Q4 FY22 Shareholder Update

27 July 2022

FirstWave

Today's Presenters

JOHN GRANT

Chairman

DANNY MAHER

Managing
Director and CEO

IAIN BARTRAM

CFO and
Company Secretary

Agenda

1. Q4 Highlights
2. Q4 Financial Performance
3. Strategy Update
4. Wrap-up
5. Q&A

# Q4 rounds out a very busy half year

- Operational integration of Opmantek into FirstWave essentially complete

- Further cost reductions will flow into Q1 FY23

- Maintained existing key customer base and restructuring where not making headway

- A significant pipeline of opportunities indicates a strong outlook

- CyberCision Phase II increases access to high growth markets/empowers partners to scale

- Cash on hand of $10.4m entering FY23

- Normalised cash burn very close to target of $500k per month

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Q4 Financial Performance

Iain Bartram – CFO and Company Secretary

Q4 Financial Performance – Revenue and Gross Profit
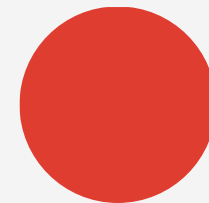
(A$m)	Pro forma		Actual	△%	
	Q2	Q3	Q4	Q4/Q3	Q4/Q2
ARR	10.65	10.90	10.92	0.1%	2.5%
Revenue	2.77	3.10	2.89	-6.6%	4.4%
Gross Profit	1.88	2.21	2.09	-5.2%	11.5%
Gross Profit Margin	67.7%	71.3%	72.3%	+1.0ppts	+4.6ppts

Notes:
- Q3 pro forma in-period revenue and gross profit contain $0.40m in one-off items.
- This has resulted in a decline Q4/Q3, however, Q4 is up on pro forma Q2.
- Revenue from Macquarie Cloud Services contract not included in Q4 financials.

Q4 Financial Performance – Expenses and Cash

- Q4 closing cash position $10.41m

- Remain focused on capital efficiency to reduce cash burn

- Cost reductions continuing to be made

- Normalised[1] cash burn:
  - Averaged <$600k p/m in Q4
  - Expect to reach $500k p/m target in Q1

- Sufficient funds to reach cash flow breakeven

[1]Normalised monthly cash burn:
- includes capitalised development labour,
- has a monthly allocation for R&D grant earned against development activities,
- recognised revenue rather than billings, and
- smooths out other timings of cash receipts and expenses.

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Strategy Update

Danny Maher – Managing Director and CEO

"To create intelligent software with high levels of automation that our service provider partners and customers love and recommend to each other"

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Strategic Objectives

Sales-led culture

Grow faster

Be capital efficient

Sales and Marketing

- New go to market plan and product strategy in place
  - Focusing sales efforts on Service Providers (our main clients) in strongest markets (USA, Australia and LATAM)
  - Focusing on highest margin products – Email Security and Network Management
- Progressing multi-level relationships with key accounts
- CyberCision global expansion in progress
- Significant pipeline of needle moving opportunities for FY23

Product Development

- Focused on reducing churn and increasing speed of product adoption

- Making faster decisions on underperforming products

- Enhancing existing products and building new products and features to create value for all key stakeholders

- Commencing the integration of Opmantek IP with CyberCision platform in Q1 FY23
  - Enhances functionality and increases product margins

Wrap-Up

- Business is aligned for growth

- Costs have been stabilised

- Strong pipeline continues to grow

- Early signs that new strategy is the right one and is working

In summary: The outlook is strong

Q&A

Thank you

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