

ASX Announcement

23 February 2024



FirstWave Secures \$2.5 Million Convertible Note Agreement @3.6 cents with Formue Nord

FirstWave Cloud Technology Limited (ASX: FCT) (FirstWave or the Company) is pleased to announce it has entered into an agreement to issue convertible notes with a conversion price of 3.6 cents to Danish asset management and specialist small cap financier Formue Nord A/S (Formue Nord) to support FirstWave's continued expansion into Latin and North America.

Formue Nord, which is the leading provider of customised financing solutions for listed companies in the micro-, small- and mid-cap space in the Nordics, will provide AUD \$2.5 million to support FirstWave's existing working capital.

On completion of the transaction, FirstWave will have approximately AUD \$5 million of working capital to support its growth strategy as the Company continues to head towards a cashflow positive operating position.

FirstWave CEO Danny Maher said: "Formue Nord has expressed their desire to be a long-term partner for FirstWave during and beyond the term of the convertible note and we look forward to working with them as we execute our growth strategy. The investment provides us with capital to pursue our plans to be a significant player in the global network management and cybersecurity space.

Our ability to repay the principle early without penalty and all other payments being interest only gives us ultimate flexibility to navigate the facility as we choose - maximising our use of the capital and providing us the opportunity to manage through any unexpected difficulties without default clauses coming in to play.

Formue Nord has exceptional experience in supporting companies like FirstWave and I am thrilled to be working with them as our newest investment partner."

Formue Nord Founding Partner and Chief Investment Officer Rasmus Viggers said: "This is our first investment in an Australian company, and we believe it provides an excellent opportunity to support a company with significant potential for growth if given the right resources. Our intention is to be a long-term investor and partner for FirstWave, and we look forward to working with Danny and his team."

The key components of the convertible notes are:

Value	AUD \$2.5 million.
Maturity	22 August 2025.
Quotation	The convertible notes will not be quoted and are not transferable.
Security	The convertible notes are not secured.
Interest Rate	BBSW (currently 4.22%) plus an interest margin of 8.00% (totalling 12.22%). Default interest of 4% per 30 days. Interest is payable quarterly.
Repayments	Interest only. Principal upon maturity.
Arrangement Fee	5% of value.
Early Repayment	FirstWave can elect to make early repayment, either part or in full, with no penalty.
Conversion Price	\$0.036 which is a 28.6% premium to the 21 February 2024 closing share price of \$0.028. The Conversion Price is subject to adjustments for capital reconstructions, bonus issues, pro rata issues, capital reductions and other reorganisations of share capital.

ASX Announcement

23 February 2024



Conversion terms	At the discretion of Formue Nord, all or part of the convertible notes may be converted into fully paid ordinary shares in FirstWave at the Conversion Price.
Undertakings	FirstWave has provided customary undertakings to Formue Nord.
Warranties	FirstWave has provided customary warranties to Formue Nord.
Default	Events of default include: <ul style="list-style-type: none">• failure by FirstWave to pay on the due date any amount payable under these terms and conditions;• any other breach by FirstWave that is not remedied;• an insolvency event occurs in relation to FirstWave;• FirstWave ceases to be admitted to the official list of the ASX or its shares cease to be quoted; or• trading of the shares on ASX is suspended for a period of 5 consecutive trading days or more.
Default consequences	<p>If a Default occurs Default interest of 4% per month consolidated into the balance will apply.</p> <p>If a Default is not cured with 5 days, unless otherwise agreed FirstWave is required to undertake a 1:1 share rights issue and to pay 50% of the gross funds raised (or such lesser amount as is owed) to Formue Nord towards repayment of the notes.</p> <p>In addition, Formue Nord is entitled to convert some or all of the Convertible Notes into fully paid ordinary shares at a conversion price equal to a 35% discount to the theoretical ex-rights price (TERP).</p>

The Convertible Notes will be issued using the Company's existing ASX Listing Rule 7.1 placement capacity.

Formue Nord is an independent specialized asset manager and the leading capital partner for small and mid-sized listed companies in the Nordics. Formue Nord manages two investment funds with focus on innovative companies; mainly within technology, biotech and healthcare, and have invested over AUD 2bn in these segments since inception in 2015.

Over the last seven years, Formue Nord has completed more than 800 investments and finance agreements with partners.

ENDS

This announcement has been authorised for release by the Board of Directors.

For media inquiries, please contact:

Ben Ready
RGC Media & Mktng
0415 743 838
ben@rgcmm.com.au

About FirstWave:

FirstWave is a global software company formed in 2004. The Company is a leading provider of enterprise-grade network management, automation, audit and cybersecurity software, with over 150,000 organisations using FirstWave software across 178 countries. Clients include Microsoft, Telmex, Telstra, Claro and NASA. In January 2022, FirstWave acquired Opmantek Limited, and in September 2023, it acquired Saisei Networks Inc.