



FIRSTWAVE
CLOUD TECHNOLOGY

Democratising enterprise grade cybersecurity-as-a-service

FirstWave Cloud Technology Q1 FY21 Market Update (unaudited)

28 October 2020

Presenting today



Neil Pollock
Chief Executive Officer



John Grant
Executive Chairman



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Agenda

Chairman's Update

FY21 Plan Refresher

Q1 Results

H1 Outlook

Summary

Insights

Appendix

Focus and Action - delivering the plan

Chairman's Update

John Grant – Executive Chairman



FCT's Technology – CCSP (Cloud Content Security Platform)

FCT's Technology appeals to end users who do not want to own and operate their own perimeter security infrastructure. This opens multiple markets given.....

- Enterprise grade core solutions – email/web/firewall/end point/multi-factor authentication
- CCSP virtualises in the cloud, multi-tenants and manages these technologies via a single 'pane of glass'
- Pricing is at a very significant discount to enterprise pricing

SMB/SOHO end users

- Can't afford enterprise pricing
- Have little inhouse expertise
- Need a managed perimeter solution at an SMB price

Enterprise end users*

- Need enterprise grade
- Wants to use inhouse expertise on core business
- Prepared to outsource

- Provide security services to owned entities
- Own and operate private infrastructure

FCT's Channel to market

- Telcos + Cisco to their Telco customers

- Managed Security Service Providers

- Technology Partner e.g. Cisco

**Public and private sector*



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Democratising.....

enterprise grade cybersecurity-as-a-service



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Democratising.....

‘to make of or for the people’

The Free Dictionary by Farlex



FIRSTWAVE
CLOUD TECHNOLOGY

Democratising enterprise grade cybersecurity-as-a-service

Democratising...
'to make of or for
the people'

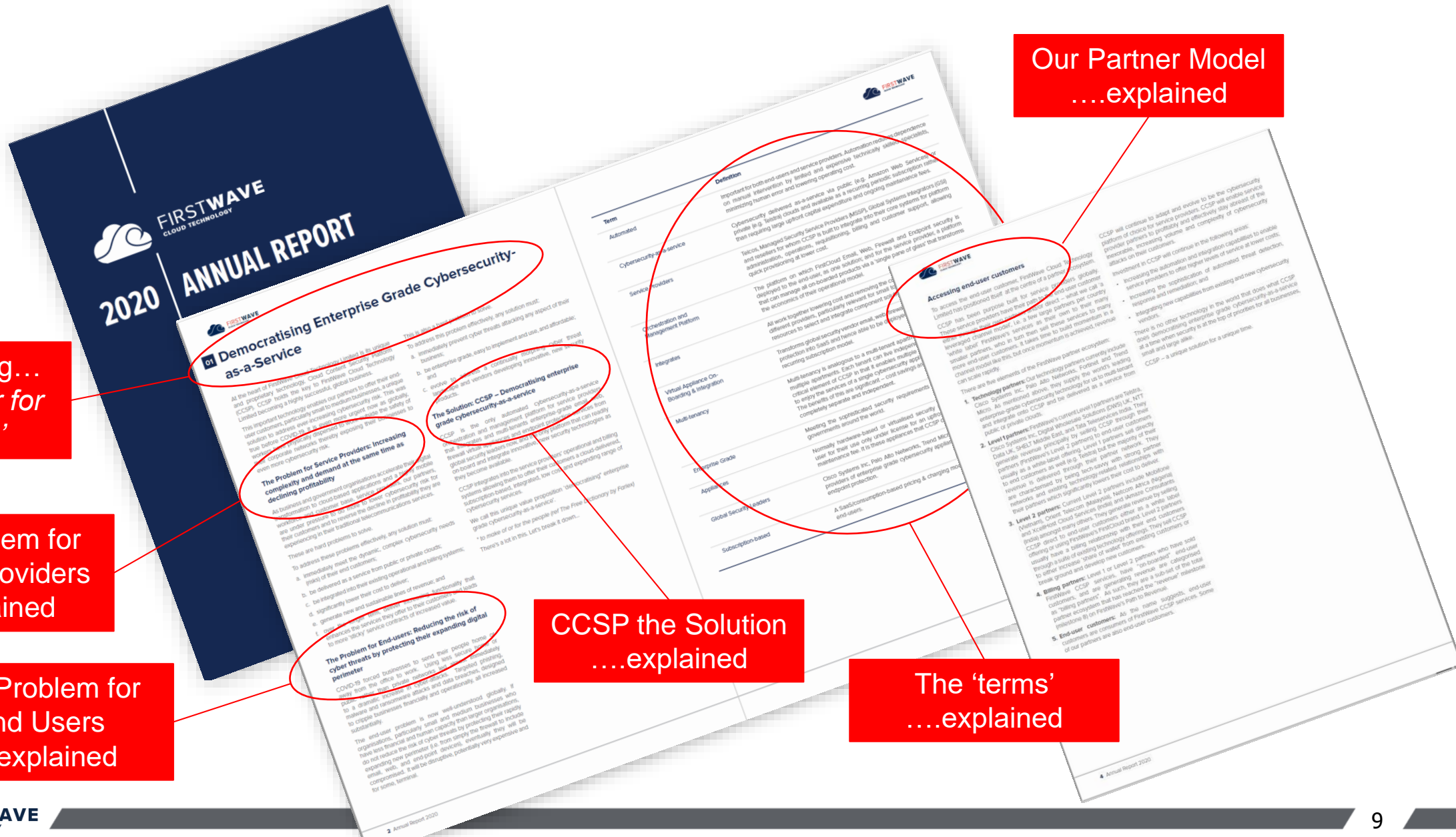
The Problem for
Service Providers
....explained

The Problem for
End Users
....explained

CCSP the Solution
....explained

The 'terms'
....explained

Our Partner Model
....explained



FY21 progress against plan

COVID-19

- Impact remains - degree varies within and between regions
- We have many 'irons in the fire'

Q1

- Closed above plan on all key metrics

Q2 Outlook

- Q2 tracking to plan

H2

- Global opportunities 'bridge' to H2 when revenue accelerates

Focus and Action - delivering the plan

FY21 Plan Refresher

Neil Pollock – Chief Executive Officer



FY21 plan refresher*

REVENUE

- Total Revenue up 38% from \$8.3m to \$11.3m
- Recurring Revenue up 43% from \$7.4m to \$10.5m
- Exit IARR up from \$448k to \$9.5m

EXPENSE

- \$18.8m in line with FY20

CASH BALANCE

- Opening of \$15.4m to closing at \$4.8m

PRODUCT

- CyberCision launch – enhancing existing offering with Advanced Detection and Response
- New multi-tenant web security appliance launch

PARTNERS

- From 26 to 40 billing partners

GLOBAL PLATFORMS

- From 11 to 15

* Investor Update 31 July 2020

Focus and Action - delivering the plan

Q1 Results



Q1 closed above plan across all key metrics

COVID-19

- Impact continuing but varies within and between regions
- FCT has many 'irons in the fire'

REVENUE

- Total revenue 16% above plan at \$2.05m

CASH

- Cash balance 10% ahead of plan at \$12.27m

WORLD CLASS PRODUCT

- New products on track
- Recent new announcements of contracts with Vodafone Idea and Tata TeleServices in India

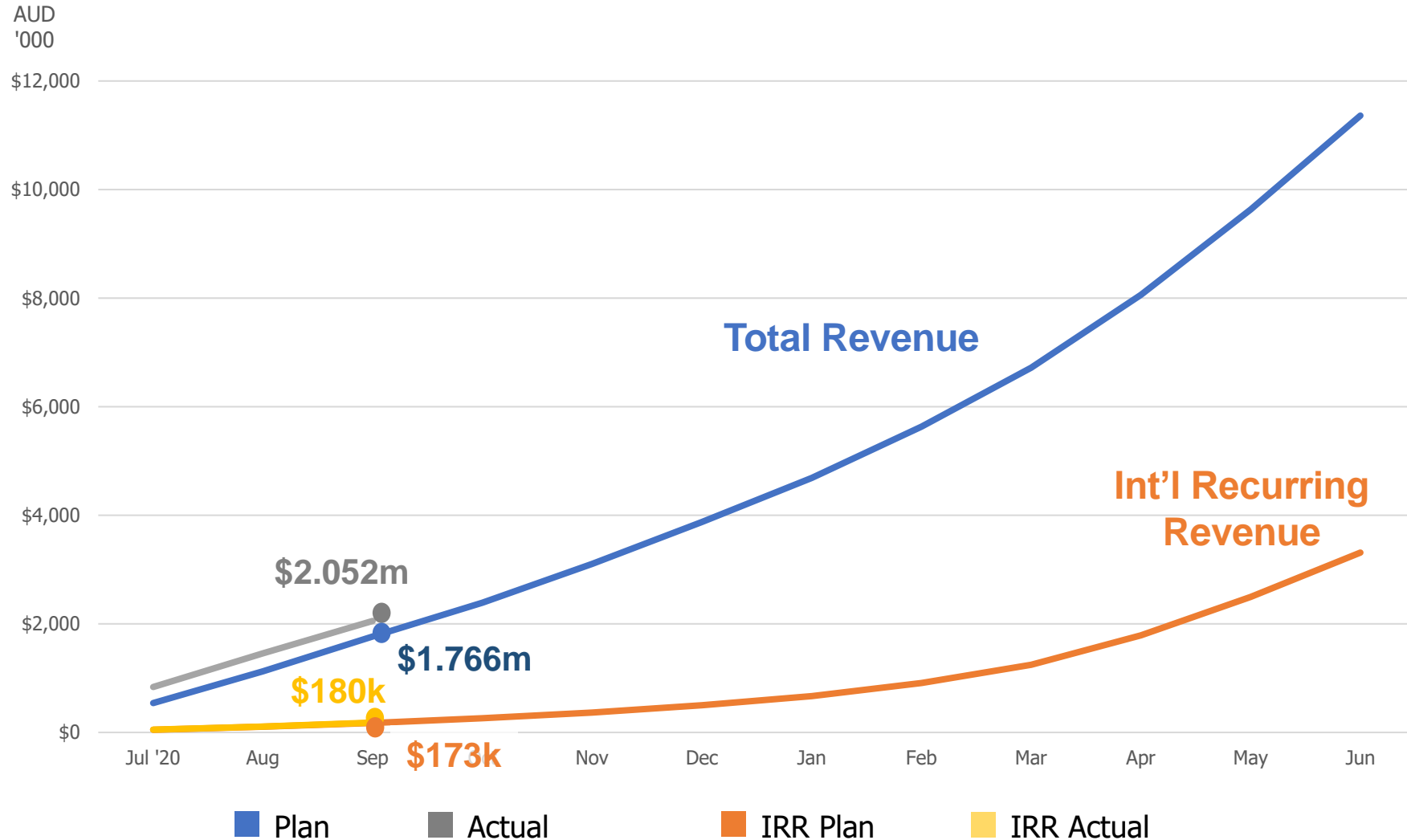
PARTNERS

- 37 billing partners up from 26
- Remain committed but COVID-19 impacting activity

GLOBAL PLATFORMS

- 1st on-premise private platform being implemented
- Now supporting customers on 5 continents

Q1 total revenue 16% ahead of plan at \$2.05m



- September IARR at \$816k up 82% on \$448k in June

Q1 cash balance 10% ahead of plan



Q1 cash well ahead of plan

Net increase / (decrease) in cash held (\$'000)

	Q4 FY20	Q1 FY21
Cash and cash equivalent at beginning of period	\$5,779	\$15,415
Receipts from customers	\$1,117	\$1,278
Payments relating to operating activities		
Product and Operating Costs	-\$1,646	-\$996
Staff Costs	-\$1,590	-\$2,179
Other Operating costs	-\$ 880	-\$838
Net cash from / (used in) operating activities	-\$2,999	-\$2,735
Net cash from / (used in) investing activities	-\$1,082	-\$867
Net cash from / (used in) financing activities	\$13,717	\$454
Cash at end of quarter	\$15,415	\$12,267

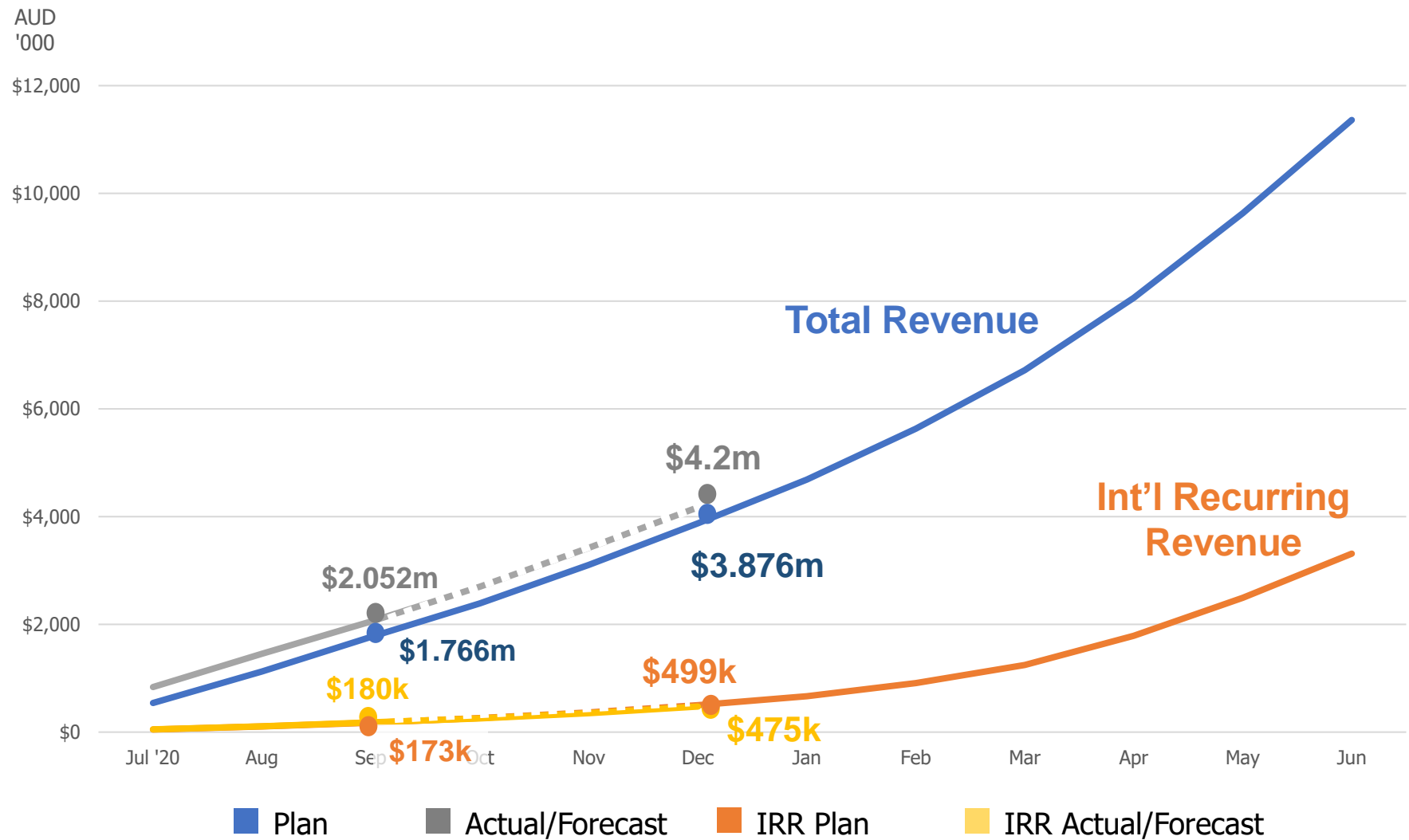
- Q1 cash payments of \$4.9m in line with plan
- Financing Activities:
 - \$232k received from sub-underwriters exercising options
 - \$222k loan repayment

Focus and Action - delivering the plan

H1 Outlook



H1 IARR projected to hit \$1.4m in Dec – up 220% on June



H1 cash balance ahead of plan at \$9.4m



Market conditions vary within and between regions

EMEA: UK, Europe, Middle East and Africa

- UK and Europe impacted by second wave – business activity restricted to H2 FY20 levels
- Africa and the Middle East showing signs of recovery

ON TRACK:

- On premise deployment in ME
- Cisco OEM revenue building
- CyberCision beta trial

DELAYED:

- European tier 1 telco conversion to revenue

NEW DEVELOPMENTS:

- Two new African geographies commenced billing (albeit small revenues to start) – Kenya, Liberia
- Additional sales specialist commenced
- New level 1 partner signing imminent (Africa)



Sundar Bharadwaj
VP, BD & Sales EMEA

Market conditions vary within and between regions

APAC: India and Asia Update

- Clear signs of “getting on with business” in the India market
- Asia emerging cautiously from COVID-19 effects and associated business impact – borders progressively opening

ON TRACK:

- Two new level 1 partners signed
- New NGFW solution launched with Vi and TTL
- CyberCision beta trial commenced

NEW DEVELOPMENTS:

- New level 1 partner signing in new geography (Indonesia) imminent
- Additional pre-sales specialist commenced

DELAYED:

- Malaysia level 2 partner revenue delayed



Sundar Bharadwaj
VP, BD & Sales EMEA



Shekila Ramalingam
VP, BD & Sales APAC

Market conditions vary within and between regions

The Americas Update

- Businesses across the Americas are still impacted by COVID-19
- Vaccine appears to be the trigger for return to pre-COVID-19 business activity levels

ON TRACK:

- Cisco OEM revenue has commenced across the region
- New web security appliance development progressing as planned

NEW DEVELOPMENTS:

- Additional pre-sales specialist under recruitment



Neil Pollock
CEO



Greg Maren
Global Alliances Director

Market conditions vary within and between regions

ANZ Update

- Heightened awareness and publicity about cybersecurity
- Business still not back to pre-COVID-19 levels of activity

Telstra ON TRACK:

- Churn appears to have stabilised
- Replacement web security offering released
- New cybersecurity-in-a-box offering under development

DELAYED:

- TBCSS for SoHo order flow slower than projected

NEW DEVELOPMENTS:

- New channel development specialist commenced



Shekila Ramalingam
VP, BD & Sales APAC-J



Greg Maren
Global Alliances Director

Outlook for H1 tracking towards plan across key metrics

COVID-19

- Expect impact to continue - varying by region
- Can change at any time – e.g. UK, Victoria (AUS)
- FCT has many 'irons in the fire'

REVENUE

- Expect total revenue to remain above plan
- Expect IRR to be on or near plan

CASH

- Expect H1 cash to be ahead of plan

WORLD CLASS PRODUCT

- Expect successful new web security appliance technical "beta"

PARTNERS

- Expect to exceed full year billing partner plan (40)
- Expect to have 7 level 1 partners in H1
- Expect level 1 partners to 'bridge' to H2

GLOBAL PLATFORMS

- Expect 12 platforms across 5 continents

Focus and Action - delivering the plan

Insights

Kevin Bloch – Technology and Markets Advisor





Kevin Bloch

Advisor to FCT on Technology
and Markets

Focus and Action - delivering the plan

Q&A



Focus and Action - delivering the plan

Thank you

Focus and Action - delivering the plan

Appendix



Experienced Management Team



John Grant

Chairman

Australian industry leader
MD of Data#3 (ASX:DTL)
for c. 20 years

Inaugural chair of
Australian Rugby League



Neil Pollock

CEO

Global Business Leader
with 27 years of ICT,
telco and energy sector
experience across Asia
Pacific, the Middle East
and India



Iain Bartram

CFO

A strategic CFO with
multi-site and
international experience
in high growth,
technology businesses
and
Current ASX and AIM
listed experience



Simon Ryan

CTO

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



Roger Carvosso

Strategy Director

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

In FY21 our target market is projected to grow to \$2.03b

‘EWF’

TAM: TOTAL ADDRESSABLE MARKET -
Worldwide MSS/Cloud-Based Firewall & Content
Security (Telco/SP-served)

SAM: SERVICEABLE ADDRESSABLE
MARKET - Portion of Total Enterprises
served < 200 employees in size (target
end customer profile)

SOM: SERVICEABLE OBTAINABLE
MARKET - Proportion of worldwide
Telco/SPs accessible (Geos/ Partner
reach), FCT wholesale revenue

‘E’

TAM - Worldwide
Enterprise Endpoint
Security Market

SAM: SMB
Portion of TAM
(<200
employees)

SOM: Accessible
market via
Telco/SPs,
‘switchable’ spend,
FCT resale rev
share

‘EWF’

+

‘E’

TAM: \$15.53b

SMB + % Medium
Businesses (<200
employees) only

SAM = 37% * TAM = \$5.75b

- Accessible Geo Markets & Telco/SPs via (Current) FCT Channel Partners (75%)
- Adjustment of Telco/SP retail revenues to FCT wholesale /resale level (*45%)

SOM = 75% * 45% of SAM = \$1.94b

TAM: \$13.89b

SMB + % Medium
Businesses (<200
employees) only

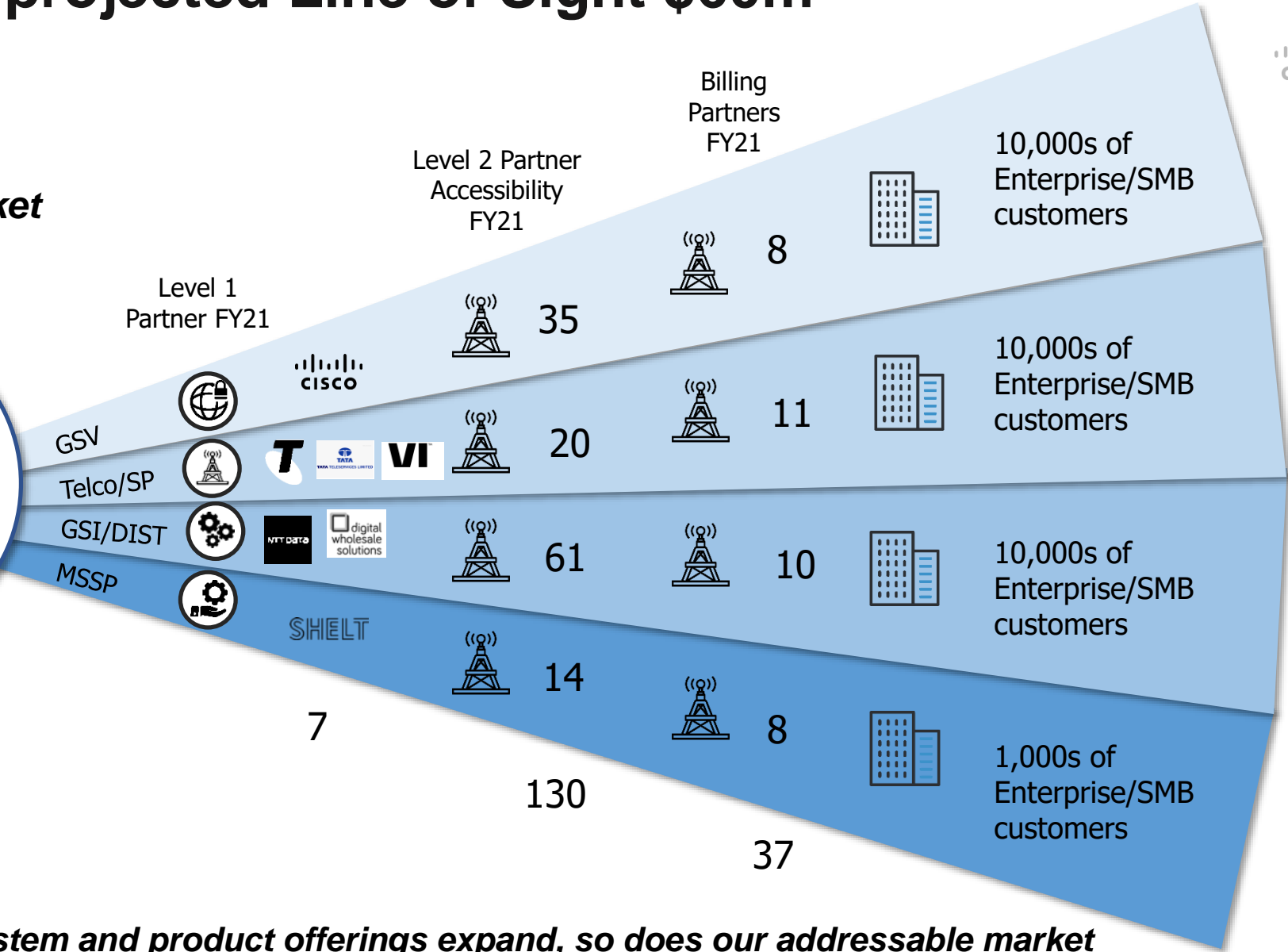
SAM = 12% * TAM = \$1.67b

- Accessible Markets & Telco/SPs via FCT Channel Partners (40%)
- ‘Switchable’ % of EPP customer buyer base per annum (30%)
- Adjustment of Telco/SP retail revenues to FCT resale level (*45%)

SOM = 40%*30%*45% of SAM = \$0.09b

Q1 FY21 exit projected Line of Sight \$60m

\$2.03b global market opportunity



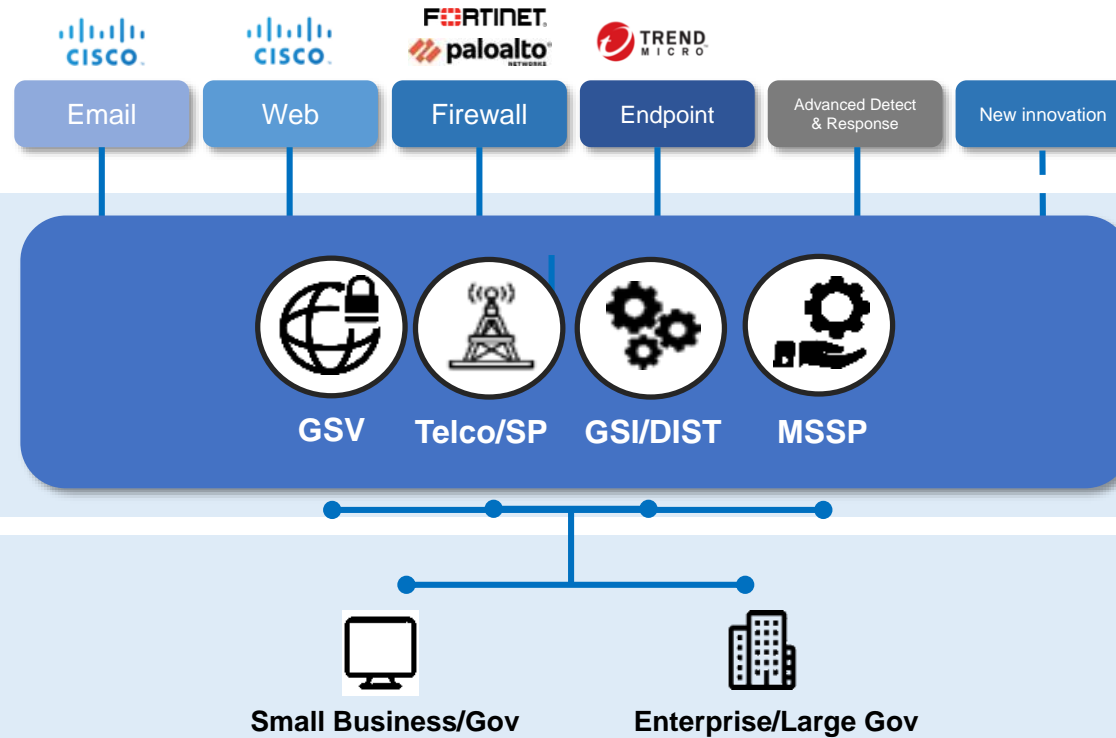
As our partner ecosystem and product offerings expand, so does our addressable market

Focus and Action - delivering the plan

FirstWave Technology



What problem does FirstWave solve



For Service Providers:

Increasing security complexity and demand coincidental with declining profitability

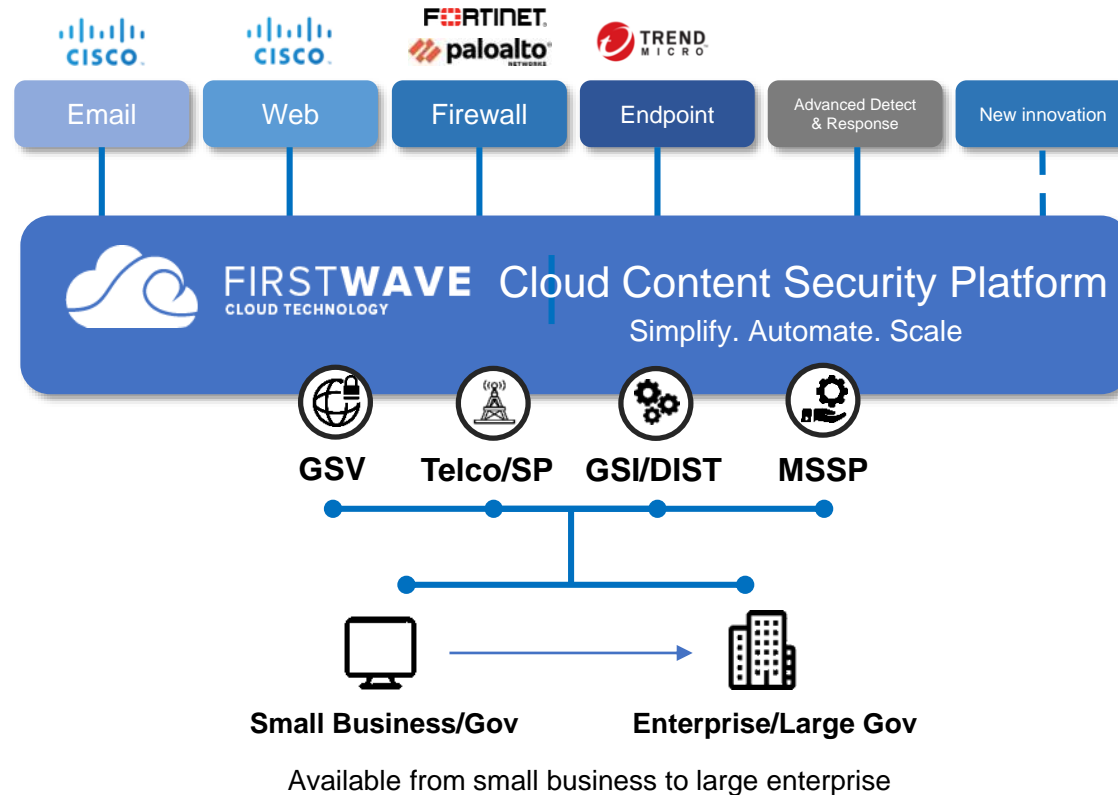
For End-Users:

Reducing the risk of cyber crime by protecting their expanding digital perimeter

Democratising enterprise grade cybersecurity-as-a-service

The Solution

The only automated cybersecurity-as-a-service orchestration and management platform for service providers that:



- integrates and multi-tenants enterprise grade appliances from global security leaders,
- can readily on-board and integrate innovative, new security technologies at a much lower cost,
- offering their customers a cloud-delivered, subscription-based, integrated, low cost and expanding range of cybersecurity-as-a-service, and,
- providing the end-user with the leading enterprise grade perimeter security at a price that is affordable particularly for SMB.

5 key elements to the FCT partner ecosystem

1	Technology partners	<ul style="list-style-type: none">• Cisco, Palo Alto Networks, Fortinet, Trend Micro• Supply enterprise-grade cyber-security threat vector technology for multi-tenanting and integration into the FCT cloud content security platform• Projected to expand as new offerings are developed and brought to market
2	Level 1 partners	<ul style="list-style-type: none">• Telstra, NTT Data, Cisco, Digital Wholesale Solutions (DWS), SHELTL, Vi, TTL• Generate revenue and margin selling CCSP or CSMP through Level 2 partners – usually as white-label offering• Can sell directly to end customers (eg. Telstra) but majority of revenue is through Level 2 partner network• Characterised by being tech-savvy with strong partner networks and existing technology-related relationships with their partners
3	Level 2 partners	<ul style="list-style-type: none">• Mobifone, Orient Telecom, KSM Telecom, Netcom, Renaissance (Ireland)• Generate revenue and margin selling CCSP or CSMP direct to end user customers either as white-label offering or FirstCloud• Characterised by having existing billing relationships with end customers usually through a suite of technology offerings• Can employ the FCT offering to either increase share of wallet from existing customers or break ground and develop relationships with prospective customers
4	Billing partners	<ul style="list-style-type: none">• Level 1 or Level 2 partners which have sold services and “on-boarded” end user customers• Have reached the “revenue” milestone on the path to revenue• Are being invoiced for services consumed on either CCSP or CSMP• Are a subset of the Level 1 or Level 2 partner list
5	End user customers	<ul style="list-style-type: none">• Are consumers of FCT services on either CCSP or CSMP• Can be a partner OR customer of a partner• Characterised by having a customer operations relationship with both a partner and FCT

Investors' Guide to Acronyms

- **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
- **End Customer Bill** – End customer is billed by 'Level 2' Partner which allows FCT to bill 'Level 1' Partner or 'Level 2' Partner
- **End Customer Order & On-boarding** – End customer orders FCT solution from 'Level 2' Partner is on on-boarded to the service
- **EWFE** – A FCT-conceived abbreviation for an Email + Web + Firewall + Endpoint 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
- **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
- **GSI** – Global Systems Integrator
- **GSV** – Global Security Vendor – e.g. Cisco, Palo Alto Networks, Fortinet
- **GTM Launch** – When the 'Level 1' Partner and/or 'Level 2' Partner launches the FCT CCSP-enabled service to their customers
- **IARR** - International Annualised Recurring Revenue
- **IRR** – International Recurring Revenue
- **'Level 1' / 'Level 2' PoC/PoV** – 'Level 1' Partner or 'Level 2' Partner starts full trial on the platform which, if successful, will provide confidence for the respective Partner to on-sell to their customers
- **'Level 1' Partner** – a GSV or GSI partner of FCT (leveraged partner model)
- **'Level 1' Partner OEM/Reseller Agreement** - a collective term for an agreement between FCT and a 'Level 1' Partner
- **'Level 2' Partner** – a customer of a 'Level 1' Partner (leveraged go-to-market model) or a direct customer of FCT e.g Telstra
- **'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

Investors' Guide to Acronyms

- **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
- **OEM Agreement** – this is an Original Equipment Manufacturing Agreement between FCT and a ‘Level 1’ Partner being a Global Security Vendor (GSV)
- **OSS/BSS** – Operational Support System / Business Support System (Telco/SP core IT systems)
- **PoC (Proof of Concept) for Partner** – Partner customer full trial on the platform that if successful is then provides catalyst to sign agreements
- **PoV (Proof of Value) for End Customer** – End customer full trial on the platform that if successful is then provides catalyst to sign order
- **Products X-Sell/Upsell** – ‘Level 2’ Partner sales teams cross-sell and up-sell other FCT– enabled solutions
- **SaaS** – Security as a Service
- **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
- **SAM** – Serviceable Addressable Market
- **SMB** – Small to Medium Business (sometimes also called an ‘SME’ or Small to Medium Enterprise)
- **SOM** – Serviceable Obtainable Market
- **SP** – Service Provider – a term used for a Telco or a network services provider or communications service provider
- **SWG** – Secure Web Gateway – a category of content security product or technology that inspects user web traffic for security and content control purposes
- **TAM** – Total Addressable Market
- **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