

FirstWave Cloud Technology (ASX:FCT)

Coffee Microcaps
9 December 2021



FirstWave

Today's presenter



John Grant – FirstWave Executive Chairman

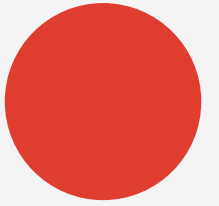
- Australian IT industry leader
- Managing Director of Data#3 (ASX:DTL) for c. 20 years
- Inaugural Chair of Australian Rugby League Commission

Our mission

DEMOCRATISING

enterprise grade cybersecurity-as-a-service for SMBs
globally

World-first Open Security Management Platform (OSMP)



Open

Multiple, integrated third-party security vendors and functions

Security

Enterprise Grade security services – virtualised, multi-tenant perimeter threat prevention, detection and response

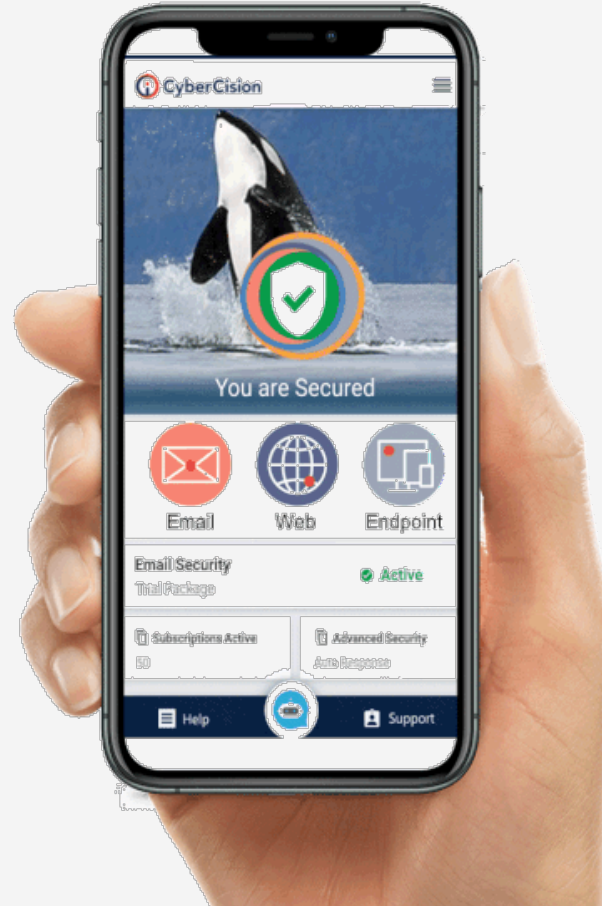
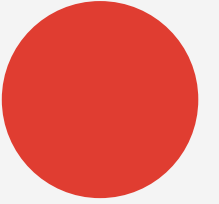
Management

Full lifecycle management capabilities

Platform

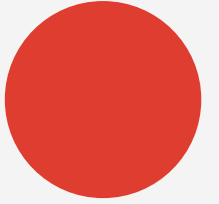
One place to deliver and manage security services at scale

Mobile App: World-class protection in your pocket

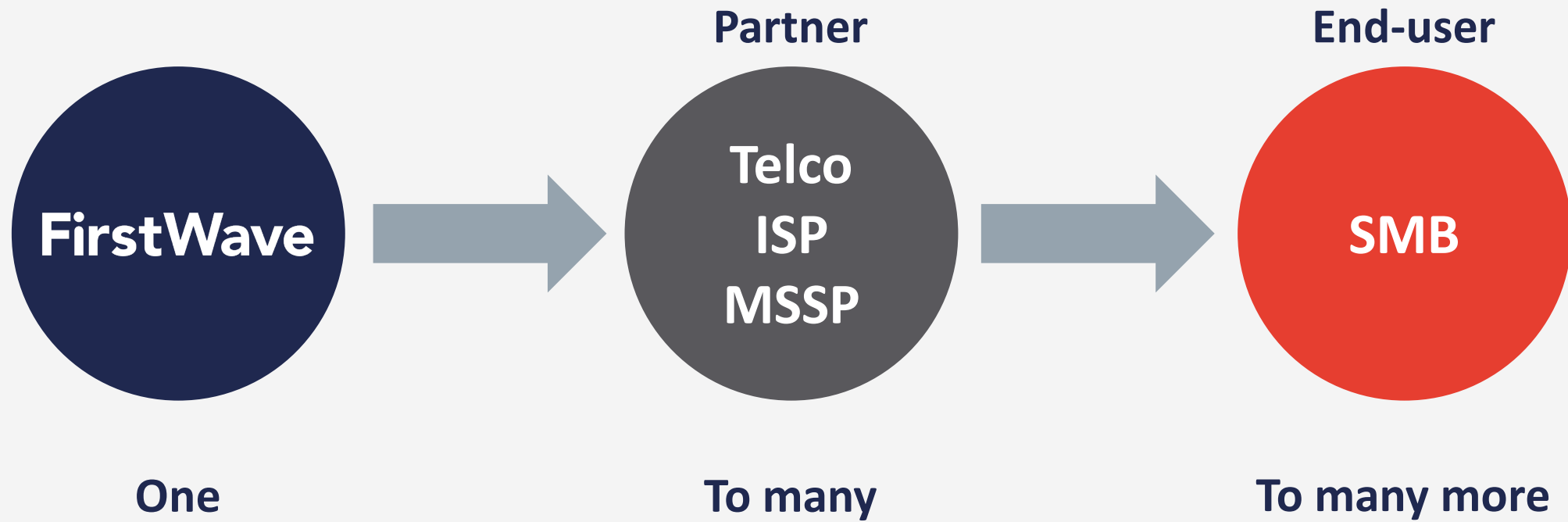


- Unique in market / USP
- Compelling SMB security management
- Customer lifetime value

FirstWave's distribution model



FirstWave's Partners are service providers serving the global SMB market



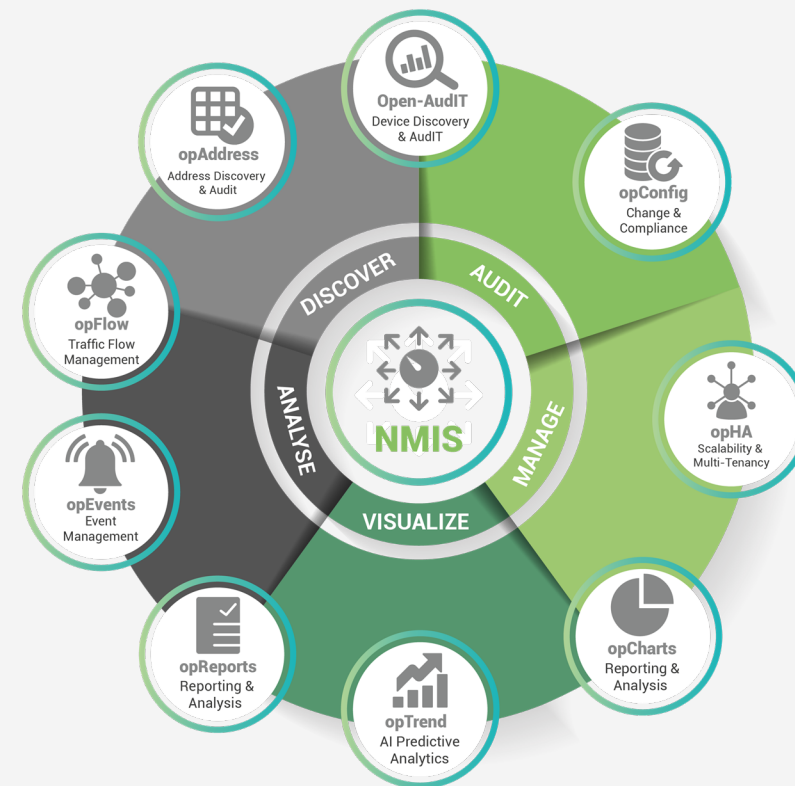
Acquisition of Opmantek

About Opmantek

- Provides enterprise-grade, network management (NMIS) and IT Audit software
- Customers are Telcos and Managed Service Providers who buy direct and resell to mid-market customers; and large enterprises who use in their own networks
- Broad footprint with products used by 150,000 organisations in ~178 countries
- Commenced operations in 2011, headquartered in Australia with offices in the US and Mexico, 26 FTE
- Experienced and committed management team with a deep understanding of the global IT software market

FY21 financial metrics

- Revenue \$4.0m
- 100% gross margin
- June 21 ARR \$3.4m (up 59% from June 20)
- EBITDA (\$0.8m)



Benefits of acquisition



✓ Expands product portfolio	New opportunities through one platform and combined IP
✓ New channels to market	New MSP partners and direct sales
✓ Opens large and lucrative US market	Local team selling through existing partner network and to blue-chip clients
✓ Expands global reach	Leverages existing sales capacity and presence to create truly global reach
✓ Adds recurring revenue	\$3.4m+ of annualised recurring revenue at 100% margin
✓ Lowers risk	Reduces current dependencies, CyberCision availability + Telstra
✓ Bolsters Leadership	New CEO, additional management, Board capability and commitment
✓ Synergies	Cross-sell and up-sell opportunities and multiple cost synergies
✓ Reduces cash burn	Combined business expected to considerably reduce cash burn
✓ Value accretive	FCT and Opmantek 'dovetail', low merger risk and maximise opportunity

Combined offering



FirstWave



**The combined offering is an end-to-end solution for
network discovery, management and cybersecurity**

- ✓ FirstWave's cyber-security as a service protects & remediates vulnerabilities identified by Opmantek's network management platform. This includes enterprise-grade email, web, firewall virtual appliances and endpoint protection services
- ✓ Opmantek's network management platform will further enhance FirstWave's offering through providing end-to-end visibility of the network and IT environment, enabling IT teams to detect faults, review current and historical network performance and predict future failures

Expanded global reach



Opportunity for international revenues to be enhanced through the combined companies



Expands global reach



FirstWave Telco and Service Providers

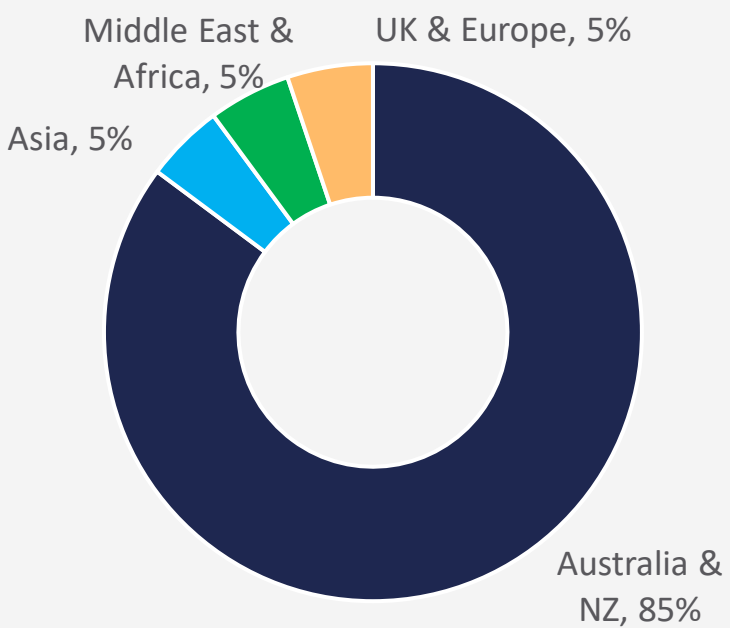


Opmantek Managed Service Providers

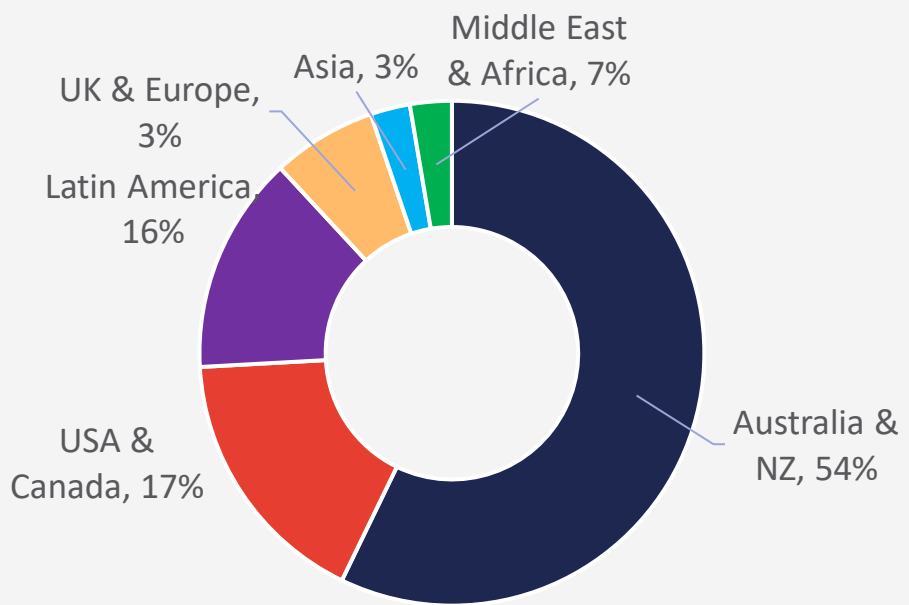
Diversified global client base



FY21 FirstWave Gross Profit Distribution*



FY21 Combined FirstWave and Opmantek Gross Profit Distribution*



*Source data- unaudited data from Management Reports.

Blue-chip partners and customers



 Partners –Telcos and Managed Services Providers resell to their customers

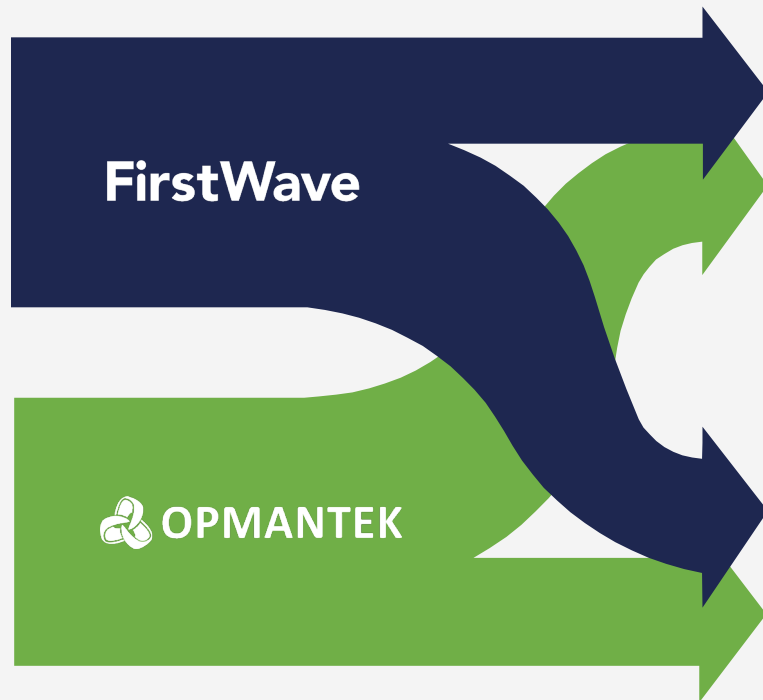
 Mid and Enterprise direct customers – >300 FTEs



Combined business – delivers operational synergies



\$2m in annual synergies in the combined group, in addition to the \$2.5m cost reductions FCT communicated in the FY22 Q1 market update



Revenue Synergies:

- ✓ Entry into new geographic markets with access to existing channels and customers
- ✓ New Channels - Access to new channel partners, particularly the US market and to direct to enterprise sales go-to-market
- ✓ Cross-sell and up-sell - Across products, geographies, sectors
- ✓ Improved lead generation - Through Opmantek tools such as Open-Audit and digital marketing

Cost Synergies:

- ✓ Consolidation of operations to create annual cost savings of \$2m

Combined leadership team – strengthened and committed



Danny Maher

Managing Director and Chief Executive Officer

- Previously Opmantek Exec Chair, Foundation Investor
- Netstar executive shareholder - acquired by Logicalis
- Led the building, growth and restructuring of innovative companies in AU, Asia, USA & UK
- Named Australian CEO of the Year in 2015



Craig Nelson

Chief Revenue Officer and Head of Global Sales

- Previously Opmantek Chief Executive Officer
- VP of Worldwide Ent. Sales at Ixia leading up to its acquisition by Keysight Systems for \$1.6B



Iain Bartram

Chief Financial Officer and Company Secretary

- Strategic CFO with international experience in high-growth technology businesses.
- ASX and AIM listed company experience



Simon Ryan

Chief Technology Officer

- Globally recognised leader and innovator in cloud technology
- Specialist in AI, machine learning and data mining



Roger Carvosso

Chief Product Officer

- Experienced Telco, ICT & Cyber Security industry professional with prior roles covering Strategy and Products & Innovation
- Founder and Principal of Telconext Consulting and Telstra Global Head of Network Services, Portfolio & Marketing

Combined leadership team – strengthened and committed



John Grant

Non-Executive Chairman

- Australian industry leader
- Managing Director of Data#3 (ASX:DTL) for c. 20 years
- Inaugural Chair of Australian Rugby League Commission



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Paul MacRae

Non-Executive Director

- International IT industry veteran
- Previously a senior executive at TechnologyOne, after establishing MessageLabs in Australia & NZ



Ray Kiley

Non-Executive Director

- Previously Opmantek Board Advisor
- CEO Intelledocs (SaaS company, recently acquired)
- Corporate lawyer and former divisional General Council at Telstra



David Hwang

Non-Executive Director

- Experienced corporate lawyer specialising in capital markets and corporate governance
- Principal of Automic Legal – specialist law and corporate governance firm

Combined business – pro forma Profit & Loss



FY21 (AUD \$'000)	FirstWave **	Opmantek**	Adjustment*	Combined Pro forma*
Recurring Revenue	7,595	3,236		10,831
Non-recurring revenue	380	796		1,176
Revenue	7,975	4,033		12,008
Cost of Goods Sold	(3,672)	-		(3,672)
Gross Profit	4,303	4,033		8,336
Other Income	2,427	367	111	2,905
Operating costs	(14,912)	(5,187)	329	(19,770)
EBITDA	(8,182)	(787)	440	(8,528)
Gross Profit %	54%	100%		69%
EBITDA Margin %	(103)%	(20)%		(71)%

P&L highlights of the deal pro forma FY21

- 43% increase in recurring revenue
- 94% increase in gross profit
- Lifts gross margin from 54% to 69%
- EBITDA margin % improves
- Pro forma adjustment for development work to match FirstWave's accounting policies
- Pro forma does not include identified cost synergies of \$2m

* Source data- unaudited data from Management Reports.

** Source data – audited data from Financial statements

Cash balance post transaction



Combined Cash Position

Proforma 30 Sept 2021*	
Cash from combined balance sheets	\$8.3m
Repayment of Loan	(\$1.5m)
Cash Consideration – Warrants, Advisors	(\$1.3m)
Transaction Costs (including brokerage)	(\$2.7m)
Placement and Rights Issue	\$14.0m
Total	\$16.8m

* Source data- unaudited data from Management Reports.

- Integration plan*
 - Estimated integration costs ~\$1.2m
 - Full integration completed by Jun 22
- Cash burn for combined business to halve*
 - from ~\$1.0m in 31 Dec 21
 - to ~\$0.5m by 30 Jun 22
- Revenue synergies targeted to start in H1 FY23
- Sufficient funding to reach cashflow breakeven

Proposed capital structure



Rationale for Equity Split

Description	FCT**	OPM**
Revenue (FY21)	\$8m	\$4.0m
Gross Profit (FY21)	\$4.3m	\$4.0m
EBITDA (FY21)	(\$8.2m)	(\$0.8m)
Executives	Chairman, CFO, CTO	CEO, Global Head of Sales
International regions	Africa, India	North America, Latam

Capital Structure

	No. of shares	% of shares	MV @ \$0.07
FirstWave Current Shares	769m	46%	\$54m
Placement and Rights Issue	200m	12%	\$14m
Opmantek	691m	42%	\$48m
Total	1,661m	100%	\$116m
Opmantek – Danny Maher ¹	256m	15%	\$18m
Opmantek – Craig Nelson ¹	21m	1%	\$1m
Opmantek – Other shareholders ²	414m	25%	\$29m

Note 1: Senior Opmantek management escrowed – 50% of shares until after release of FY23 results (Sept 2023), 50% until after release of H1FY24 results (Feb 2024)

Note 2: All other Opmantek shareholders escrowed - 50% of shares until release of results (Sept 2022), 50% escrowed until after release of H1FY23 results (Feb 2023)

** Source data – audited data from Financial statements

Well positioned for success



Combined proposition for clients

- ✓ End-to-end solution for network discovery, management and security
- ✓ Comprehensive SaaS, multi-tenanted cloud-based solutions



Increased scale with growing revenue

- ✓ FirstWave's standalone FY21 revenue of \$8.0m increases to \$12m
- ✓ Increase of 42% in ARR for combined business
- ✓ Diversification of revenues by customer, product and geography



Proprietary IP

- ✓ Opmantek's software NMIS is 100% owned, with no 3rd party costs
- ✓ NMIS will be integrated into CyberCision



Global opportunities to accelerate growth

- ✓ Global Presence with access to new markets
- ✓ New Direct Sales team focused on Enterprise and Government
- ✓ FirstWave enters US and Latin American markets and with access to blue chip enterprise clients such as NASA and Microsoft



Profitability and synergies

- ✓ Increase in gross margin to 69%
- ✓ Significant operational synergies through consolidation of operating activities such as; international sales presence, 24x7 support processes and corporate admin



Experienced committed team

- ✓ Experienced and committed executive team
- ✓ MD will be a substantial shareholder
- ✓ 93 combined staff

Thank you



For investor inquiries, please contact:

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