant growth opportunity through SaaS Orchestration Platforms in Telco/CSPs for business customers on a global scale - which is still early stage in adoption and deployment
- CCSP has been and continues to be validated by our global Partners
- Progress has been made on the Path to Revenue
- Our investment program is partner led, focussed on revenue turn-on, securing long term relationships and in the short-term will focus on CCSP for Cisco



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CURRENT WORLD ECONOMIC LEAGUE TABLE OF LARGEST

WORLD GDP AND SHARE OF WORLD GDP

ECONOMY GROWTH

WORLD GDP AND SHARE OF WORLD GDP

ECONOMY GROWTH

WORLD GDP AND SHARE OF WORLD GDP

ECONOMY GROWTH

CHINA 14.2
USA 8.45
UNITED STATES 8.2
INDONESIA 5.9
EUROPE 5.0

71877

924.60

27631

Appendix

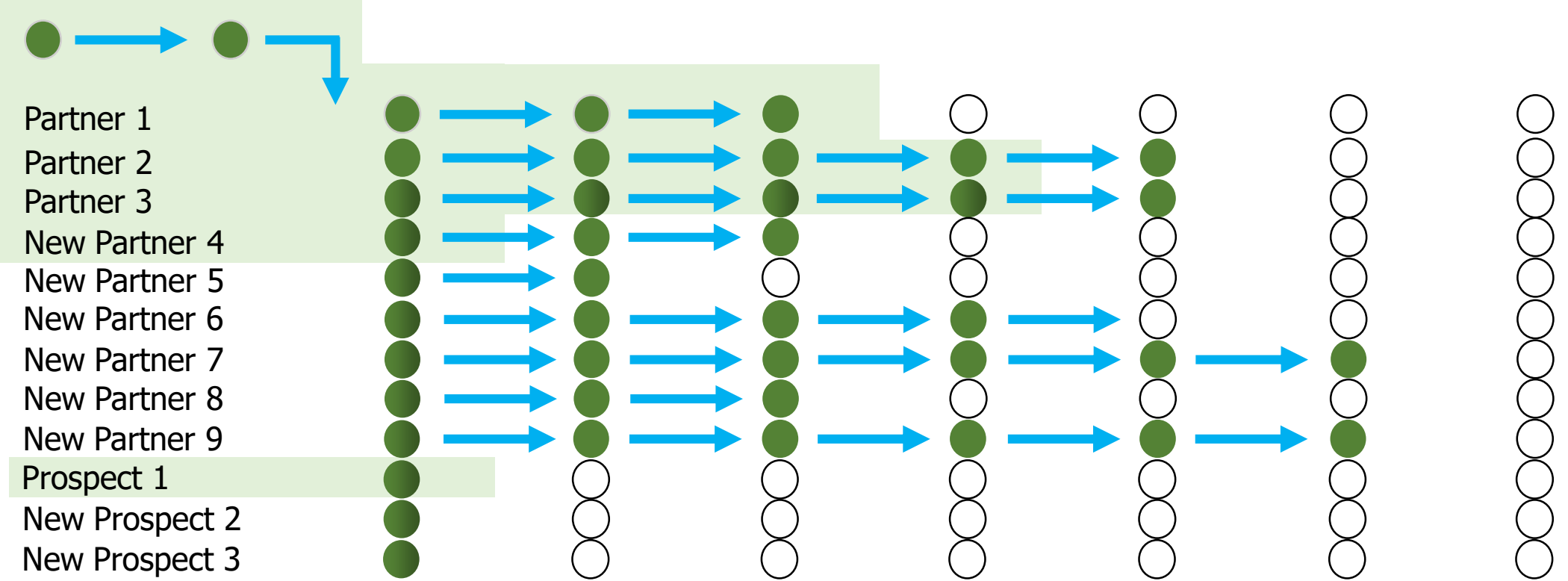
Path to Revenue Detail



Cisco Update

'Level 1' Partner PoC/PoV	'Level 1' Partner Agreement	'Level 2' Partner PoV	'Level 2' Partner Agreement	<ul style="list-style-type: none"> • Certification • Sales/Support Enablement • GTM Launch 	PoV for End Customer	Sale to End Customer & On-Boarding	End Customer Bill	Products X-Sell/ Upsell
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Level 1 **STEP 1** **STEP 2** **STEP 3** **STEP 4** **STEP 5** **STEP 6** **STEP 7** **STEP 8** **STEP 9**

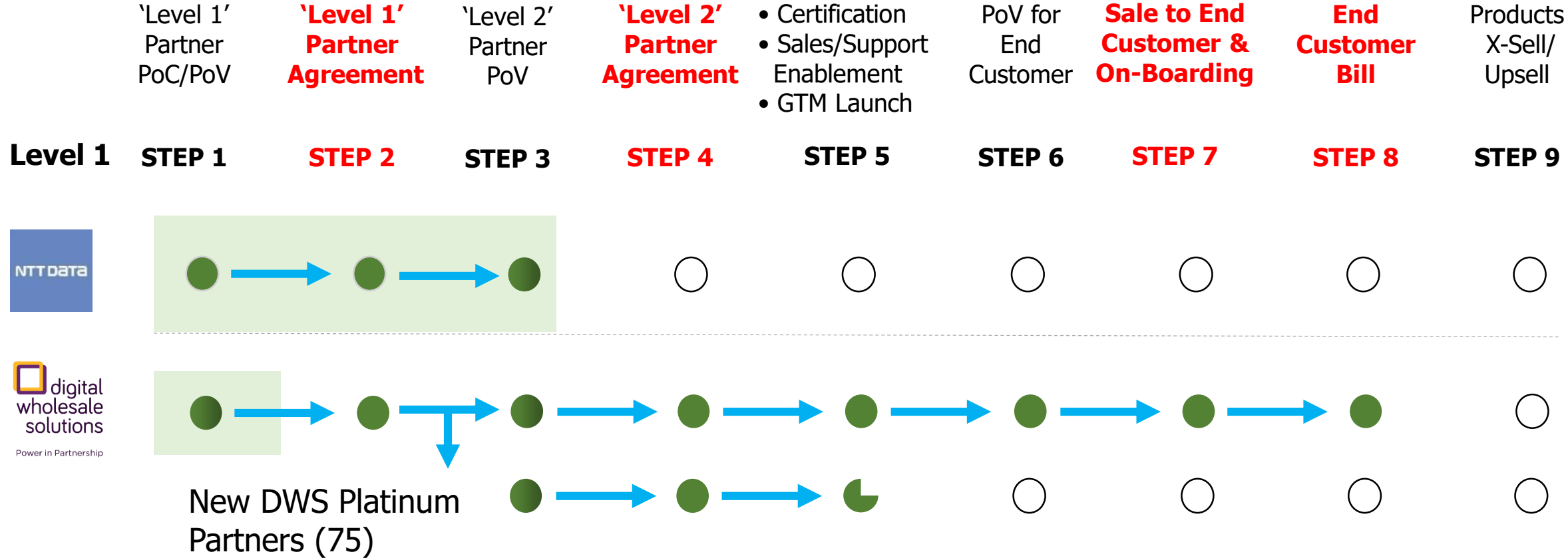


Status at 29 August Update

Cisco Update

- Further progress on the path to revenue
- Technical workshops completed on product roadmap in September with next planned for November
- Six new level 2 partners signed to Cisco
- Two new level 2 partners have commenced services
- First Revenue under CISCO OEM agreement expected in October 2019

GSI/Technology Aggregator Update



- One new level one partner in UK, DWS - access to 2,200 resellers
- First DWS order received and billing Oct
- FCT participated in DWS sales event to pre-sell product – Sept
- 75 DWS Platinum Partners, taking them through to step 5 (approx. 75% complete)

Status at 29 August Update

Telco/SP Update

'Level 1'
Partner
PoC/PoV

'Level 1'
**Partner
Agreement**

'Level 2'
Partner
PoV

'Level 2'
**Partner
Agreement**

- Certification
- Sales/Support Enablement
- GTM Launch

PoV for
End
Customer

**Sale to End
Customer &
On-Boarding**

**End
Customer
Bill**

Products
X-Sell/
Upsell

STEP 1

STEP 2

STEP 3

STEP 4

STEP 5

STEP 6

STEP 7

STEP 8

STEP 9

FirstWave Direct



Partner 1

Partner 2

Partner 3

Prospect 1

Prospect 2

Prospect 3

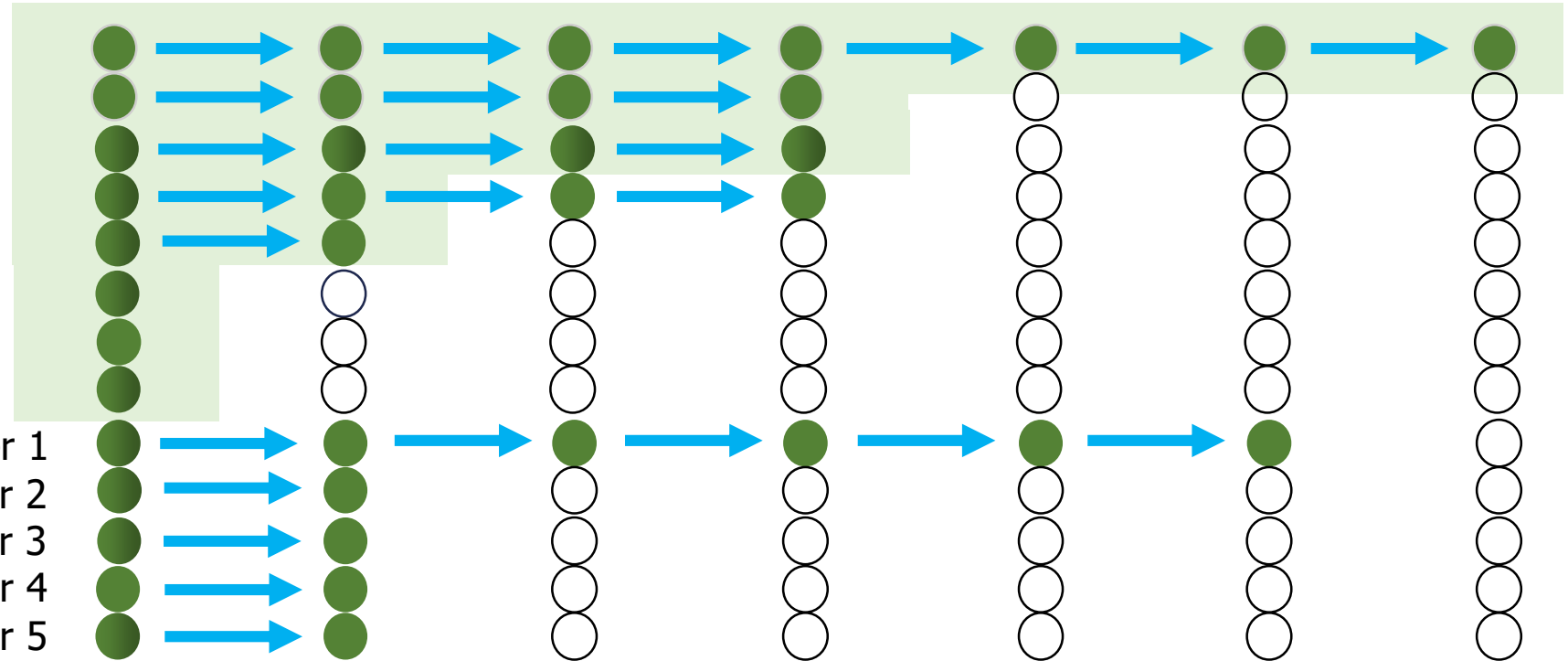
New Partner 1

New Partner 2

New Partner 3

New Partner 4

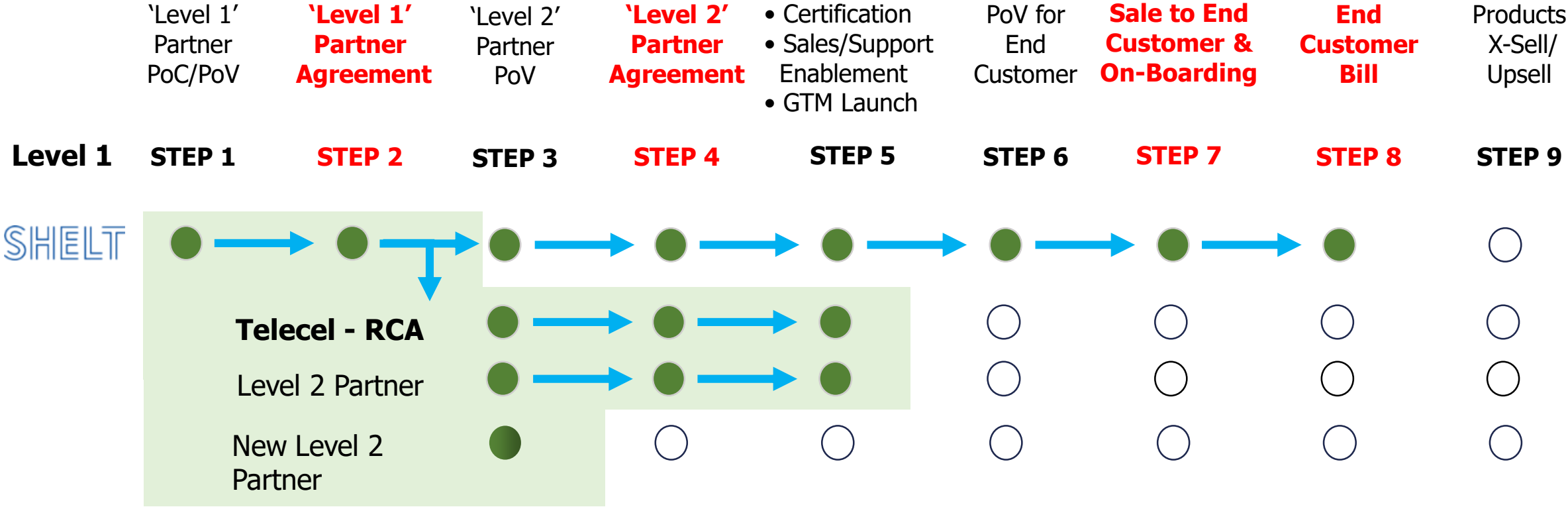
New Partner 5



- One new partner now at Gate 6 - POV for end customer
- Three prospects in partner agreement stage

Status at 29 August
Update

SHELT Group Update



- Level 1 partner billing 3 end customers
- FCT and Shelt.com attended Telecoms World Middle East in September – 35 opportunities being qualified

Status at 29 August Update

A Simple Guide to Acronyms in our Presentation

Definitions for the Path to Revenue model

- 'Level 1' Partner– this is a GSV or GSI partner of FCT (leveraged partner model)
- 'Level 2' Partner– this is a customer of a 'Level 1' Partner (leveraged go-to-market model) or a direct customer of FCT e.g Telstra
- 'Level 1' / 'Level 2' PoC/PoV – 'Level 1' Partner or 'Level 2' Partner starts full trial on the platform that if successful will then provide the confidence for the respective 'Level 1' Partner or 'Level 2' Partner to on-sell to their customers
- 'Level 1' Partner OEM/Reseller Agreement - this is a collective term for an agreement between FCT and a 'Level 1' Partner
- OEM Agreement – this is an OEM agreement between FCT and a 'Level 1' Partner being a Global Security Vendor (GSV)
- 'Level 2' Partner MSA / Reseller Agreement – This is a master services agreement between FCT and a 'Level 2' Partner with approved pricing and service definitions
- FCT Platform Certification – This is a technical certification by the 'Level 1' Partner or 'Level 2' Partner that allows their customers to be provisioned onto the platform
- Sales/Support Enablement – All 'Level 1' Partner and/or 'Level 2' Partner sales teams have been trained on and provided with FCT product and service information
- GTM Launch – When the 'Level 1' Partner and/or 'Level 2' Partner launches the FCT CCSP-enabled service to their customers
- PoV (Proof of Value) for End Customer – End customer full trial on the platform that if successful is then provides catalyst to sign order
- PoC (Proof of Concept) for Partner – Partner customer full trial on the platform that if successful is then provides catalyst to sign agreements
- End Customer Order & On-boarding – End customer orders FCT solution from 'Level 2' Partner is on on-boarded to the service
- End Customer Bill – End customer is billed by 'Level 2' Partner which allows FCT to bill 'Level 1' Partner or 'Level 2' Partner
- Products X-Sell/Upsell – 'Level 2' Partner sales teams cross-sell and up-sell other FCT– enabled solutions
- SAM – Serviceable Addressable Market
- SMB – Small to Medium Business (sometimes also called a 'SME' or Small to Medium Enterprise)
- SOM – Serviceable Obtainable Market
- TAM – Total Addressable Market

A Simple Guide to Acronyms in our Presentation

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

- BDM – Business Development Manager – sales executive
- CCSP – Cloud Content Security Platform
- Content Security – a product market category that comprises email security and web security
- CWS – Cloud Web Security - a cloud-based Secure Web Gateway service offering from Cisco (ex-Scansafe, a company acquired by Cisco)
- EMEA – Europe, Middle East & Africa
- EWF – A FCT-conceived abbreviation for an *Email + Web + Firewall* solution package or offer bundle from a Telco/SP to an Enterprise/SMB customer
- Exit revenue – Annualised Monthly Recurring Revenues (AMRR) as at June 30 of the corresponding fiscal year
- GSI – Global Systems Integrator
- GSV – Global Security Vendor – e.g. Cisco, Palo Alto Networks, Fortinet
- MRR – Monthly Recurring Revenue
- MSS – Managed Security Services
- MSSP – Managed Security Service Provider – e.g. a Telco/SP that offers MSS to its enterprise/SMB
- OEM – Original Equipment Manufacturer - a company that produces equipment , marketed and sold by another manufacturer – e.g. what FirstWave does with Cisco
- OSS/BSS – Operational Support System / Business Support System (Telco/SP core IT systems)
- SaaS – Security as a Service
- SWG – Secure Web Gateway – a category of content security product or technology that inspects user web traffic for security and content control purposes
- SP – Service Provider – a term used for a Telco or a network services provider or communications service provider
- Telco – a telecommunications company , whether a fixed network or mobile network operator or both
- Umbrella – Cisco Umbrella - a cloud-based Secure Internet Gateway (SIG) offering from Cisco
- WSA – Cisco Web Security Appliance - a proxy-based Secure Web Gateway (SWG) product from Cisco

Explaining the CCSP Architecture

- Hosting Infrastructure consists of the physical compute and networking resources. This is owned and operated by public cloud providers such as AWS or by private data centre operators within Telcos or Government facilities.
- The Hypervisor layer abstracts the physical resources into virtual compute and software defined networking (SDN).
- AWS, VMware and OpenStack allow for control over the lifecycle of virtual machines via an API (Application Programming Interface). Using APIs to create Virtual machines means that FirstWave can create new resources and provision services onto them in a fully software defined manner. Creation of resources with this level of automation is important as FirstWave scales services and expands capacity onto many platforms globally.
- The Operating Environment the software runs in consists of the Linux operating system. This provides the process control to maintain the many distributed components of the platform. As FirstWave supports the coexistence of virtual machines, vendor virtual appliances and containerised components, Docker and Kubernetes are also leveraged to support some deployments.