

Q1 FY25 Shareholder Update

30 October 2024



FirstWave

Today's Presenters



JOHN GRANT

Chair



DANNY MAHER

**Managing Director
and CEO**



IAIN BARTRAM

**CFO and
Company Secretary**



DANIEL FRIEL

**Non-Executive
Director**

Agenda

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

CFO Update

Iain Bartram – Chief Financial Officer



Q1 Financial Performance



- As previously disclosed, results were significantly impacted by removal of Telstra recharge which removed ~\$1.15m of zero margin recurring revenue.
- Gross Profit impacted by lower non-recurring revenue than in the previous quarter.

(A\$m)	Q4 FY24	Q1 FY25	Δ%
			Q4/Q1
ARR	10.06	8.46	-15.9%
Revenue	2.72	2.25	-17.4%
Gross Profit (pro forma ¹)	2.13	1.99	-6.8%
Gross Profit Margin	78.3%	88.4%	+10.1ppt

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

Q1 Financial Performance – ARR movements



(A\$m)	Q4 FY24	Q1 FY25	Change	% of Change
CSX Recharge	1.152	-	-1.152	72%
GPA	0.777	0.388	-0.388	24%
Claro GT	0.239	-	-0.239	15%
Other	7.889	8.072	0.183	(11%)
Total ARR	10.056	8.461	-1.595	100%

- Q1 result excludes CSX platform recharge revenues as Telstra is decommissioning the platform (ASX ann. 04/06/24).
- Telstra Gateway Protection Advanced (GPA) is also being decommissioned (ASX ann. 04/06/24).
- Claro GT moved support contract to a new provider but continue to use the software (potential upgrades, bug fixes).
- The remaining “Other” movement is an increase in ARR, mainly from two existing customer upgrades;
 - Telstra (CyberCision) customer on ISM complaint platform (ASX ann. 11/06/2024)
 - Microsoft (NMIS) extension and upgrade (ASX ann. 21/08/2024)

Q1 Financial Performance – Revenue movements



(A\$m)	Q4 FY24	Q1 FY25	Change	% of Change
CSX Recharge	0.304	0.062	-0.242	51%
GPA	0.200	0.110	-0.091	19%
Non-Recurring Revenue	0.157	0.059	-0.097	20%
Claro GT	0.060	-	-0.060	13%
Other	2.002	2.017	0.014	(3%)
Total Revenue	2.723	2.248	-0.475	100%

- The CSX platform recharge revenue drop was over half of the movement (ASX ann. 04/06/24).
- Lower non-recurring revenues than the previous quarter also had a significant impact on the result.

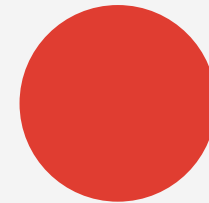
Q1 Financial Performance – Gross Profit movements



(A\$m)	Q4 FY24	Q1 FY25	Change	% of Change
Non-Recurring Revenue	0.157	0.059	-0.097	67%
Claro GT	0.060	-	-0.060	41%
CSX Recharge	-	-	-	0%
Other	1.915	1.927	0.012	(8%)
Total Gross Profit	2.131	1.986	-0.145	100%

- The CSX platform recharge being at zero margin has no impact on the gross profit.
- Lower non-recurring revenues than the previous quarter had the most significant impact on the result.

Q1 Financial Performance – Cash



- Q1 closing cash position \$1.68m (FY25 Q4: \$1.68m)
 - Opening cash level maintained
 - Significant change from \$1.82m usage in Q4
 - Amended FY23 Tax Return generated \$223K in additional R&D offset grant.
- Normalised* monthly cash usage at 30 Sep 2024 estimated at \$251k
 - Includes interest of \$25k per month for Convertible Notes
 - Does not include non-recurring revenues which have averaged \$50k per month for past 12 months
- Company has sufficient cash to operate until end of Q3 FY25 (without revenue growth)

* 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

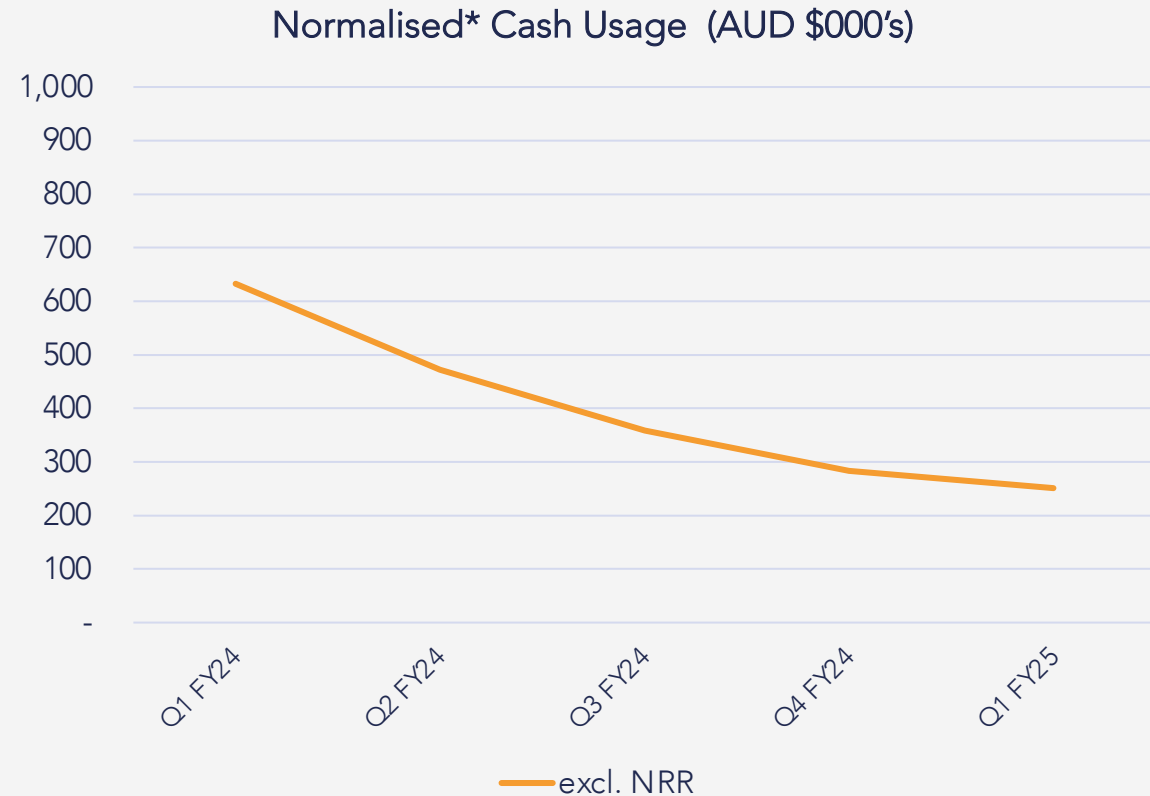
Danny Maher – Managing Director and CEO



Q1 Highlights



- Encouraging cashflow result reflects:
 - Benefit of operational savings and synergies implemented in FY24 (and FY23).
 - Receipt of Microsoft and Australian Government contract uplifts.
 - Multiple new smaller client wins in Q1
- Normalised* cash burn has lowered to circa \$250k per month (approximation of average cash burn per month without revenue growth)



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

Focus sharpens on growing revenue



- Strong pipeline of new opportunities across LATAM, North America and ANZ.
- CyberCision growth focus continues to be on sovereign ISM platform.
- NMIS growth focus continues to be global with pipeline bias towards LATAM.
- Significant deals remain in play but long sales cycles require close management – particularly with current cash levels.
- We continue to see increasing opportunities for sales to existing clients and partners.

FY25 Outlook



- The business will continue to benefit from significant transformation over last 18 months.
- Q2 net sales result is critical to delivering on goal of cashflow positive FY25.
- FY24 R&D grant expected to be ~\$1.15 million in Q2.
- Even without net new sales the company has sufficient cash to operate until end of Q3 FY25.
- The business has a range of options to improve long-term outlook including increasing sales, asset sales, additional cost reductions and new capital.

Daniel Friel Introduction

Non-Executive Director – North America



Q&A



Thank you



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