

Q2 FY22 Shareholder Update

9 February 2022



Today's Presenters



JOHN GRANT

Chairman

**(Interim CEO July
2021 to January 2022)**



DANNY MAHER

**Managing
Director and CEO**



IAIN BARTRAM

**CFO and
Company Secretary**

Agenda

1. Q2 Highlights
2. Q2 Financial Performance
3. MD/CEO Update
4. Wrap up

Q2 Highlights



- Successfully launched CyberCision platform for Service Providers
- Now focused on delivery of CyberCision mobile 'front-end' in Q3
- Total revenue up 2% QoQ
- Annualised revenue was in line with Q1 with domestic up and international down QoQ
- Operating expenses down QoQ and capex for software R&D consistent with Q1
- Opmantek acquisition and \$14m capital raise successfully completed (post end Q2)
- Strong cash position of \$13.34m at 31 December 2021 with cash burn down QoQ
- New appointments early in Q3

Q2 Financial Performance

Iain Bartram – CFO and Company Secretary

Q2 Financial Performance - Revenue



- Total revenue up 2% QoQ to \$1.77m
- Total annualised recurring revenue in line with Q1 at \$6.95m
 - Domestic up 4% to \$6.26m
 - International down 23% to \$0.69m primarily due to return of a 5,000-seat email licence held by DWS as marketing inventory

Q2 Financial Performance – Expense and Cash



- Expense
 - Reduced headcount by 9 FTE = \$125k p/m ongoing offset in the short term by \$140K in one-off payments for accrued leave and redundancy
 - \$1.5m annualised cost out achieved in Q2 and ~\$4m FY22 YTD
- Cash
 - \$2.19m collected from customers, (FY22 YTD \$4.79m vs. \$1.02m quarterly average in FY21)
 - Strong management focus continues to reduce cash burn
 - Cash costs capitalised of \$0.75m consistent with Q1
 - Cash balance at 31 December of \$13.34m
 - On target for \$500k cash burn p/m by 30 June and tracking for cash flow breakeven with existing capital

Opmantek acquisition completed on budget



- Acquisition complete (14-Jan) with 100% Opmantek shareholder acceptance
- Transaction costs on-budget
- Share issue and capital raise
 - Tranche 1 of Placement and Rights Issue (139.4 million shares) issued at \$0.07 (total proceeds = \$9.76m)
 - Equity consideration of 691 million shares issued to Opmantek shareholders
 - Tranche 2 of Placement (60 million shares) issued at \$0.07 (total proceeds = \$4.2m)
- Cash balance at 31 January of \$13.68m
- Appointments
 - Danny Maher appointed Managing Director and CEO
 - Ray Kiley appointed Non-Executive Director

In Summary



- Revenue flat
- Costs significantly down
- Business fully funded through \$14M capital raise
- Acquisition completed and integration started

MD / CEO Update

Danny Maher – Managing Director & CEO



Opmantek Q2 Highlights



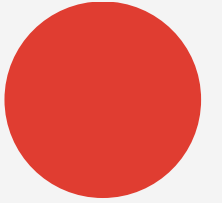
- Strong December sales and new business wins
- ARR at 31 December 2021 of A\$3.75m
- Key contract extensions:
 - Telmex (Mexico) – 12-month extension
 - Claro (Dominican Republic and Ecuador) – 12-month extension
- Importantly for the merged business, 5 new contracts commencing in Q3 will add total ARR of >A\$500k to FCT Q3 revenues

Initial Observations



- Still early days as new CEO – 4 weeks in the job
- Many positives incl. some surprises
- Transformative nature of transaction already evident
 - Diversified international revenues
 - New products with 100% owned IP
 - Telstra can be given increased focus as a key account
 - Cost synergies are being realized with overall expenses reduced by over \$300k per month
 - Cross-selling has commenced

Near-term Priorities in 3 areas



1. Spend less

- Restructuring decisions already made expected to deliver further cost savings of \$2m annualised:
 - Merging sales functions under one leader (San Francisco-based)
 - Removing offshoring of software development for FirstWave
 - Aligning product management and marketing functions
- Continue to rationalise number of platforms deployed globally

Near-term Priorities in 3 areas



2. Grow faster

- ARR of >\$500k new contracts signed in December
- Onboard Microsoft secure Internet of Things (IoT) management
- Deliver CyberCision frictionless email and mobile reporting
- Implement digital marketing for CyberCision
- Re-energise co-marketing with Partners
- Launch new services leveraging Opmantek IP
- Identify further opportunities for cross-selling

Near-term Priorities in 3 areas



3. Progress culture and strategy

- Complete operational integration of FirstWave and Opmantek
- Transition to sales-led mindset of a high-growth global tech company
- Delivery of new strategic plan for combined company with refined budgets

In Summary



- I personally 'am in' as an invested CEO
- The rationale for the acquisition is already proving true
- Integration of the two businesses as one Company is going well
- It's full steam ahead as a new Company

Wrap up

John Grant – Chairman



Wrap up



- Q2 will go down as a defining quarter for your Company
- You have a new Company with:
 - A broader product portfolio and new channels to market
 - Synergies in revenue and expense
 - A stronger Board
- But most importantly you have:
 - A refreshed and committed executive team
 - An invested CEO
 - Renewed enthusiasm for the opportunity ahead
- I believe we are in very good hands

Q&A



Thank you



FirstWave