FirstWave (ASX:FCT)

Leading transformational change
in Network Management and Cybersecurity

Australian Microcap Investment Conference

FirstWave Company Overview | October 2023

- FirstWave has been listed on the ASX since 2016

- **Transformative acquisition** of leading global network management software company, Opmantek, in 2022

- Completed **bolt-on acquisition** of Saisei Networks Inc. in August 2023

- Now a completely transformed company

  - Opmantek has now been fully integrated into FirstWave

  - Saisei recently acquired (100% asset acquisition).

  - Key geographic markets in North America and LATAM

  - Diversified revenues with new products and geographies

  - The **total OPEX of the combined entities of (the previous) FirstWave, Opmantek and Saisei is lower than FirstWave's was on it's own prior to the acquisition of Opmantek in 2022.**

About FirstWave

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- FirstWave has significant IP in highly scalable software it develops and markets for:

     Cybersecurity
     IT audit
     Network Management

- Two leading "freemium" open-source products (NMIS and Open-AudIT) used by over 150,000 organisations in 178 countries

- Global reach with major markets being USA, Latin America and Australia

- Major products are CyberCision (a cloud based cyber security platform) and NMIS (together with its associated modules – Network Management, compliance and automation software)

- Major channel partners are circa 26 Service Providers globally who run the software as a-cloud service for their clients.

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Global Service Providers

26 Service Providers globally running FirstWave software as a cloud service for their clients

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How does FirstWave make money

Industry leading software in growing markets – both SaaS and On Premise

Major channels are service providers – telecommunications companies and managed service providers

The service providers run our software and often combine it with further services to on sell to their clients

The service providers pay a base subscription fee and then a usage-based fee dependent on how many clients and the size of the clients they add to the system – we grow as they grow

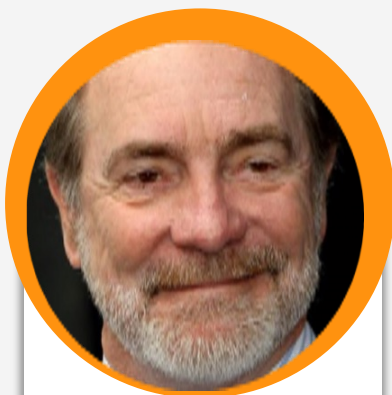The bulk of revenue is recurring (~80%*)

*FY23

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A Handful of Our Global Customers

Key Team Members

John Grant
Non-Executive Chairman

Extensive career spanning technology, engineering and construction and sports administration. He has held leadership positions including CEO of ASX listed technology company, Data#3 Limited.

## Danny Maher
CEO & Managing Director

A major FCT shareholder (15%). Experienced CEO and commercialiser of technology with multiple exits and 30 years in the IT industry - USA, Asia, UK and Australia.

Iain Bartram
CFO & Company Secretary

A strategic CFO with multi-site and international experience in high growth, technology businesses and current ASX and AIM listed experience.
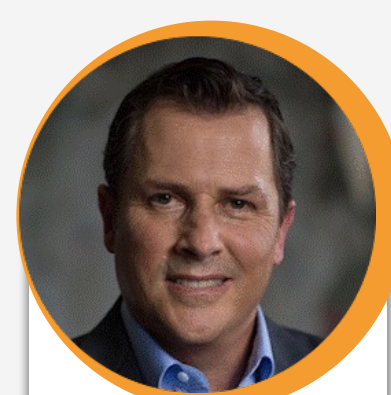
Dino Davanzo
Chief Revenue Officer

More than 35 years of experience in sales and leadership roles, including senior positions at Hewlett Packard Enterprise (HPE), Optus, Dell, and NetApp.

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Current Capital Structure

- A tightly held stock with supportive investors

- 90% with 6 key groups.
    - Morgans 30%
    - Opmantek Shareholders 22%
    - Danny Maher 15%
    - Perennial Value 14%
    - Bell Potter 6%
    - Roger Allen 3%

- Very difficult to get exposure to Cybersecurity and Network Management investments on the ASX

- FirstWave operates globally in these lucrative and growing markets

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Financial Highlights – FY23

FY23 Revenue[1]
$12.49m
Up 34%
(FY22: $9.35m)

Gross Profit
$9.63m
Up 56%
(FY22: $6.19m)

Expenses[2]
Down 14%
$18.13m
(FY22: $21.05m)

Net Cash Used
$4.66m
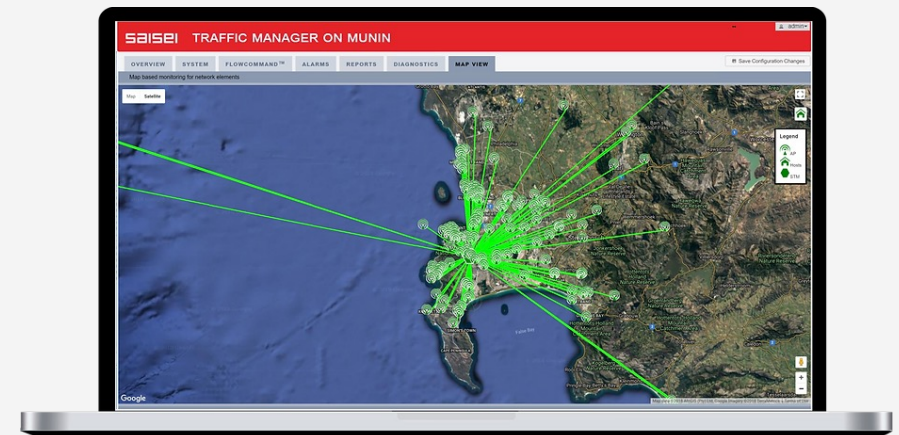Down 58%
(FY22: $11.09m)

Operating Loss[2]
$5.85m
Down 57%
(FY22: $13.45m)

1. Prior year (FY22) includes ~six months of Opmantek revenue.
2. Excluding capitalised intangible asset impairment to CyberCision of $7.59m

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Saisei Acquisition
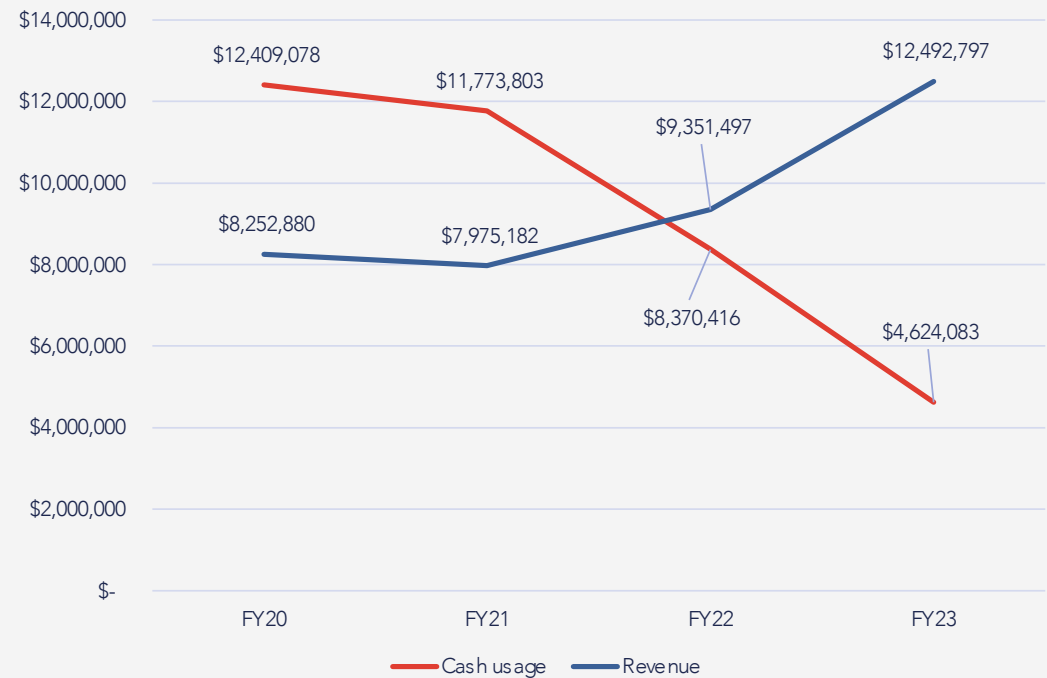
- Improves and expands the capabilities of the company's high growth network management offering

- Will add approximately $1 million in annual revenue.

- Delivers over 50 new clients – mostly North American telecommunications organisations

- All share transaction that increases the company's cash reserves by approximately $200,000

- Delivers six new software engineers focussed exclusively on enhancing the company's IP

- Expands the depth and breadth of the company's management capabilities in the network management space

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Cash Burn

- FY23 closing cash position $5.61m (FY22: $10.4m).

  - Trade Debtors $3.19m.

- Cash used in FY23 $0.40m per month (FY22 $0.87m per month)

  - Cash usage down 58% in FY23 while revenue increased 34%.

- Development team restructuring commenced, including 11 redundancies (August 2023), to deliver $1.5 million in annual savings (full benefit from FY25)
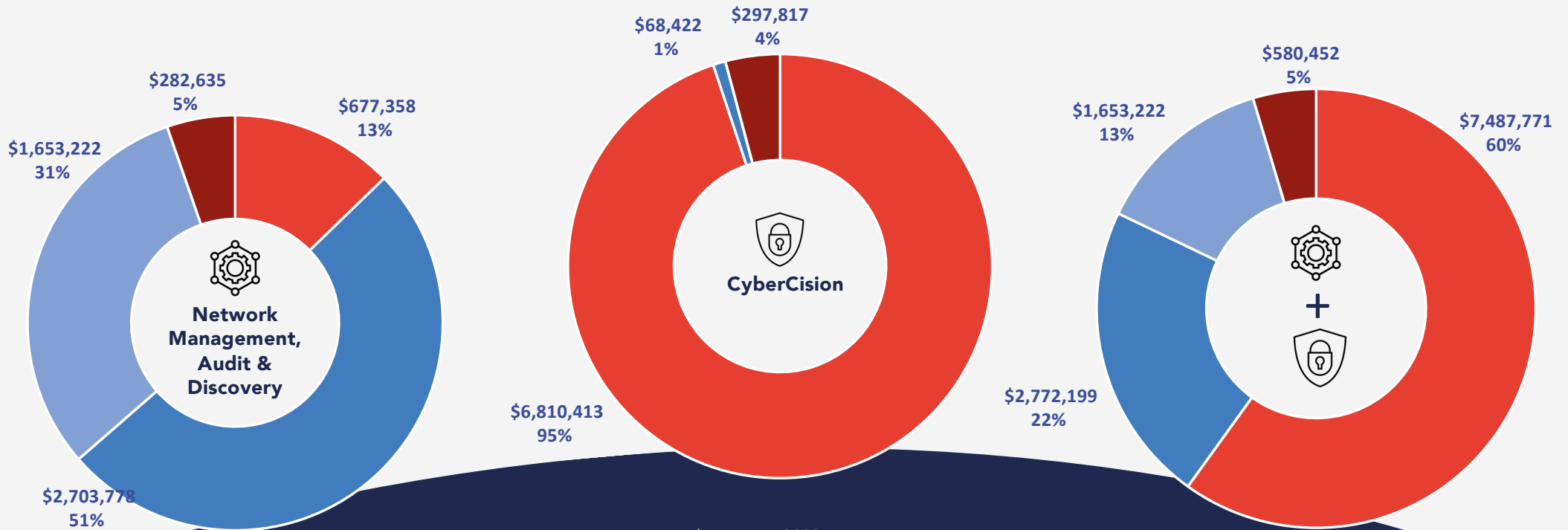
Cash usage and Revenue – FY20 to FY23

Chart data:
- Cash usage: FY20 $12,409,078; FY21 $11,773,803; FY22 $8,370,416; FY23 $4,624,083
- Revenue: FY20 $8,252,880; FY21 $7,975,182; FY22 $9,351,497; FY23 $12,492,797

Legend: Cash usage, Revenue

Strategic Objectives

Sales-led culture

Grow faster

Be capital efficient

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ARR Breakdown*

Network Management, Audit & Discovery

- $677,358 — 13%
- $282,635 — 5%
- $1,653,222 — 31%
- $2,703,778 — 51%

CyberCision

- $68,422 — 1%
- $297,817 — 4%
- $6,810,413 — 95%

Network Management, Audit & Discovery + CyberCision

- $580,452 — 5%
- $7,487,771 — 60%
- $1,653,222 — 13%
- $2,772,199 — 22%

*as at June 2023

Legend: Australia · North America · LATAM · Other Regions

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Network Management, Audit & Discovery

- Leading intellectual property in this market, including highly referenceable customers such as NASA and Microsoft

- Market has grown significantly due to increasing reliance on networks - especially due to IIoT, cloud services and expansion of data sources.

- Total addressable global market size projected to reach **USD 11.10B** by 2025*

- Driven by increasing need for network management/security, adoption of Software Defined Networking (SDN), Cloud Computing, IoT and BYOD policies together with the convergence of security operations and IT operations

*According to Market and Markets

Market Opportunity

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Progression of Infrastructure Network Management

Evolution 4

The ability to manage multiple devices and hybrid networks (including IoT and cloud environments) at high scale becomes mainstream / enterprise critical. Scalability and flexibility limitations lead a shift.

Built by users for their environment, their devices, to meet their requirements.

Evolution 3

Enterprise software companies add complementary tools. Limited scalability.

Built as part of a suite of enterprise tools.

Evolution 2

More hardware vendors introduce software to complement their equipment. Limited flexibility.

Built to operate in a selection of customer environments.

Evolution 1

Network monitoring primarily for mainframe computing. Limited device handling.

Built to monitor and manage specific enterprise devices.

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CyberCision

Cybersecurity and Advanced Detection and Response for Email, Web and Firewall

- Unique cloud based CyberCision platform allows service providers to offer highly scalable security services for businesses of all sizes

- Global email security market size is projected to reach **USD 14.4B** by 2025*

- Email and web security market is projected to grow at a CAGR of 22.4% and 20.0%*

- Driven by increasing adoption of cloud-based security solutions, a rising need for data privacy and compliance, and growing sophistication of cyber threats

- The demand for email and web security solutions has surged with the increasing trend of remote work

- Security and operations teams are being consolidated in many organisations

Market Opportunity

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*According to Market and Markets

"Unlocking the Blue Sky" in FirstWave
Product Integration for Enhanced Capabilities
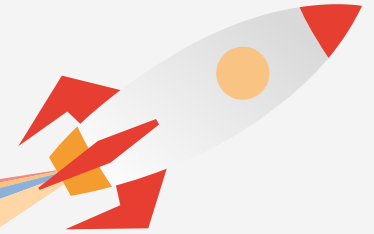
The network management and cyber security markets are converging

Sharing of features and capabilities to each respective solution provides businesses with complete, end-to-end solution for robust network management and cybersecurity capabilities.

With this sharing of features and capabilities we can target new customer segments and enter new markets with a comprehensive and cost-effective solution.
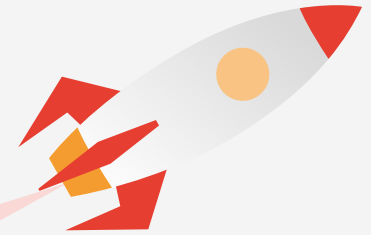
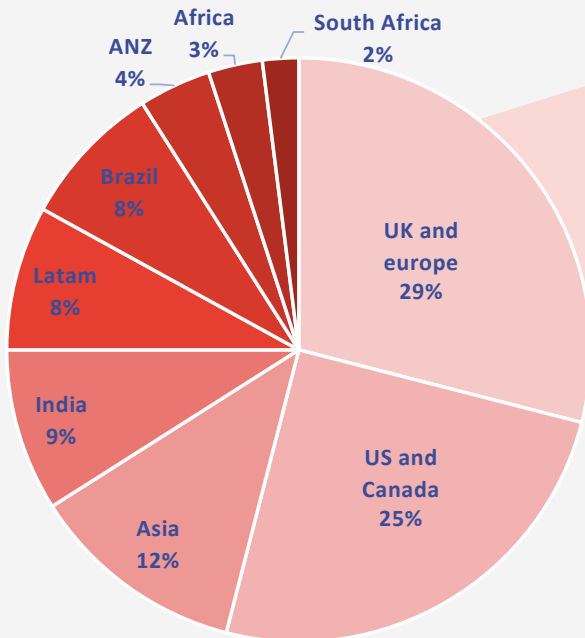It is a significant growth opportunity with potential substantial rewards.

Leveraging the feature sets of the network management products and CyberCision together is a focus of our development efforts.

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"Unlocking the Blue Sky" in FirstWave
## Leveraging Open Source User Base for Increased Revenue

More than 150,000 companies use FirstWave's "freemium" open source software

Freemium User Base by Region

Pie chart labels:
- South Africa 2%
- Africa 3%
- ANZ 4%
- Brazil 8%
- Latam 8%
- India 9%
- Asia 12%
- US and Canada 25%
- UK and europe 29%

- FirstWave provides paid versions of Network management, audit and discovery software to enterprise, government, and service providers.

- User base of over150,000 organisations

- A new organisation downloads one of our open-source products every 6 minutes

- There is significant potential to leverage this user base to increase revenue and margins for the commercial (paid) versions of FirstWave software
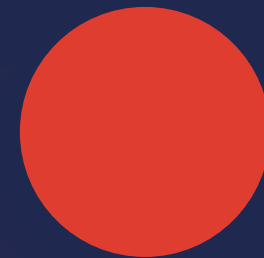
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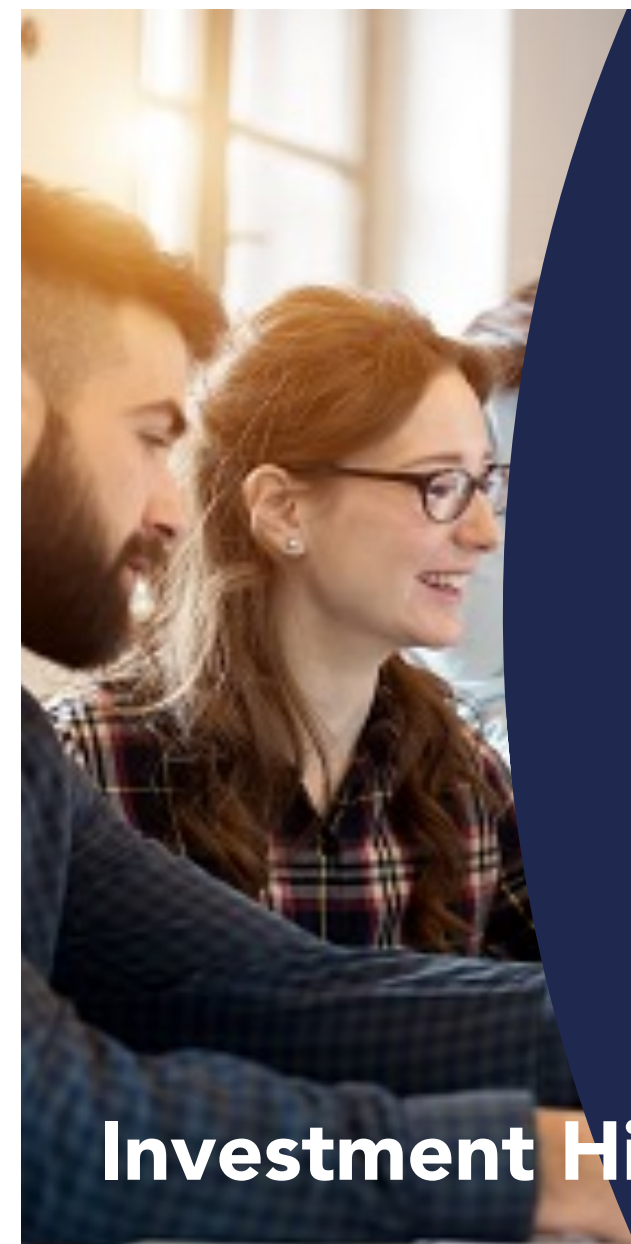
- ✓ Transformed company
- ✓ Tightly held stock
- ✓ Global opportunity
- ✓ Positive Sector Outlook – Cybersecurity and Network Management are hot sectors
- ✓ Strong Market Validation
- ✓ Strong Product Differentiation
- ✓ Pipeline of new opportunities

Investment Highlights

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Thank you

Questions

For more information: connect@firstwave.com

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www.firstwave.com