

Q2 FY26 Shareholder Update

6 February 2026



FirstWave

Today's Presenters



ROGER BUCKERIDGE
Chair



DANNY MAHER
Managing Director



SHARON HUNNEYBELL
VP of Products

Agenda

1. Introduction – Roger Buckeridge
2. CEO Update and Financials – Danny Maher
3. AI and Open-AudIT Update – Sharon Hunneybell
4. Outlook and Q&A

CEO Update

Danny Maher – Managing Director and CEO



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Business Update



- Q2 was focussed on:
 - a restructure;
 - a capital raise; and
 - a pivot of the company to AI powered compliance management (with a primary goal of monetising the significant base of organisations using FirstWave's free Open-AudIT product).

Summary



- Key renewals of NASA, Claro DR and Telmex with increased revenues
- Further restructuring to align resources with current revenues and growth opportunities (\$1.8M per annum in savings)
- Release of the first version of Open-AudIT with AI-powered compliance management functions
- Continued development of the relationship with AWS and Ingram Micro
- The board believes the share price is extremely low (“over sold”) and is considering actions to support the share price. We are trading at basically 1 X ARR plus working capital
- CEO to locate in North America for February and March to assess and accelerate sales opportunities

Financial Performance - Revenue and Gross Profit



(A\$m)	Q1 FY26	Q2 FY26	Δ%
ARR	6.21	6.31	+2%
Revenue	2.03	1.77	-13%
Gross Profit	1.92	1.68	-12%
Gross Profit Margin	95%	95%	+0ppt

- ARR increase of 2%
- Reduction in revenue in Q2 relates to once-off perpetual software license sale of \$0.38m in Q1
- Reduction in GP in Q2 relates to the same once-off perpetual software license sale of \$0.38m in Q1

Financial Highlights



- **Q2 cash usage was in line with expectations.**
- **Q3 will be cash positive.**
- The Company's cash is cyclical and Q2 is a down cycle which is normal.
- R&D rebate (intentionally) occurring in Q3 rather than Q2 plus costs associated with restructuring are the primary difference with the prior year.
- \$2.5m in Receivables as at Dec 31. Over \$1m has already been collected.
- The Company restructured (incurring \$500k of restructuring costs in Q2) which will deliver approximately \$450k per quarter of ongoing operational savings
- The Company raised \$2.66m (net of costs) in the quarter.
- Established a 3 year, \$2.5m Loan Facility with Partners for Growth.
- Repayment of Formue Nord \$2.5m convertible note.

Product Update

Sharon Hunneybell– VP Products



CSIRO collaboration & AI-driven product expansion



Strategic and Commercial Relevance

- Boosts our strategic focus/pivot toward AI-driven compliance automation.
- Provides leading AI expertise and other resources which would not otherwise be available to FirstWave .
- Open-Audit customers extend into real-time monitoring via opConfig and the NMIS suite.
- Introduces predictive risk detection and proactive planning across network infrastructure through CSIRO and UniSC research.

Funding and Structure

- Regional University Industry Collaboration (RUIC) program led by CSIRO and funded by the Queensland Government.
- Initial project value: \$264,982

Project Focus

- Delivery of an AI/ML initiative using operational data from NMIS deployments.
- Application of machine learning to large scale network telemetry and behaviour patterns.
- Development of practical, production ready analytics and automation capabilities.

Open-Audit 6 Launch



Launched in phases across November and December 2025.

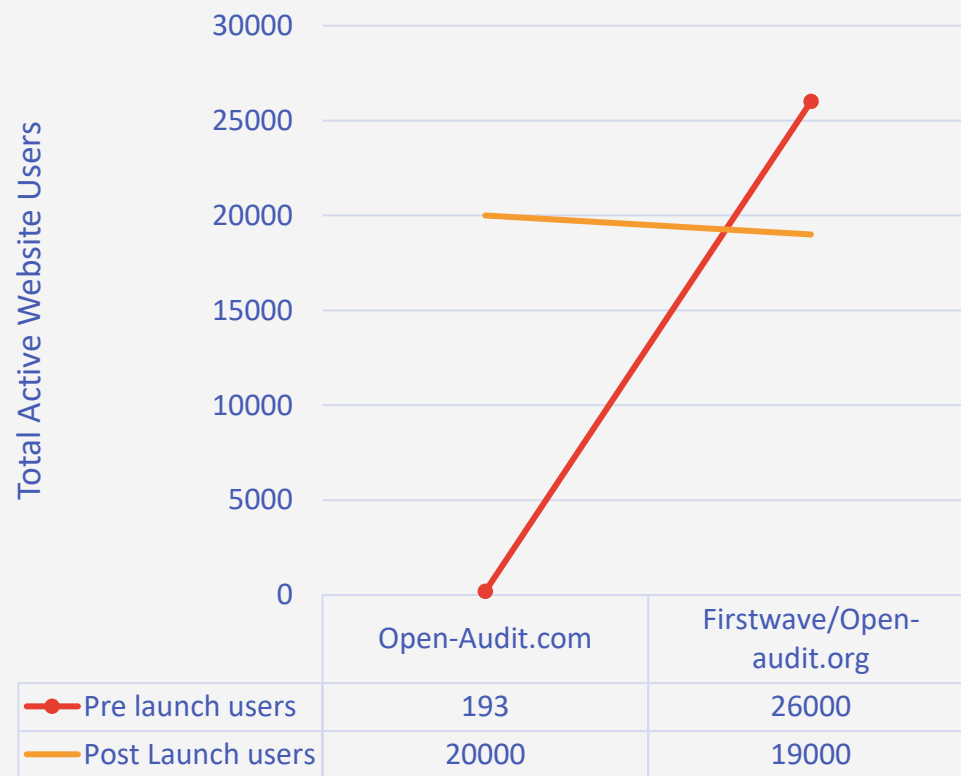
Licensing Model

- Introduction of a new free commercial licensing tier alongside (paid) Professional and Enterprise.
- Fully integrated platform experience with feature restrictions to prompt upgrades.
- Designed to move users into the commercial platform pathway rather than towards open-source deployment.

Launch Strategy

- Initial rollout in phases to protect the existing user base and observe adoption behaviour.
- Early phase focused on stability, user sentiment and activation patterns.
- Prioritising sustainable enterprise conversion over short-term activity.

Global engagement following Open-AudIT 6 launch



- open-audit.com activity grew from 194 pre-launch users to over 20,000 users within two months.
- Engagement across the website increased confirming genuine market response.
- Existing ecosystem traffic across the firstwave.com and open-audit.org sites redistributed from approx 26,000 users pre-launch to 19,000 post-launch, reflecting migration rather than demand loss.
- **In total a 50% increase on activity pre-launch (which was already huge).**
- Audience engagement shifted toward United States, Europe and ANZ, improving commercial relevance.

Activity Post-Launch



- 5,991 downloads Dec 1 – Jan 30 (note: holiday periods are lower than average).
- Commercial trials amongst the free user base has exceeded expectations: **6.09% of users downloading the software commence a commercial trial.**
- Strongest uptake of commercial trials are in our target regions including **US and Europe (51% of all trials).**
- 194 open leads for new clients.
- Some early purchases - 3 new customers, 2 in Europe, 1 in Australia.

Next Phase: Conversion, capability and growth



Commercial execution

- Continued increase in targeted marketing activity and marketing automation.
- Focus on pipeline development, licence adoption and new enterprise contracts.

Product development

- Ongoing delivery of compliance capability within Open-Audit.
- Stronger integration across the broader product suite – especially opConfig.
- Advancement of machine learning and predictive analytics within NMS.

Objective

- Convert early engagement into sustained enterprise growth and recurring revenue.

Outlook



Outlook



The Company is pursuing its path of AI powered compliance management

Open-Audit v6 release is going well and we continue to adapt and push the metrics

The Company has sufficient funds to pursue its goals for the foreseeable future.

An EGM is to be held to approve the share options to be issued to PFG.

- As announced by the Company on 31 December 2025, the Company has completed an agreement with global credit investor, Partners for Growth VII, L.P. (**PFG**) for a \$2.5 million loan facility (**PFG Agreement**) (**Facility**).
- As part of the agreement, PFG is to be granted call and put options – these are substantially lower in number than what was proposed by the previous provider Fenja Capital.

The EGM will focus on the specific resolutions and the process around them.

The EGM will not have remote voting so anyone that would like to vote should do so before the EGM via proxy or in person at the EGM.

Q&A



Thank you



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