



Telstra Partnership Update

Following on from the extension of the Telstra Product and Services Agreement announced on 2 April 2024, FirstWave provides an update on shifts in strategic focus at Telstra and how they affect FirstWave.

The shifts in Telstra's strategic focus are threefold. Firstly, capitalising on the potential to grow revenues from key customer contracts under the Product and Services Agreement (PSA), and, to give effect to this, FirstWave is now engaged directly with Telstra and with the more significant customers; secondly finalising launch of the sovereign, government compliant (ISM) email platform – the ISM platform is a multi-tenanted ISM compliant platform in Australia and is delivered by FirstWave, Cisco and Telstra; and thirdly, removing or closing less profitable lines of business.

Specifically on this third element:

- FirstWave has advised shareholders in recent quarterly updates of the changes in Telstra's firewall security offering, Gateway Protection Advanced (GPA). As a long standing and understood strategy, GPA is non-core business for FirstWave and does not involve significant FirstWave Intellectual property. This offering will be decommissioned from the end of this financial year. The decision affects 27 customers and will result in the loss of ~\$730k in Annualised Recurring Revenue (ARR) and ~\$440k in Gross Profit per year
- Telstra will decommission an uneconomical infrastructure platform at some time during this calendar year. FirstWave is in discussions with Telstra in relation to the affected customers. They may be moved directly on to FirstWave's Sydney (AWS) platform which will result in increased revenues for FirstWave, or their contracts may be terminated. In either case, there is no material financial impact on FirstWave, and
- A recharge for hosting services involved with this platform of circa \$100K revenue at zero margin to FirstWave will cease. FirstWave sees 'cleaning this up' as helpful in simplification of its transactional relationship with Telstra.

Overall, FirstWave sees these shifts as complementary to FirstWave's core strategies of expanding its international footprint in North America and Latin America, and domestically securing extensions to current customer contracts under the Telstra PSA and launching the sovereign ISM compliant email platform. Management looks forward to releasing further updates on both the ISM platform and the LATAM/USA markets.

ENDS

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

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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.