

FirstWave Cloud Technology Limited

ABN 35 144 733 595

Appendix 4E Preliminary Final Report - 30 June 2025

1. Company details

Name of entity:	FirstWave Cloud Technology Limited
ABN:	35 144 733 595
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

			2024 \$
Revenues from ordinary activities	down	22.5% to	8,743,622
Gross profit	down	12.5% to	7,695,174
Loss from ordinary activities after tax attributable to the owners of FirstWave Cloud Technology Limited	improved	84.4%	(3,599,487)
Loss for the year attributable to the owners of FirstWave Cloud Technology Limited improved		84.4%	(3,599,487)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$3,599,487 (30 June 2024: \$23,040,028).

The loss for the year of \$3,599,487 (30 June 2024: \$23,040,028) was after an impairment of intangible assets of \$nil (30 June 2024: \$19,955,063). The loss excluding the impairment was \$3,599,487 (30 June 2024: \$3,084,965 loss). There is a 16.7% increase of \$514,522 in the loss excluding the impairment expense.

Revenue from ordinary activities was down 22.5% to \$8,743,622 (30 June 2024: \$11,277,401). The reduction in revenue and gross profit relates primarily to matters already disclosed to the market concerning Telstra discontinuing its GPA firewall product and closure of its CSX2 platform as well as there being some significant non-recurring revenues in the prior comparative year.

The company has continued to reduce cash usage, with no operational cash used over the year being a significantly pleasing result. The company has been through extensive restructuring to align costs and skills with current and projected revenues and to focus on AI powered compliance management and the monetisation of the estimated 150,000 organisations using the company's free/open source Open-Audit product as a "blue sky" opportunity.

The company renewed and extended major agreements with numerous organisations which were announced during the year and also completed a restructuring of its key agreement with Telstra which was anticipated and also announced to the market.

Significant to the company is the renewal/extension of the company's agreement with Telmex (Mexico's dominant telecommunications provider) where several strategic and potentially transformative conversations are under way. The America's and specifically Latin America remain exciting regions for the company's next stage of growth with the company also working closely with Telmex's sister companies, Claro, in Ecuador, Dominican Republic and Guatemala who are all part of the América Móvil Group [BMV: AMX] [NYSE: AMX, AMOV] and multiple blue-chip clients in the USA including Microsoft [NASDAQ:MSFT], Raytheon [NYSE: RTX] and NASA.

The company released several new technologies which were announced to the market and most notably post year-end, the company released in to testing its first AI powered security compliance reporting which is key in targeting the commercialisation of the significant base of Open-Audit users by offering AI powered compliance management driven by the data held within Open-Audit.

In addition to several new sales, the company also announced a new partnership with AWS and Ingram Micro to launch FirstWave products on to the AWS marketplace – commencing with CyberCision. Funding has been provided by Ingram Micro and AWS to support the launch and marketing of FirstWave's products.

The company is pleased to have received over \$2,000,000 in cash receipts from customers since the closing of the 2025 financial year which bolsters the company's cash position. The board continues to work with supportive partner Fenja capital on extension of its convertible note and considers a variety of options to leverage capital to accelerate growth.

Overall, the board sees great opportunities for growth, with costs under control, in particular the "blue sky" opportunity to monetise the Open-Audit user base by targeting AI powered compliance management, the new relationship with AWS and the potential expansion of the relationship with Telmex. The board looks forward to a successful FY26 for all shareholders.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.46)	(0.27)

Net tangible assets calculations excludes right-of-use assets and lease liabilities.

4. Control gained over entities

Not applicable.

5. Foreign entities

Details of origin of accounting standards used in compiling the report:

All group entities comply with International Financial Reporting Standards ('IFRS').

6. Nomination of directors

The Company advises that its 2025 Annual General Meeting will be a virtual meeting, at 10:00 am on Monday, 24 November 2025. In accordance with the Company's constitution and ASX Listing Rule 3.13.1, notice is provided that the closing date for receipt of nominations of persons to be considered for election as a director at the AGM must be received at the Company's registered office no later than 5.00pm (Melbourne time) on Monday, 6 October 2025. Further details relating to the meeting and how shareholders may participate will be advised in the Notice of Meeting, which will be made available to all shareholders and lodged with the ASX during October 2025.

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements are in the process of being audited and an unmodified opinion with a paragraph addressing material uncertainty related to going concern is expected to be issued.

8. Attachments

Details of attachments (if any):

The preliminary financial statements of FirstWave Cloud Technology Limited for the year ended 30 June 2025 is attached.

9. Signed

As authorised by the Board of Directors

Signed  _____

Danny Maher
Director

Date: 29 August 2025

FirstWave Cloud Technology Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

FirstWave

	Note	Consolidated 2025 \$	2024 \$
Revenue			
Revenue from contracts with customers	1	8,743,622	11,277,401
Cost of sales	3	(1,048,448)	(2,479,003)
Gross profit		7,695,174	8,798,398
Other income	2	1,134,489	2,383,009
Interest income calculated using the effective interest method		21,407	69,030
Expenses			
Sales and marketing		(2,953,817)	(4,580,017)
Product and development		(2,963,679)	(2,471,255)
Operations and support		(804,340)	(977,917)
Corporate and administration		(5,180,935)	(5,894,859)
Transaction costs		(27,461)	(236,627)
Impairment of assets	5	-	(19,955,063)
Other expenses		(11,386)	-
Finance costs	3	(489,439)	(170,986)
Total expenses		(12,431,057)	(34,286,724)
Loss before income tax expense		(3,579,987)	(23,036,287)
Income tax expense		(19,500)	(3,741)
Loss after income tax expense for the year attributable to the owners of FirstWave Cloud Technology Limited		(3,599,487)	(23,040,028)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		164,049	(891)
Other comprehensive income for the year, net of tax		164,049	(891)
Total comprehensive income for the year attributable to the owners of FirstWave Cloud Technology Limited		(3,435,438)	(23,040,919)
		Cents	Cents
Basic loss per share	11	(0.21)	(1.35)
Diluted loss per share	11	(0.21)	(1.35)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents		264,658	1,678,017
Term deposits		99,369	133,776
Trade and other receivables	4	865,285	2,200,055
Contract assets		29,608	255,230
Other assets		176,687	496,445
Total current assets		1,435,607	4,763,523
Non-current assets			
Property, plant and equipment		69,749	130,165
Right-of-use assets		8,349	108,476
Intangibles	5	37,199,153	36,833,842
Other assets		28,787	33,226
Total non-current assets		37,306,038	37,105,709
Total assets		38,741,645	41,869,232
Liabilities			
Current liabilities			
Trade and other payables	6	1,175,521	1,737,780
Contract liabilities	7	2,258,971	1,948,484
Employee benefits		949,674	921,147
Borrowings		2,411,905	-
Lease liabilities		11,155	130,702
Deferred research and development income		689,526	793,353
Total current liabilities		7,496,752	5,531,466
Non-current liabilities			
Contract liabilities	7	532,615	401,293
Borrowings		-	2,235,724
Employee benefits		155,863	194,662
Provisions		26,406	26,406
Lease liabilities		-	11,155
Deferred research and development income		1,121,623	1,211,900
Deferred tax		44,000	44,000
Total non-current liabilities		1,880,507	4,125,140
Total liabilities		9,377,259	9,656,606
Net assets		29,364,386	32,212,626
Equity			
Issued capital	8	131,085,596	131,001,770
Reserves		5,369,509	5,783,561
Accumulated losses		(107,090,719)	(104,572,705)
Total equity		29,364,386	32,212,626

The above statement of financial position should be read in conjunction with the accompanying notes

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Consolidated				
Balance at 1 July 2023	128,474,750	5,911,076	(81,955,720)	52,430,106
Loss after income tax expense for the year	-	-	(23,040,028)	(23,040,028)
Other comprehensive income for the year, net of tax	-	(891)	-	(891)
Total comprehensive income for the year	-	(891)	(23,040,028)	(23,040,919)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 8)	1,997,000	-	-	1,997,000
Convertible note option	-	192,771	-	192,771
Share-based payment expense	-	645,576	-	645,576
Share issue on exercise of share rights, net of transaction costs (note 8)	530,020	(541,928)	-	(11,908)
Lapsed and forfeited share-based payment expense	-	(423,042)	423,042	-
Balance at 30 June 2024	131,001,770	5,783,562	(104,572,706)	32,212,626
	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Consolidated				
Balance at 1 July 2024	131,001,770	5,783,562	(104,572,706)	32,212,626
Loss after income tax expense for the year	-	-	(3,599,487)	(3,599,487)
Other comprehensive income for the year, net of tax	-	164,049	-	164,049
Total comprehensive income for the year	-	164,049	(3,599,487)	(3,435,438)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	516,634	-	516,634
Share issue on exercise of share rights, net of transaction costs (note 8)	83,826	(13,262)	-	70,564
Lapsed and forfeited share-based payment expense	-	(1,081,474)	1,081,474	-
Balance at 30 June 2025	131,085,596	5,369,509	(107,090,719)	29,364,386

The above statement of changes in equity should be read in conjunction with the accompanying notes

		Consolidated	
	Note	2025	2024
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		10,258,018	11,644,871
Payments to suppliers and employees (inclusive of GST)		(11,301,099)	(16,054,329)
Transaction cost payments (inclusive of GST)		-	(127,834)
Interest received		48,020	65,423
Other income		1,476,697	1,005,155
Interest and other finance costs paid		(310,258)	-
Net cash (used in)/from operating activities	10	171,378	(3,466,714)
Cash flows from investing activities			
Payments for property, plant and equipment		(5,543)	(77,919)
Payments for intangibles		(2,091,718)	(2,784,499)
Receipts from the acquisition of Saisei		-	200,000
Net cash used in investing activities		(2,097,261)	(2,662,418)
Cash flows from financing activities			
Share issue transaction costs		-	(11,908)
Proceeds from borrowings		-	2,500,000
Repayment of borrowings		-	(32,557)
Transaction costs related to loans and borrowings		-	(125,000)
Repayment of lease liabilities	10	(130,805)	(130,805)
Other receipts		643,329	-
Net cash from financing activities		512,524	2,199,730
Net decrease in cash and cash equivalents		(1,413,359)	(3,929,402)
Cash and cash equivalents at the beginning of the financial year		1,678,017	5,607,419
Cash and cash equivalents at the end of the financial year		264,658	1,678,017
Net cash used in operating activities		171,378	(3,466,714)
Transaction cost payments (inclusive of GST)		-	127,834
Net cash used in operating activities before transaction costs (inclusive of GST)		171,378	(3,338,880)

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Revenue from contracts with customers

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2025	2024
	\$	\$
<i>Major service lines</i>		
CyberCision	3,586,079	5,548,163
Network monitoring	5,157,543	5,729,238
	<u>8,743,622</u>	<u>11,277,401</u>
<i>Geographical regions</i>		
Australia	4,155,433	5,862,973
USA and Canada	2,662,921	3,272,930
LATAM*	1,295,562	1,433,580
ROW**	629,706	707,918
	<u>8,743,622</u>	<u>11,277,401</u>
<i>Timing of revenue recognition</i>		
Recurring revenue (over a period of time)	8,376,255	10,620,211
Non-recurring revenue (at a point in time)	367,367	657,190
	<u>8,743,622</u>	<u>11,277,401</u>

* Latin America ('LATAM') represents revenue from customers in Mexico, Central America and South America.

** Rest of the world ('ROW') represents the revenue from customers in the rest of the world.

Note 2. Other income

	Consolidated	
	2025	2024
	\$	\$
Research and development ('R&D') grant income*	1,120,197	1,771,513
Settlement of liability for no consideration	-	606,103
Other income	14,292	5,393
	<u>1,134,489</u>	<u>2,383,009</u>

* There are no unfulfilled conditions or other contingencies attached to receipt of R&D grant income.

Note 3. Expenses

	Consolidated 2025 \$	2024 \$
Loss before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of licenses	1,048,448	2,479,003
<i>Depreciation</i>		
Total depreciation	160,915	169,619
<i>Amortisation</i>		
Capitalised development costs	1,666,862	1,109,514
Customer list	68,196	62,330
Patents	20,820	25,923
Total amortisation	1,755,878	1,197,767
Total depreciation and amortisation	1,916,793	1,367,386
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	2,892	7,235
Interest and finance charge on convertible note	486,547	163,751
Finance costs expensed	489,439	170,986
<i>Net foreign exchange variance</i>		
Net foreign exchange variance	9,964	42,217
<i>Employee benefit expenses</i>		
Employee salaries and other benefits*	7,539,867	10,032,709
Defined contribution superannuation expense	597,545	752,157
Share-based payments expenses	564,634	568,569
Total employee benefit expenses	8,702,046	11,353,435

* Includes a salary sacrifice amount of \$80,941 (2024: \$77,007). Share rights have been granted for cash forgone.

Note 4. Trade and other receivables

	Consolidated 2025 \$	2024 \$
Trade receivables	642,965	887,951
Less: Allowance for expected credit losses	(97,370)	(77,370)
	545,595	810,581
Research and development tax incentive receivable	319,690	1,375,909
Other receivables	-	13,565
	865,285	2,200,055

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$99,597 (2024: \$6,971) in profit or loss in respect of impairment of receivables for the year ended 30 June 2025.

Note 5. Intangibles

	Consolidated	2025	2024
	\$	\$	\$
Goodwill - at cost	50,495,774	50,495,774	50,495,774
Less: Impairment	(19,955,063)	(19,955,063)	(19,955,063)
	<u>30,540,711</u>	<u>30,540,711</u>	<u>30,540,711</u>
Capitalised development costs - at cost	34,853,239	32,750,014	32,750,014
Less: Accumulated amortisation	(21,785,743)	(20,118,881)	(20,118,881)
Less: Impairment	(7,591,178)	(7,591,178)	(7,591,178)
	<u>5,476,318</u>	<u>5,039,955</u>	<u>5,039,955</u>
Brand name - at cost	971,000	971,000	971,000
Customer list - at cost	341,000	341,000	341,000
Less: Accumulated amortisation	(178,651)	(110,455)	(110,455)
	<u>162,349</u>	<u>230,545</u>	<u>230,545</u>
Patents - at cost	281,376	263,413	263,413
Less: Accumulated amortisation	(232,601)	(211,782)	(211,782)
	<u>48,775</u>	<u>51,631</u>	<u>51,631</u>
	<u><u>37,199,153</u></u>	<u><u>36,833,842</u></u>	<u><u>36,833,842</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Goodwill	Capitalised development	Brand name	Customer list	Patents	Total
	\$	\$	\$	\$	\$	\$
Consolidated						
Balance at 1 July 2023	49,493,774	2,557,037	971,000	116,875	55,677	53,194,363
Additions	-	2,677,432	-	-	21,877	2,699,309
Additions through business combinations	1,002,000	915,000	-	176,000	-	2,093,000
Impairment expense	(19,955,063)	-	-	-	-	(19,955,063)
Amortisation expense	-	(1,109,514)	-	(62,330)	(25,923)	(1,197,767)
	<u>30,540,711</u>	<u>5,039,955</u>	<u>971,000</u>	<u>230,545</u>	<u>51,631</u>	<u>36,833,842</u>
Balance at 30 June 2024	30,540,711	5,039,955	971,000	230,545	51,631	36,833,842
Additions	-	2,103,225	-	-	17,964	2,121,189
Amortisation expense	-	(1,666,862)	-	(68,196)	(20,820)	(1,755,878)
	<u>30,540,711</u>	<u>5,476,318</u>	<u>971,000</u>	<u>162,349</u>	<u>48,775</u>	<u>37,199,153</u>

Note 6. Trade and other payables

	Consolidated	2025	2024
	\$	\$	\$
Current liabilities			
Trade payables	480,955	836,972	836,972
Accrued expenses	667,073	816,728	816,728
GST payable	27,493	84,080	84,080
	<u>1,175,521</u>	<u>1,737,780</u>	<u>1,737,780</u>

Note 7. Contract liabilities

	Consolidated 2025 \$	2024 \$
<i>Current liabilities</i>		
Contract liabilities	2,258,971	1,948,484
<i>Non-current liabilities</i>		
Contract liabilities	532,615	401,293
	<u>2,791,586</u>	<u>2,349,777</u>

Reconciliation

The contract liabilities relate to sales of term-based contracts that have been prepaid and hence the entity is obligated to provide the services agreed under the contract. Reconciliation of the contract liabilities (current and non-current) during the current financial year are set out below:

	Consolidated 2025 \$	2024 \$
Opening balance	2,349,777	3,944,964
Payments received in advance	5,516,625	4,144,858
Additions through business combination	-	200,000
Transfer to revenue - included in the opening balance	(1,723,153)	(3,089,358)
Transfer to revenue - other balances	(3,351,663)	(2,850,687)
Closing balance	<u>2,791,586</u>	<u>2,349,777</u>

Note 8. Issued capital

	2025 Shares	Consolidated 2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	1,713,518,682	1,710,019,362	131,085,596	131,001,770

Movements in ordinary share capital

Details	Date	Shares	Share price	\$
Balance	1 July 2023	1,662,846,883		128,474,750
Issue of shares on business combination	21 September 2023	40,571,428	\$0.050	1,997,000
Issue of shares on conversion of rights	18 October 2023	286,123	\$0.070	19,456
Issue of shares on conversion of rights	18 October 2023	4,292,506	\$0.080	326,230
Issue of shares on conversion of rights	18 October 2023	1,386,664	\$0.110	145,600
Issue of shares on conversion of rights	18 October 2023	128,058	\$0.120	15,239
Issue of shares on conversion of rights	18 October 2023	68,970	\$0.140	9,518
Issue of shares on conversion of rights	06 May 2024	438,730	\$0.060	25,885
Share issue transaction costs, net of tax				(11,908)
Balance	30 June 2024	1,710,019,362		131,001,770
Issue of shares to suppliers in lieu of cash	31 October 2024	3,000,000	\$0.030	72,000
Issue of shares on conversion of rights	06 December 2024	499,320	\$0.020	13,262
Share issue transaction costs, net of tax				(1,436)
Balance	30 June 2025	<u>1,713,518,682</u>		<u>131,085,596</u>

Note 9. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 10. Cash flow information

Reconciliation of loss after income tax to net cash (used in)/from operating activities

	Consolidated	
	2025	2024
	\$	\$
Loss after income tax expense for the year	(3,599,487)	(23,040,028)
Adjustments for:		
Depreciation and amortisation	1,916,793	1,367,386
Impairment expense	-	19,955,063
Share-based payments - employees	564,634	568,569
Other non-cash adjustments	338,596	(37,375)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	691,441	990,374
Decrease/(increase) in contract assets	225,622	(112,790)
Decrease in prepayments	324,197	220,213
Decrease in other operating assets	34,407	25,981
Decrease in trade and other payables	(562,258)	(1,124,262)
Increase/(decrease) in contract liabilities	441,809	(1,595,187)
Decrease in employee benefits	(10,272)	(440,276)
Decrease in other operating liabilities	(194,104)	(244,382)
Net cash (used in)/from operating activities	<u>171,378</u>	<u>(3,466,714)</u>

Non-cash investing and financing activities

	Consolidated	
	2025	2024
	\$	\$
Shares issued in relation to business combinations	-	1,997,000
Shares issued for non-cash consideration	85,262	541,928
	<u>85,262</u>	<u>2,538,928</u>

Changes in liabilities arising from financing activities

	Lease liability
	\$
Consolidated	
Balance at 1 July 2023	260,425
Net cash used in financing activities	(130,805)
Other changes	<u>12,237</u>
Balance at 30 June 2024	141,857
Net cash used in financing activities	<u>(130,805)</u>
Balance at 30 June 2025	<u>11,052</u>

Note 11. Earnings per share

	Consolidated	
	2025	2024
	\$	\$
Loss after income tax attributable to the owners of FirstWave Cloud Technology Limited	<u>(3,599,487)</u>	<u>(23,040,028)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	<u>1,712,299,798</u>	<u>1,707,794,498</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>1,712,299,798</u>	<u>1,707,794,498</u>
	Cents	Cents
Basic loss per share	(0.21)	(1.35)
Diluted loss per share	(0.21)	(1.35)

Options and rights have been excluded in the weighted average number of shares used to calculate diluted earnings per share as they were anti-dilutive.