

Q2 FY25 Shareholder Update

30 January 2025



FirstWave

Today's Presenters



JOHN GRANT

Chair



DANNY MAHER

**Managing Director
and CEO**



IAIN BARTRAM

**CFO and
Company Secretary**

Agenda

1. Introduction - Chair
2. CFO Update
3. CEO Update
4. Q&A

CFO Update

Iain Bartram – Chief Financial Officer



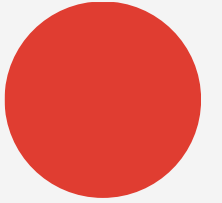
Q2 Financial Performance



(A\$m)	Q1 FY25	Q2 FY25	Δ%
ARR	8.46	8.15	-4%
Revenue	2.25	2.27	+1%
Gross Profit	1.99	1.85	-7%
Gross Profit Margin	88%	82%	-6ppt

Figures are unaudited

Q2 Financial Performance – Cash



- **Q2 closing cash position \$1.68m (FY25 Q1: \$1.68m)**
 - Opening cash level maintained
 - Two consecutive quarters of cash levels being maintained
 - \$1.16m FY24 R&D Tax offset received.
- **Normalised* monthly cash usage \$273k**
 - Includes interest of \$25k per month for Convertible Notes.
 - Does not include non-recurring revenues which have averaged \$35k per month for past 12 months.
 - Increase in cash usage mirrors fall in ARR, expenditure levels consistent.

* Normalised includes interest, capitalised development labour, monthly allocation for R&D grant, recurring 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 Update

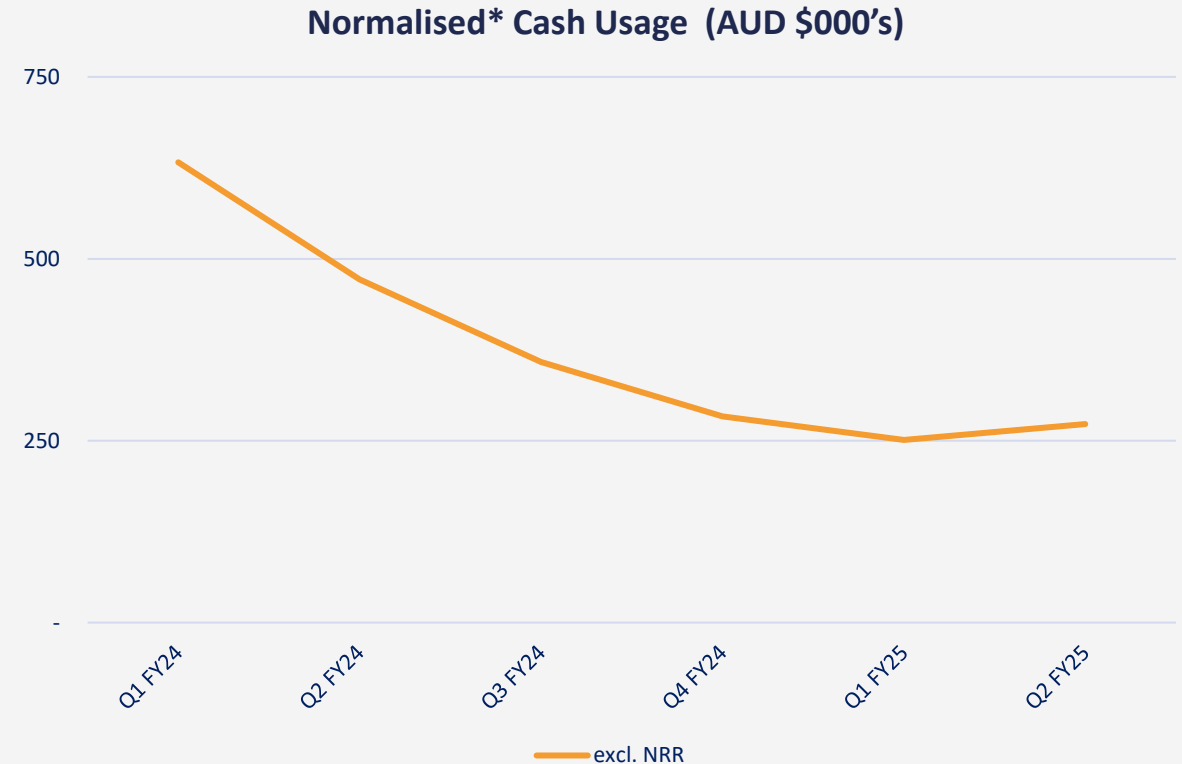
Danny Maher – Managing Director and CEO



Q2 Highlights – 1 of 2



- **Second consecutive quarter with no cash burn.**
 - FY24 operational efficiencies maintained.
 - Receipt of \$1.16m of R&D grant. In line with cyclical cashflows.
 - NMIS renewals are also commonly 12-months in advance.
- **Major client contracts renewed, majority with uplift.**
 - Telmex
 - ISSSTE (Mexico Govt – Institute for Social Security)
 - NASA
 - Claro Dominican Republic
- **Normalised* cash burn \$273k per month (approximation of average cash burn per month without revenue growth).**



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Q2 Highlights – 2 of 2



- **Major product release – opHA Message-Bus (NMIS)**
 - High Availability.
 - Systems cut over live with no down time for clients and no loss of data (this is significant in this field as there are enormous amounts of data constantly inbound and outbound queries from the servers).
 - “Infinite scalability”
 - Servers of any power (physical or virtual) may operate together and work off the same data live, acting as one system.
 - Multi-customer functionality
 - Allowing Telcos and MSPs to provide their customers individual views of their data while the Telco/MSP maintains a consolidated view across all devices.
 - *Commercial opportunity*
 - Upsell to existing clients (commenced).
 - Open new opportunities – especially larger clients, Telcos and MSPs.

H2 Outlook



- The business will continue to benefit from the significant transformation over the last 18 months which saw the first half of this financial year using no cash.
- As communicated previously, the Company has sufficient cash to operate through to the end of Q3 without significant sales.
- From March, we enter a cycle where some cash is used – this will be less than the business has traditionally used but nonetheless needs management.
- The business has advanced its options to de-risk this cycle:
 1. New capital (including strategic capital and/or R&D advance)
 2. New sales
 3. Asset sales
 4. Operational efficiencies
- The company could opt to receive a portion of the annual R&D grant earlier by leveraging a R&D advance. This would provide ~\$600k in March/April as opposed to waiting until November and align the receipt of funds closer to the time of the R&D expenditure.
- We continue to work with the board's independently appointed consultant to consider and investigate strategic interest in the company from a number of parties together with the capital requirements for the upcoming seasonal period and will update the market as is appropriate.

Summary of Q2/H1



- Fantastic to have not used any cash.
- A promising new technology released.
- All major renewals received – most with uplift.
- Cash usage will likely increase in March in line with cyclical nature of the business and the board is actively managing capital requirements, including activating the R&D advance for ~\$600k.

Q&A



Thank you



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