

Q2 FY24 Shareholder Update

30 January 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. Q2 Highlights - CEO
3. Q2 Financial Performance - CFO
4. Business Update - CEO
5. Q&A

Q2 Highlights

Danny Maher – Managing Director and CEO



Q2 Highlights



Following the organisational restructure in Q1:

- Several opportunities moved closer to completion and a number closed including:
 - Extension of agreement with US space agency, NASA
 - Extension of agreement with Mexico's largest telecommunications group, Telmex
 - First sale under the reseller relationship with Telmex to deliver additional revenue of ~\$1 million over three years
- A more agile business with lower ongoing costs
- Normalised cash usage approximately \$0.38m per month:
 - \$1 million R&D tax offset expected to be received in Q3

Q2 Financial Performance

Iain Bartram – CFO



Q2 Financial Performance – Revenue and Gross Profit



(A\$m)	Q1 FY24	Q2 FY24	Δ%
			Q2/Q1
ARR	10.00	10.18	1.8%
Revenue	2.85	2.94	3.2%
Gross Profit (pro forma¹)	2.20	2.30	4.5%
Gross Profit Margin	77.4%	78.4%	1 ppt

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

Q2 Financial Performance – Cash



- Q2 closing cash position \$1.95m (Q1: \$2.95m)
- \$1m annual R&D tax offset income to be received in Q3
- \$1m cash used in Q2 (Q1: \$2.65m)
- Cash used includes \$0.11m in one-off payments relating to redundancies announced in Q1
- Lower future staff costs post redundancies
- Normalised* monthly cash usage at 31 Dec '23 estimated at \$0.38m:
 - assumes \$0.09m per month from non-recurring revenues

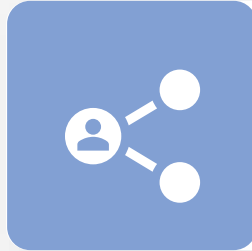
* Normalised includes: capitalised development labour, monthly allocation for R&D grant, revenue rather than collections, and smooths out other timings.

Business Update

Danny Maher – Managing Director and CEO



Strategic Objectives



Sales-led culture



Grow faster



Be capital efficient

Sales-led Culture



- CEO Danny Maher to spend February in Mexico and USA to work on some significant opportunities that have developed in those regions
- CRO Dino Davanzo to also make a trip to the region
- Further efforts have been made to focus centralised resources on supporting key global sales opportunities

Grow faster



Continuing to invest in sales and marketing

- ARR growth the major focus
- Reseller sale through Telmex (announced 21/12/2023) not included in ARR for Q2 adds an additional ~\$300k of ARR from Q3 onwards
- Several major opportunities remain in an advanced stage in the pipeline. Completion of any one of these opportunities would positively and materially impact the Company's working capital position
- Released Open-Audit v5.0 – FirstWave's most popular technology

Be Capital Efficient



- Total OPEX remain (FirstWave + Opmantek + Saisei) much lower than FirstWave's "standalone"
- Consolidation of CyberCision platforms continues to reduce operational support costs and create a density of customers on a smaller number of platforms that can leverage economies of scale
- Normalised monthly cash usage estimated at \$0.38m



Managing cash reserves to balance opportunity and longevity:

- Current cash levels to be retained in Q3 (given receipt of \$1 million R&D tax offset)
- The Company is reviewing a number of options to provide working capital support to manage the possibility of further sales slippage

Cash flow breakeven continues to be the primary focus:

- Strong pipeline of sales opportunities
- Completion of any one of a number of sales opportunities would positively and materially impact the Company's working capital position

Q&A



Thank you



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