



Chairman's Annual General Meeting Address

Good morning ladies and gentlemen. It being now 10.00am, I have confirmed with the Company Secretary that we have a quorum of members and declare this Annual General Meeting of Shareholders of FirstWave Technology Limited, open.

My name is John Grant and I am the Executive Chairman of FirstWave Cloud Technology Limited and Chairman of today's meeting.

Let me now share my comments on the FY21 year, recent events post year-end and how they play into the outlook for your Company.

2021 was a year in which your Company continued to advance on many fronts, but also one that presented challenges that demanded both time and resources.

While international sales continued to be hampered by the ongoing impact of COVID19, very pleasingly, International Annualised Recurring Revenue (IARR) was up 440% at the end of the financial year to just over \$3M from \$448K at the end of the prior year.

Domestic revenues through Telstra continued to be impacted by customer churn due to the lack of a web replacement product from Cisco, and the high costs of Telstra's inhouse cloud platform from which our cybersecurity services are hosted. Both factors are now of decreasing influence and we see emerging opportunities to reverse this trend following Telstra CEO Andy Penn's appointment as Chair of the Industry Advisory Panel to the Federal Government on Australia's 2020 Cyber Security Strategy, and his subsequent public statements on the growing impact of cybersecurity threats.

We also saw for the first time, appointment of a senior executive, Matt O'Brien as Telstra's Head of Cyber Security.

Level 1 Partners, who control the downstream ecosystem of resellers and SMB end users, increased from 5 to 9 by year end. These included Vodafone Idea (Vi) in India, Mojo Access (part of the CSquared Group) in Africa, and Dimension Data Systems Africa, part of the NTT Group – a FirstWave Level 1 Partner in Europe.

Billing Partners i.e. those billing end user customers increased from 28 to 52 by year end.

We also articulated clearly your Company's overarching purpose as 'Democratising enterprise grade cybersecurity-as-a-service for the world's SMBs i.e. making the best available to global SMBs at an affordable price.

We added to the product portfolio with Advanced Detect and Respond (ADR) Essentials for Email in partnership with SHELТ Global; and WebProtect DNS under an exclusive reseller agreement with Simplifyd Systems UK.

We saw transition of the Company's OEM reseller arrangements with Cisco Systems from one of optimism for significant revenue growth at the start of the year, to likely no additional revenue and cost out by the end of the year. Since then however we have worked constructively with Cisco and their partners and expect to bring a majority of them over to our own CCSP platform, which is a good outcome.

We delivered the Company's first ever Product Roadmap to Investors and Partners in November and saw early success with WebProtectDNS delivering solid international recurring revenues in H2.



A share placement in April of \$6m led to a strong cash on hand position at June 30 of \$9.96 million.

We also saw a reduction in operating expense compared with the prior year of circa \$2 million

And finally, we were delighted to appoint Kevin Bloch, ex Cisco Systems Chief Technical Officer for Australia and New Zealand, as Advisor to the Company on Technology and Markets. Kevin's contribution over the year has been very significant.

Subsequent to year end we saw:

- Changes to leadership of the Company with me stepping in as Interim CEO after Neil Pollock's departure and David Hwang joining the board following David Acton's departure
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- Pausing of contracts to resell WebProtectDNS with Level 1 Partners in Africa, CSquared and Telum Technologies (Nairobi). This impacted reported IARR in Q1 but both contracts remain on foot and the outlook is positive as we near finalisation of revised terms with Telum and the potential to re-commence billing in Q3. We remain in discussions with CSquared.

Of greater significance, however, was the commitment to significantly enhance the CCSP platform to reduce the 'friction' for partners and end users, to scale rapidly. This culminated in November in the launch of our enhanced platform as CyberCision.

This first release is aimed predominantly at our service provider partners providing higher levels of integration of the CyberCision platform into their operational and billing systems and broader scope for bundling a subset of CyberCision's security services easily. We have received very positive feedback from partners.

The second release aimed at the end user and featuring a mobile interface is scheduled for launch at the end of Q3.

These two software releases are without doubt the most significant in FirstWave's history and realistically we have great hopes they will lay the foundation for accelerating uptake by partners and SMB end users in Q4 and beyond.

On Monday 29 November we announced a transformative acquisition for FirstWave and an underwritten \$14M capital raise. Many of you may have attended the announcement webinar but I'd like to take a little time to talk you through this again. I believe it is firmly in your best interests.

Opmantek Limited is an unlisted public company with less than 100 shareholders.

It's intellectual property vests in two offerings – Network Management and Information System (NMIS) and Open-Audit. This IP sits complementary to CyberCision doubling the portfolio we have as a merged business to sell through our existing channels.

This slide shows the key partners in the merged Company's channels – FirstWave's in black and Opmantek's in green. The picture is worth a thousand words – little overlap and potential for conflict, and a doubling of market access with North America and Latin America now firmly in our sights – this is transformative for FirstWave.

This slide shows the location of the two organisations people with FirstWave's in red and Opmantek's in green. It also shows our AWS and private platforms in black. Again, the impact on our reach globally is transformative.

This slide shows the impact of Opmantek's revenues at 100% margin on FirstWave's pro-forma FY21 gross profit – a de-risking of domestic gross profit through Telstra from 85% of total on the left to 54% on the right, and new revenues through North America and Latin America on the right measuring 17% and 16% respectively – this is a transformed business.



In merging the two businesses, we have identified \$2M in savings, some in existing expenditure, but the majority as expenditure within the financial plans for the two businesses separately, that can be avoided. We have cross sell opportunities through each of the two sales teams which we will work on in the second half of the current year with the objective to bring them to account in FY23. We also see potential for upsell through integration of the software IP so that, in simple terms, security shortcomings in customer businesses can be identified by Open-Audit and NMIS and remediated by CyberCision. We aren't 'counting' this in our planning but do see it as real and additional opportunity in the mid-term.

Leadership of the business will be significantly bolstered. Danny Maher will be Managing Director and CEO. His background in building, growing and restructuring innovative companies holds him in great stead for this role. Equally importantly, Danny will be a 16% shareholder and will bring reality to the claim we have rightly made that Directors are committed to making decisions that are in shareholders' best interests and growing shareholder value.

Craig Nelson, Opmantek's current CEO will be Chief Revenue Officer and Head of Global Sales. Again his experience and pedigree are perfect for this role but equally importantly, his being located in San Francisco on the US west coast with a direct and channel sales team at his disposal opens this market as FirstWave could not have imagined in the next 3 or 4 years – again this is transformative.

And the board is also strengthened with Ray Kiley, a current advisor to Opmantek and with relevant experience to FirstWave's immediate future, joining as a Non-Executive Director.

So, your Company's opportunity and its future can be transformed through this acquisition. It is also appropriate to add that the opportunity for Opmantek's shareholders, who have patiently waited for such a moment, some since 2011, is similarly transformed. We wait for their affirmation of the transaction.

That concludes my comments.

ENDS

This announcement has been approved for release by the Chief Financial Officer and Company Secretary of FirstWave Cloud Technology Limited.

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About FirstWave Cloud Technology Limited (FirstWave)

FirstWave, a leading Australian global cybersecurity technology company, has delivered cybersecurity-as-a-service solutions since 2004, in line with its mission is to democratise enterprise-grade cybersecurity-as-a-service for the SMB market. In an increasingly connected and vulnerable digital world, FirstWave believes that safe business is good business and that every business should have access to enterprise-grade cybersecurity. FirstWave's infrastructure, management and security processes are certified to ISO 27001 Information Security Management System Standard and ISO 9001 Quality Management System Standard.