



Cloud Security Solutions for the Enterprise



Innovate • Create • Execute

September 2016

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Agenda



FirstWave Business



Execute, Innovate, Create



Results



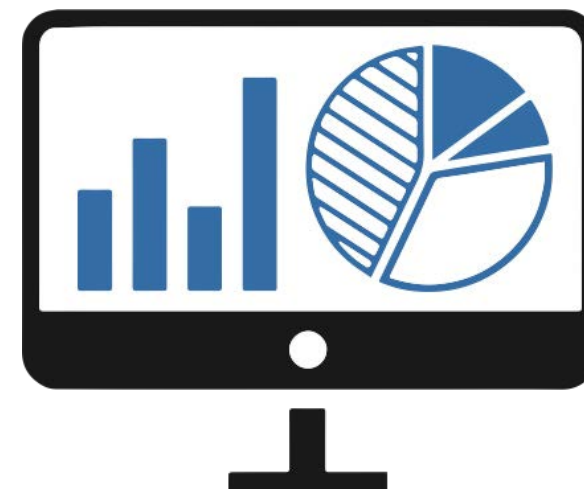
Priorities

FirstWave

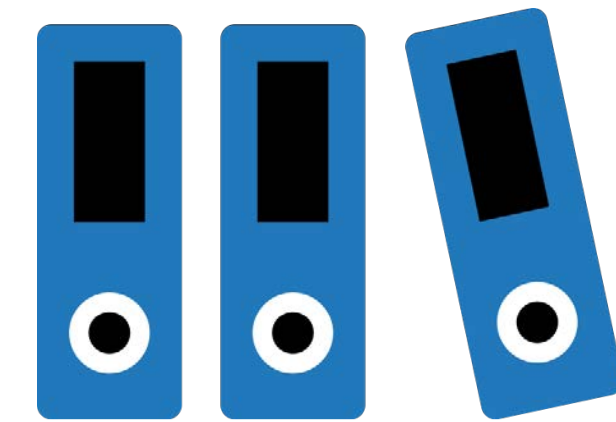
WHO WE ARE



Security as a Service
Cloud Platform



Single viewing portal that
normalises multiple
vendor interfaces



Catalogue of cloud
services for Telcos

A SaaS Telco grade, virtual cloud & vendor agnostic platform.

Status



Proven

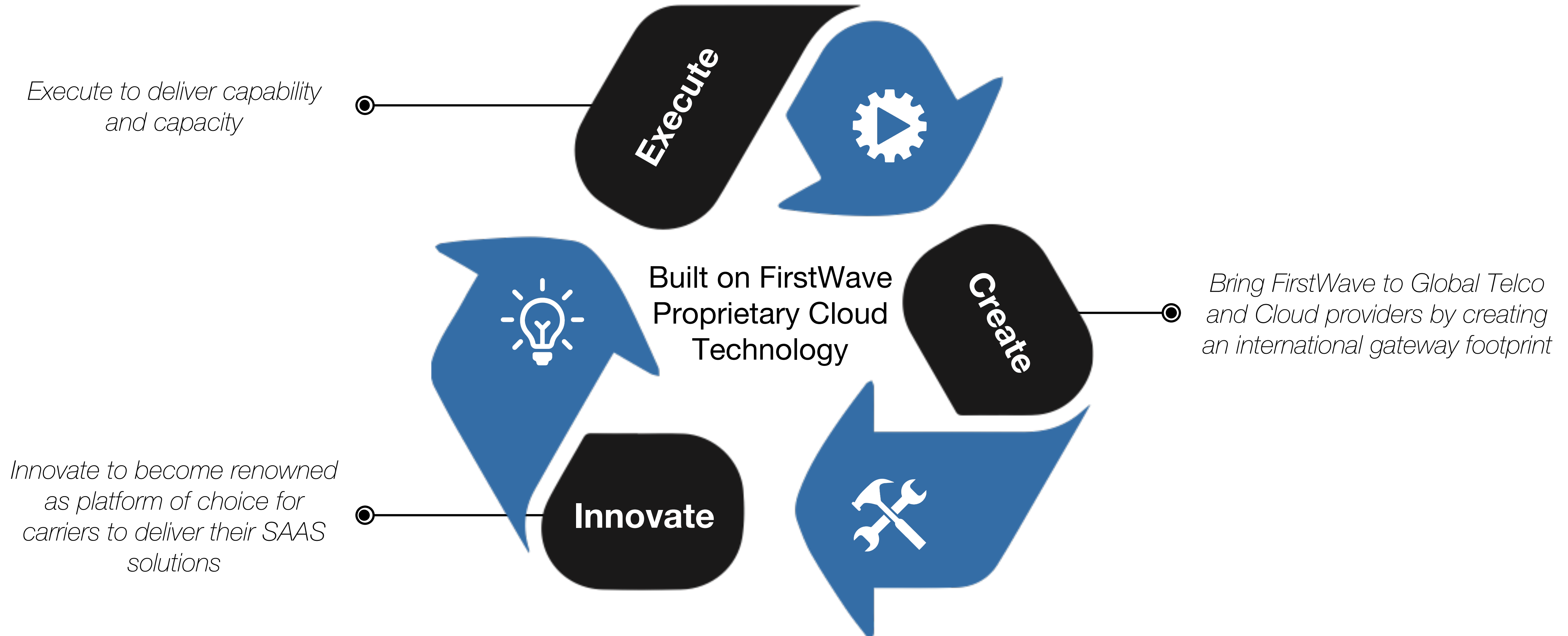


Profitable

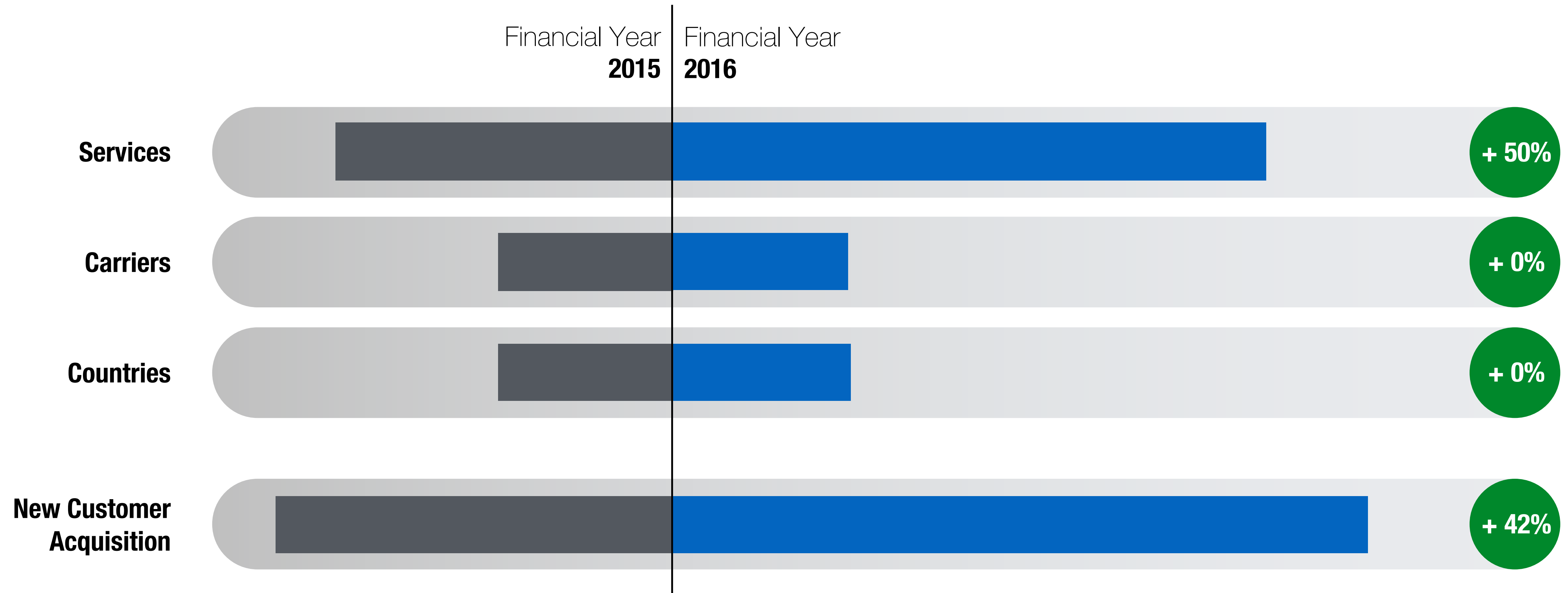


Growing

FirstWave paradigm



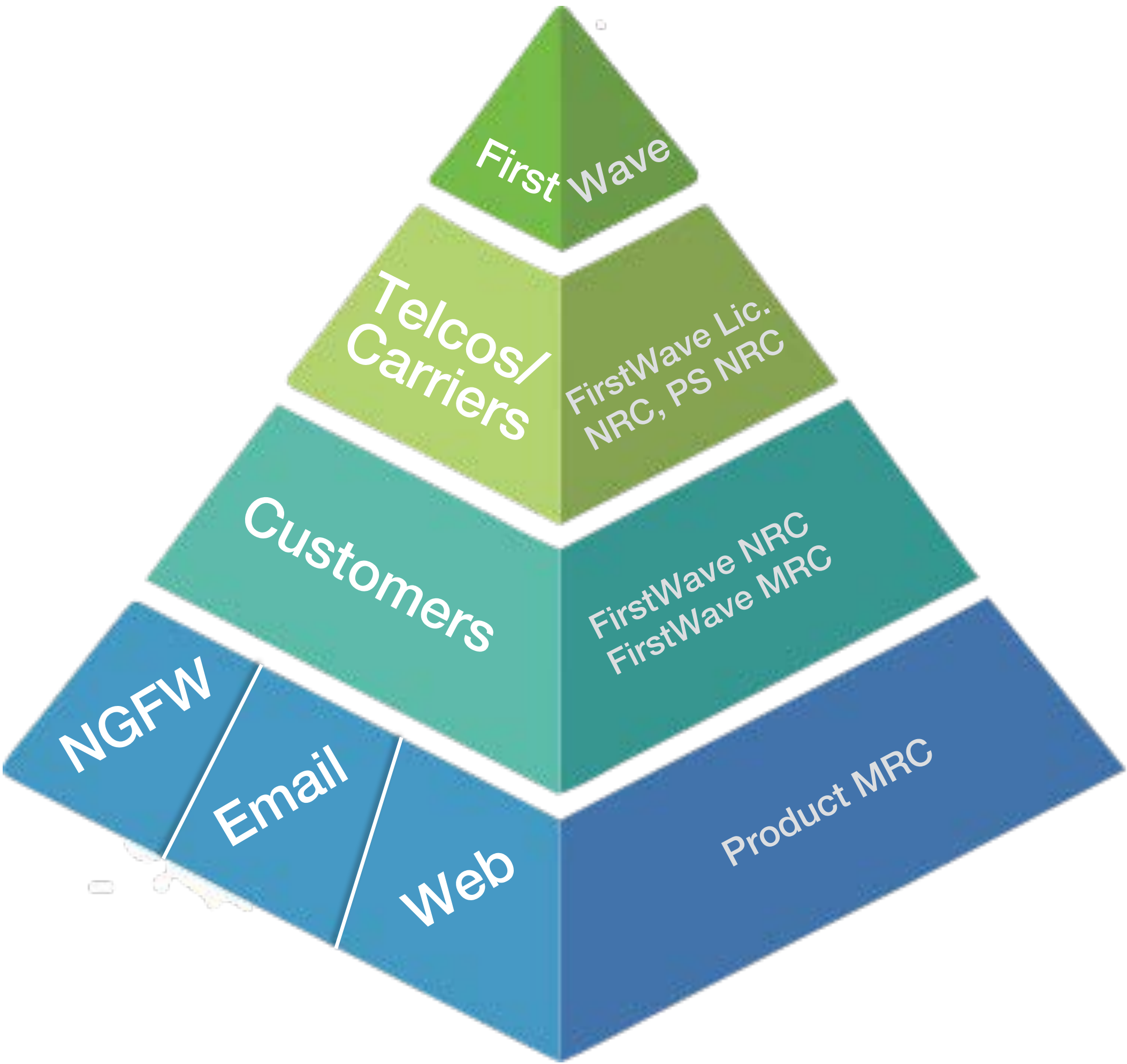
A quick look



International Phase1 Delivery - Delivering international services but billed through Telstra Australia

The multiplier effect

FIRSTWAVE BUSINESS



	FY'16	FY'17	FY'18	FY'19
Carriers	1	4	7	10
Customers	300	700	1,500	3,000
Services	1	2	3	3.5
Services in Operation	300	1,400	4,500	10,500

NOTE: The above growth scenario is illustrative only and is based on hypothetical assumptions. These statements do not constitute a forecast or projections nor do they represent revenue but service in operation by number. These statements reflect views only as of the date of this Presentation.

Firstwave Platform License
NRC: Non Recurring Charge
MRC: Monthly Recurring charge
PS: Professional Services

* Platform as a Service – Platform currently provided by Telstra in current engagement

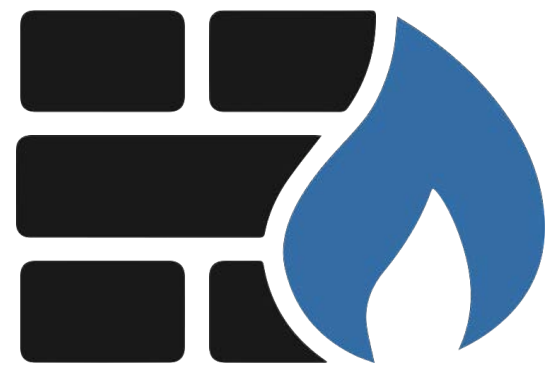
1 **Innovate** to be renowned as a carrier platform of choice for SAAS

2 **Create** an international gateway footprint for Global Telcos and Cloud Providers

3 **Execute** to deliver capability and capacity

Innovate

Innovate



New Security Services
delivered



One-Touch Orchestration
of services



**Multi-Vendor, Multi-Cloud,
Multi-Tenancy**



**Cyber Security
Operations Centre**

The ability for FirstWave to be able to orchestrate a suite of SAAS security services using a variety of vendors while still delivering a single unified view, using a proprietary management system makes it unique to this marketplace.

FirstWave is enabling Telcos with a catalogue of security services while removing all of the complications.

Partner relationships & innovation

BRINGING SAAS CAPABILITY TO THE PARTNER PROGRAM



Which forges deeper relationships with Telcos and Cloud providers.

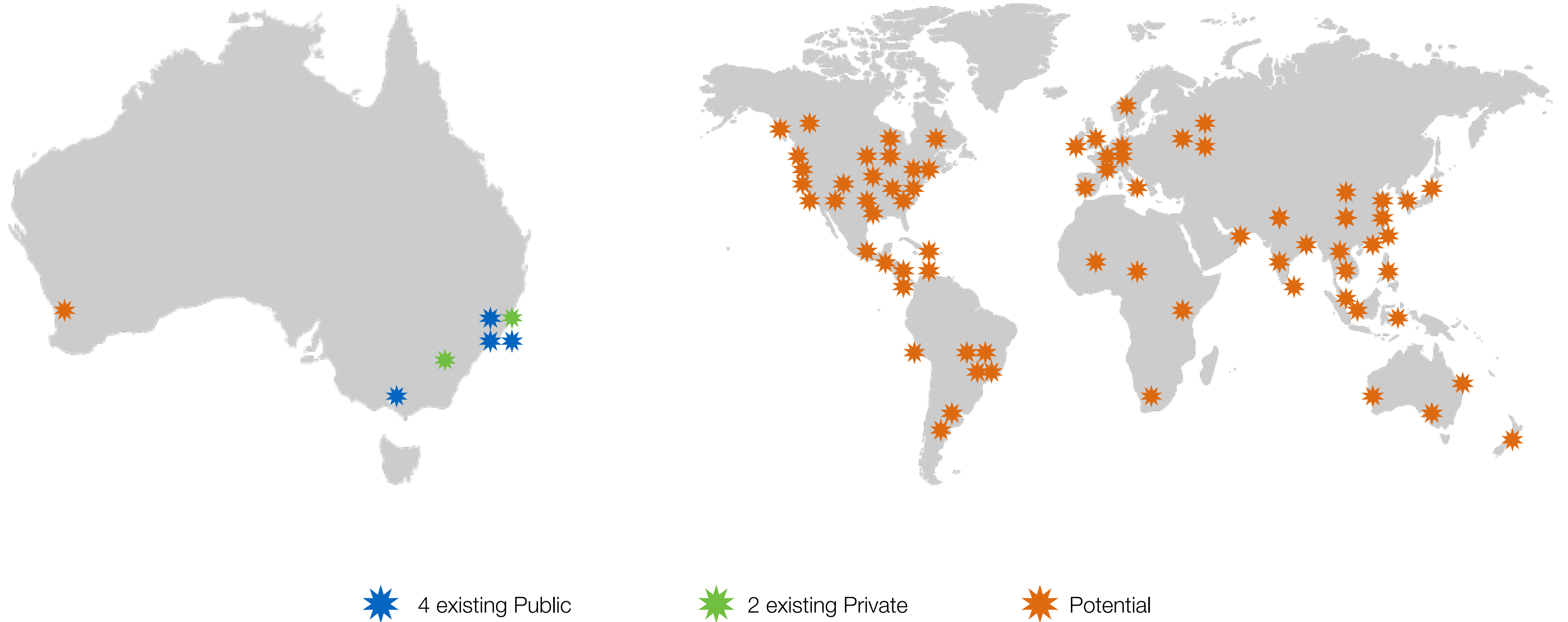
Create

Create



In 2016 FirstWave moved to increase its gateway footprint by engaging the international market. FirstWave is using a two-pronged approach leveraging the existing Telstra relationship and engaging new Global Telcos and Cloud Providers.

Gateway presence



Execute

Execute

OPERATION



Implementation of new vendor technologies



Industry training and certification



MSSP pricing relationship with vendors



Building capability and capacity (41 people)

FirstWave continues to acquire new customers and increase the number of services associated with each customer in association with long time partner Telstra.

Next Generation Firewall, Advanced Malware for Email, Bogus Boss email filter, are all incremental revenue services which broadens the addressable customer base.

In FY 2016 FirstWave built the capability and capacity to deliver on a 3-year plan which will see its SaaS platform become the Gateway of choice for Telco's and Cloud Providers.

Telstra live with Gateway Protection Advanced



VIRTUAL SERVER (DEDICATED) GEN2 AUSTRALIA
STEP 4: ADD-ONS

Gateway Protection Advanced service is designed to provide you with a managed virtualised next generation firewall appliance on your Cloud Infrastructure Virtual server (dedicated) Gen2 service.

Step 4f –Gateway Protection Advanced

You will need the following products for your Gateway Protection Advanced service.

- a Cloud Infrastructure Virtual Server (dedicated) Gen2 service
- a Public Network Internet service
- a Cloud Gateway (Next IP connectivity) service

Item	12 month	Once-off fee	Monthly
Small Essentials	<input type="checkbox"/>	\$6,670	\$2,140
Small Enhanced	<input type="checkbox"/>	\$12,000	\$2,980
Small Premium	<input type="checkbox"/>	\$17,340	\$3,480
Medium Essentials	<input type="checkbox"/>	\$10,670	\$2,710
Medium Enhanced	<input type="checkbox"/>	\$16,000	\$3,660
Medium Premium	<input type="checkbox"/>	\$22,670	\$4,620

Item	36 month	Once-off fee	Monthly
Small Essentials	<input type="checkbox"/>	\$6,670	\$1,910
Small Enhanced	<input type="checkbox"/>	\$10,200	\$2,720
Small Premium	<input type="checkbox"/>	\$14,740	\$3,230
Medium Essentials	<input type="checkbox"/>	\$9,070	\$2,240
Medium Enhanced	<input type="checkbox"/>	\$13,600	\$3,090
Medium Premium	<input type="checkbox"/>	\$19,270	\$3,800

Contact details entered in Step 1 will be used if the below is left blank

Customer contact (who will interact with Telstra for installation)

Contact name: _____

Company name: _____

Company address: _____

Contact details: _____ Phone (work): _____ Phone (mobile): _____

Email: _____

Technical contact (often a third party technical resource working on your behalf)

Contact name: _____

Company name: _____

Contact details: _____

Email: _____

Cloud Infrastructure – Virtual server (dedicated) Gen2
August, 1 2016
Version 1.04 Gen2

Telstra Corporation Limited
ABN 33 051 775 556
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FirstWave SaaS enables 'worlds first' accelerated Telco delivery.

The FirstWave team

Drew Kelton

Chairman of the Board

Steve O'Brien

Managing Director

Murray Scott

Chief Financial Officer

Simon Ryan

Chief Technology Officer

Andrew Chamberlain

Sales Director

Greg Maren

Telstra Client Executive

JP Burgess

Services Director

Paul Noble

Strategic Execution Director

Roger Carvosso

Portfolio Marketing Director

Steve O'Brien has assembled a strong management team to drive FirstWave's success in taking a **proven technology platform** into the international market.

The management team, complemented by Chairman **Drew Kelton**, have extensive **international experience** and will continue talent acquisition plan based on the growth and success of the company.

Paul Noble appointed July 2016, will drive the execution for FirstWave's **international deployments** and management of existing platforms.

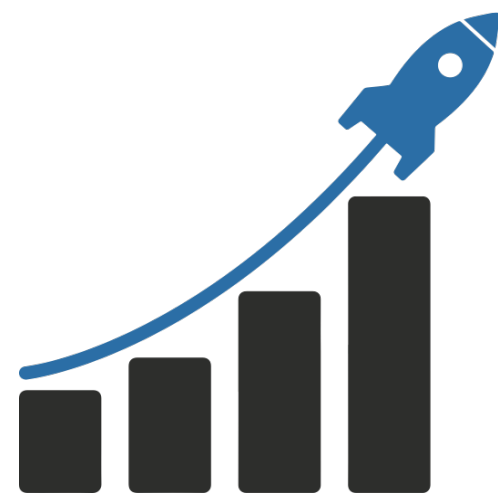
FirstWave will maintain its solid investment in R&D, specifically focused around the development team led by **Simon Ryan**. The team's **software development** continues to be **ground breaking** and **agile** to address ever changing threats.

Proven leadership from industry sectors including:

- Telecommunications
- Cloud Services
- Data Centres
- Security Services
- Mobility
- IT Integration
- Distribution
- Vendor Relationships

Execute

BUSINESS INDICATORS



Q4 FY'16 best quarter



Successful IPO



3-Year Telstra PSA

Rapid growth

	July 2016	Sept 2016
NGFW tenders	40+	75+
	<i>22 July 2016 ASX announcement</i>	<i>8 September 2016 ASX announcement</i>

- In July 2016 FirstWave announced conversion of tenders into new recurring revenue with 15 NGFW enterprise customers secured and \$2.4 million in TCV with contracts up to 3 years, updating the growth in the pipeline in September 2016.
 - Introduction and cross-sell of new services to existing customers creating new revenue streams.
 - Currently experiencing high conversion rate of pipeline opportunities, Telco productisation has made NGFW easy to buy.
 - Customer churn is less than 3% which results in extremely high Lifetime Customer Values (LTCV).
- Continued growth in complimentary email, web & other cloud security services with approximately \$1.0 million worth of new contracts secured in the period 1 July 2016 - 31 August 2016, noting this normally is a seasonally low sales period.
 - FirstWave believes quarterly reporting is more reflective noting that in the early part of the financial year the lower data volume enterprise opportunities will convert before the higher volume complex enterprises NGFW opportunities. Targeting 20,000+ Telstra Enterprise and Government customers (NGFW is volume not user based pricing).

Since launching the Next Generation Firewall (NGFW) offering at the end of June 2016 FirstWave has seen significant growth in tendering for enterprise and government customers.

Additional growth drivers



- Establishment of cyber security centres – opportunities worldwide.



- Provision of web, email and cloud security services to Telstra's enterprise and government customer base. A significant addressable market domestically.
- Broaden Cloud Security offering to Global Telcos and Cloud Providers.



- Expansion into international markets with new Telco and Cloud Provider partnerships and potential contracts with data centres.

FirstWave has a huge addressable market both domestically, and in the near future, internationally.

Historical Financials

Balance sheet

Item	FY 2016 (unaudited) \$'000s
Current Assets	
Cash and cash equivalents	5,772
Trade and other receivables	2,659
Other current assets	760
Total Current Assets	9,191
Non-Current Assets	
PP&E	710
Intangibles	2,088
Deferred tax	612
Prepayments	430
Total Non-Current Assets	3,840
Total Assets	13,031
Current Liabilities	
Trade and other payables	1,901
Borrowings	293
Employee benefits	371
Other current liabilities	564
Total Current Liabilities	3,129
Non-Current Liabilities	
Borrowings	287
Employee benefits	60
Provisions	152
Other non-current liabilities	674
Total Non-Current Liabilities	1,173
Total Liabilities	4,302
Net Assets	8,729

FirstWave has sound working capital to fund growth plans based on existing organic and announced service offers.

We note other liabilities also contain material unearned income amounts which are essentially amortising future cash flows from existing customers to be recognised in future periods.

See Appendix 4E – Preliminary Financial Report for further details (released 30 August 2016).

Profit and loss

Item	FY 2016 (unaudited) \$'000s
Sales revenue	6,401
Cost of sales	(1,702)
Gross profit	4,699
Other income	233
Expenses ¹	(10,089)
Profit/(loss) before tax	(5,157)
Income tax (expense)/benefit	502
Profit/(loss) after tax	(4,655)

1. Includes c.\$2.9 million in listing costs

Consolidated revenue for FY 2016 of \$6.4 million, 37% growth over the previous year with a strong gross margin of 73%.

Significant investment in 2016 relating to expansion of capability and capacity for future growth which was expensed in the period.

See Appendix 4E – Preliminary Financial Report for further details (released 30 August 2016).

Capital structure

Item	On issue (M)	Ownership %
Shares on issue		
Non-escrowed	122.8	68.3%
Escrowed	57.0	31.7%
Total shares on issue ¹	179.8	100.0%
Options on issue		
Vesting < 12 months ²	7.3	
Vesting > 12 months ³	14.8	
Total options on issue	22.1	
Total shares and options on issue	201.9	

1. Fully diluted share capital – first options vest in May 2017 subject to satisfaction of vesting conditions
2. ESOP and Director options vest May 2017 - 6.26m at \$0.25, 800,000 at \$0.30, 270,000 at \$0.35
3. ESOP and Director options with vesting dates greater than 12 months – 3.46m at \$0.25, 800,000 at \$0.30, 5.04m at \$0.35, 4.0m at \$0.40, 1.44m at \$0.45

Priorities

Company Focus

1

Execute on the opportunity with Telstra

2

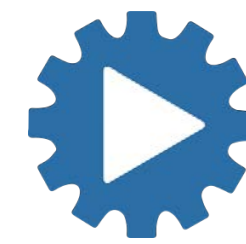
Innovate an expansive platform

3

Grow an international footprint

4

Exploit FirstWave's I.P.



Innovate • Create • Execute