

# Q4 FY24 Shareholder Update

31 July 2024



**FirstWave**

# Today's Presenters



**JOHN GRANT**

**Chair**



**DANNY MAHER**

**Managing Director  
and CEO**



**IAIN BARTRAM**

**COO, CFO and  
Company Secretary**

# Agenda

1. Introduction - Chair
2. CFO Report
3. CEO Report
4. LATAM In Focus
5. Outlook
6. Q&A

# Q4 Financial Performance

Iain Bartram – Chief Financial Officer



# Q4 Financial Performance – Revenue and Gross Profit



(A\$m)	Q3 FY24	Q4 FY24	Δ%
			Q4/Q3
ARR	10.47	10.06	-3.9%
Revenue	2.77	2.72	-1.8%
Gross Profit (pro forma <sup>1</sup> )	2.14	2.13	-0.2%
Gross Profit Margin	77.0%	78.3%	+1.3ppt

1. The cost of goods sold used to arrive at Gross Profit is the actual operating cost in the period and excludes any adjustments from prior periods to provide an accurate analysis of company performance.

Figures are unaudited

# Q4 Financial Performance – Cash



- **Q4 closing cash position \$1.68m (Q3: \$3.50m)**
  - Cash usage \$1.82m in Q4
    - Annual insurance premiums circa \$360k paid in quarter
    - \$196k paid in redundancy costs and annual leave
    - No R&D tax offset income received in the quarter
  - Seasonally low period for renewals and seasonally high period for cash usage
  - Company has sufficient cash to operate until end of Q3 FY25 (without new sales)
- **Normalised\* monthly cash usage at 30 June, 2024 estimated at \$283k.**
  - Includes interest of \$25k per month for Convertible Notes.
  - Does not include non-recurring revenues which have averaged \$58k per month for past 12 months.

\* Normalised includes interest, capitalised development labour, monthly allocation for R&D grant, revenue rather than collections and smooths out other timings. Normalised cash usage is not a proxy for actual short-term cash usage which has periodic cycles. Cash usage within a month or quarter should not be calculated as a multiple of the normalised cash usage.

# CEO Report

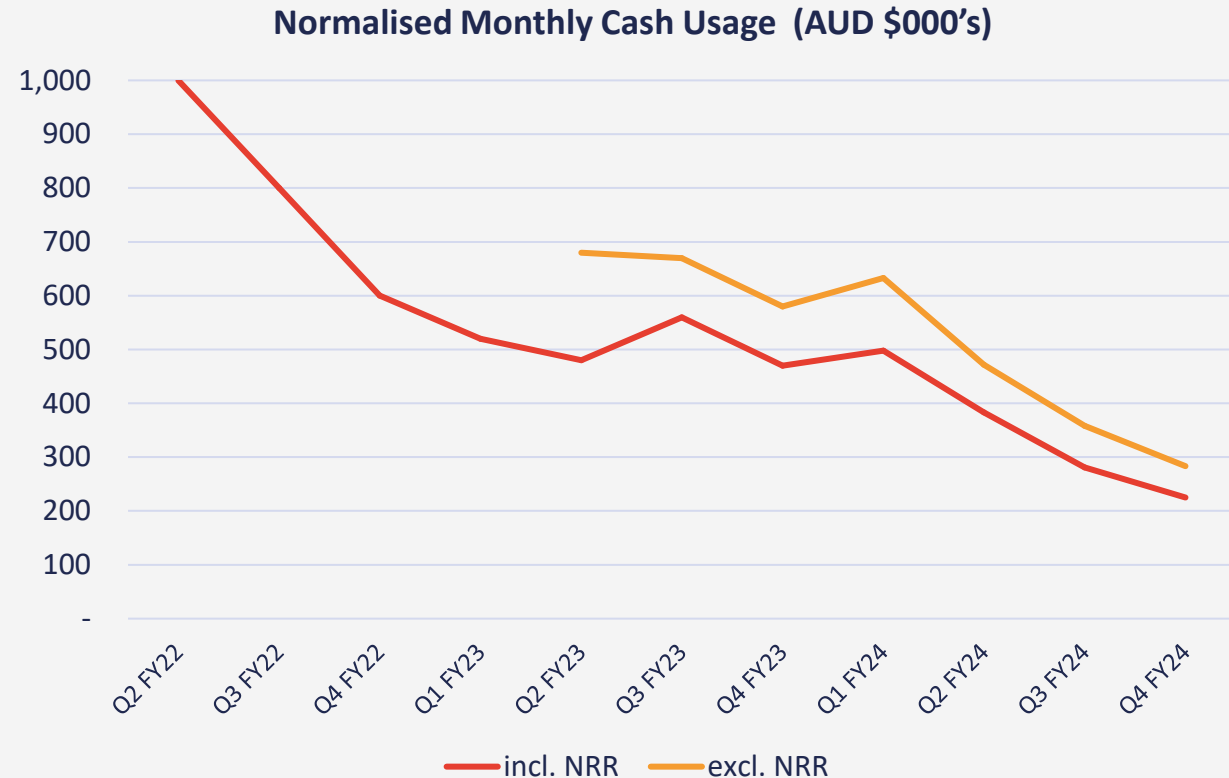
Danny Maher – Managing Director and CEO



# Managing Cash Responsibly



- **Business continues to target cashflow breakeven for FY25.**
  - Cash reserves of \$1.68 million (as at 30 June, 2024).
  - Entering a period of low cash burn – our cash burn is cyclical with Q4 being a period of high burn.
  - Cashflow forecasting anticipates sufficient capital (excluding additional sales) to support operations and investment through Q3 FY25



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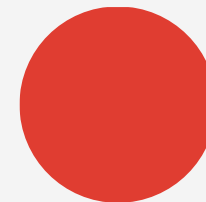


# Q4 Sales Update



- **Network Management Information Systems (NMIS)**
  - Approximately \$530k of new sales and renewals in Q4 including Claro Ecuador, Macquarie Cloud Services, Services Australia and Claro DR.
  - Some churn of existing clients, including L3 Harris.
- **CyberCision**
  - Q4 featured significant sales to the Australian Government and the churn of a number of Telstra-related clients (as anticipated).
- **STM (Saisei)**
  - A strong month in June with six separate sales totalling \$115k
  - ~20 renewals across the quarter, reflecting strong relationships and successful acquisition integration

# Strategic Focus



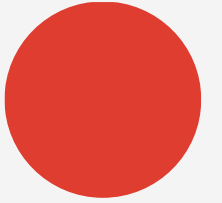
- **Telstra partnership extended and redefined to focus on larger, corporate/government clients.**
  - Core Product & Services Agreement (PSA) extended until July 2025.
  - Information Security Manual (ISM) compliant email platform progressing to formal launch.
  - GPA and CSX2 product lines being discontinued (as previously disclosed).
- **North America and LATAM NMIS pipeline conversion is major focus.**
  - Resources being invested in enhancing existing relationships (Telmex) and growing new opportunities.
  - CEO Danny Maher currently in Mexico for contract negotiations.
  - Sales & Marketing team restructured following departure of CRO with more responsibility on regional managers and the CEO.

# LATAM In Focus

Omar Vadillo – LATAM Regional GM



# Introduction to Omar Vadillo



- **11 years as head of LATAM FirstWave (previously Opmantek)**
- **Deep industry knowledge and networks with previous experience including:**
  - Alcatel Lucent México (Key Account Manager for Telmex - 20 years)
  - Acumen Telecommunications
  - Andanza Technologies
- **Extensive qualifications**
  - Degree in Computer Science and Business Administration by the Universidad Tecnológica de México
  - Masters in Digital Marketing and E-Commerce by the Universidad Internacional de la Rioja (Spain)
  - Postgraduate degree in Strategic Marketing by the Universidad Internacional de la Rioja (Spain)

# FirstWave in LATAM



- **FirstWave/Opmantek has a long history of operating in LATAM market.**
  - Mexico business established in 2012 by Opmantek.
  - Mexican legal entity wholly-owned by FirstWave.
- **Eight staff working in a variety of roles.**
  - 2 x sales people (including Omar Vadillo)
  - 4 x presales / support people (1 x assigned 100% to Telmex)
  - 1 x marketing person
  - 1 x outsourced accountant (all related local payroll, taxes payments, Government authorizations, etc.)

## Major Clients



Telmex\* owns and operates most of Mexico's telecoms system and is the dominant fixed-line carrier in the country with more than 50,000 employees.



Claro\* provides fixed line, mobile, internet and television services across 18 countries, with a significant presence in Central America



Telcel\* is Mexico's main wireless telecom service provider which caters to both residential and business customers in Mexico.

## Ferromex

Ferromex operates the largest railroad network in Mexico, with more than 10,000 km (6,200 miles) of track covering the major industrial and commercial zones in the country.



The ISSSTE is a federal agency in Mexico that administers part of Mexico's health care and social security systems for federal government workers.

\*Telmex, Claro and Telcel are all part of the NYSE-listed América Móvil S.A.B. de C.V. ("América Móvil" or "AMX") (BMV: AMX, NYSE: AMX and AMOV) which is controlled by Carlos Slim Hulu.

# LATAM Strategic Account – América Móvil



- **Existing relationships provide strong foundation for future growth**

- América Móvil (controlled by Carlos Slim Helu) controls all the major fixed line, mobile and internet providers across Latin and Central America including Telmex, Claro and Telcel.
- FirstWave has identified a variety of new opportunities within each of América Móvil's LATAM businesses.
- FirstWave has a strong working relationship with each business with excellent access to senior executives and operational staff.
- The relationships provide a significant opportunity to boost and transform FirstWave.

## Firstwave Software Coverage across LATAM

- Telmex
  - México
- Claro CENAM
  - Guatemala
  - El Salvador
  - Honduras
  - Nicaragua
  - Panamá
  - Costa Rica
- Claro Dominican Republic
  - Dominican Republic
- Claro Ecuador
  - Ecuador

# LATAM Summary



- Excellent blue chip reference customers
- Excellent opportunity for expanded role with each client (especially Telmex)
- A positive cash contributor to the business
- Anticipating a strong FY25

# Q&A





Thank you



**FirstWave**