

Q4 FY23 Shareholder Update

26 JULY 2023



FirstWave

Today's Presenters



JOHN GRANT

Chairman



DANNY MAHER

**Managing
Director and CEO**



IAIN BARTRAM

**CFO and
Company Secretary**

Agenda

1. Introduction - Chair
2. Q4 Highlights - CEO
3. Q4 Financial Performance - CFO
4. Business Update - CEO
5. Q&A

Q4 Highlights

Danny Maher – Managing Director and CEO



Q4 Highlights



- Revenue up 9.2%
- Gross Profit up 13.3%
- Cash usage ~\$0.48m per month, exceeding cash objectives
- Bias strategic investments towards network management
- CyberCision platform consolidation continues

Q4 Financial Performance

Iain Bartram – CFO and Company Secretary



Q4 Financial Performance – Revenue and Gross Profit



(A\$m)	Q3	Q4	Δ%
			Q4/Q3
ARR ¹	9.82	9.33	-5.0%
Revenue	2.84	3.10	9.2%
Gross Profit (pro forma ²)	2.16	2.45	13.3%
Gross Profit Margin	76.2%	79.0%	2.8ppts

1. Reduction in ARR recovered by uplift and new sales that will be recognised from 1 July.
2. 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.

Table figures are unaudited, any variances or updates will be covered in the full year accounts.

Q4 Financial Performance – Cash



- Q4 closing cash position \$5.61m (Q3: \$7.06m)
 - Trade Debtors \$2.50m (Q3: \$1.64m)
 - Trade Creditors \$1.22m (Q3: \$1.00m)
- Normalised * monthly cash used \$0.47m
 - \$0.11m per month from non-recurring revenues.
- Cash used in FY23 \$0.40m per month

* Normalised includes:

- capitalised development labour,
- monthly allocation for R&D grant,
- revenue rather than collections, and
- smooths out other timings of cash receipts and expenses.

CEO Overview

Danny Maher – Managing Director and CEO



Strategic Objectives



Sales-led culture



Grow faster



Be capital efficient

Grow Faster



- Renewal of Australian Government client through a partner (CyberCision)
- New US Government client through a partner (NMIS)
- Continuing negotiation with a significant US based organisation (NMIS related) has progressed to procurement
- Focusing of sales efforts continues with targeting Service Providers and large organisations in our strongest markets (US, LATAM and Australia)
- Focusing on highest margin products, in particular NMIS
- New (additional) account manager in Mexico

Be Capital Efficient



- Continue to prioritise cash management while making strategic investments with a bias towards strong growth potential in network management
- CyberCision platform consolidation saw the decommissioning of two platforms and successful migration of all clients to a single platform in Sydney
- Renegotiation of third-party supplier agreements that will generate further efficiencies and improve margins for the company moving forward

In Closing



- Pipeline of new opportunities remains healthy, despite protracted purchasing cycles
- Business has the flexibility and levers to deal with a range of eventualities
- Full year results to be released end of August
- Thank you for your patience. I am an excited investor and I hope you are too

Q&A



Thank you



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