FirstWave First Half Revenue Up 87%, Losses Down 57%

Australian cybersecurity and network management software company FirstWave Cloud Technology Limited (ASX: FCT) (FirstWave) has continued its drive to profitability after today reporting very strong first-half results to December 31, 2022.

Highlights for the first half include:

- Revenue up 87% to $6.56 million (2021: $3.51 million)
- Gross profit up 151% to $5.11 million (2021: $2.04 million)
- Expenses down 15% to $8.86 million (2021: $10.4 million)
- Loss after tax down 57% to $3.26 million (2021: $7.66 million)
- Annualised Recurring Revenue (ARR)[1] increased to $9.86 million
- Cash at the end of the half of $6.68 million, with a further $1.16 million expected in H2 in R&D tax rebates associated with FY22.

The previous half results (six months to December 31, 2021) do not include any expenses or revenue derived from the company's acquisition of enterprise-grade network management, automation, and IT audit software group Opmantek Limited in January 2022.

The strong performance of the business is best reflected by the fact the first half results show the combined businesses are operating on less than the expenses for FirstWave alone prior to the acquisition while continuing to increase revenues, including Annualised Recurring Revenues (ARR), and, importantly, gross profit.

The first half result was underpinned by the company's increasing investment in sales and marketing with the signing of several important new clients, including Viaero Wireless (United States), and upgrading its perpetual agreement with Claro DR (Dominican Republic). FirstWave also extended its existing agreement with its largest customer in LATAM, Telmex, during the half.

FirstWave CEO Danny Maher said the company was on track to reach cash-flow break-even and profitability without further capital.

"With a much lower and sustainable cost base, growing revenue and more than $6.6 million in the bank, we feel we are well and truly on the way to achieving the goals we set for the business subsequent to the acquisition of Opmantek a little over 12 months ago," he said.

"We have built a solid pipeline of opportunities and our focus is to convert these opportunities to revenue, both recurring and non-recurring, over the next 12 months.

"We are confident we have the people, products and pipeline to underpin reaching profitability and building a strong, sustainable business beyond that point. Our efforts over the last 12 months have delivered a far more manageable business with multiple paths to success. Should we have any unexpected issues, we have several levers to pull to adjust our plans. But at the end of the first half, we are in a very exciting position."

"Our cash burn rate remains steady at just under $0.5 million per month and is less than half of what it was in the previous corresponding period," he said. "We expect that, through both revenue growth and continued efficiency gains, this will reduce further and reach cashflow break-even without additional capital."

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[1] ARR is equal to monthly revenue in the final month of the quarter/period

FirstWave

FirstWave Cloud Technology Limited ABN: 35 144 733 595
Level 14, 132 Arthur St North Sydney, NSW, 2060, Australia
T +61 02 9409 7000 W Firstwave.com

FirstWave's other significant achievements during the half include:

- Being commissioned to build a sovereign CyberCision™ email platform in Australia to comply with the "information security manual" as defined by the Australian Cyber Security Centre.

- Implementation of a one-brand strategy (including phasing out of the Opmantek brand) that aligns to the company's new strategic focus on providing integrated solutions for network discovery, monitoring and cybersecurity for enterprises, managed service providers (MSPs), and telecommunications carriers globally.

- Launch of a new website with marketing automation which has led to accelerated lead generation.

- Appointment of Dino Davanzo as Chief Revenue Officer (CRO) based in Sydney, and James Morzelewski as Sales Director, North America based in Salt Lake City.

FirstWave's globally unique CyberCision™ platform provides best-in-class cybersecurity technologies, enabling FirstWave's Partners to protect their customers from cyber-attacks at scale.

In January 2022, FirstWave acquired Opmantek, a leading provider of enterprise-grade network management, automation, and IT audit software, with organisations using this software across 178 countries, including enterprise clients like Microsoft, Telmex, Claro and NASA.

The combination of CyberCision, Network Management Information System (NMIS), and Open-AudIT products enable FirstWave to provide a comprehensive end-to-end solution for network discovery, management and cybersecurity for its telco and service provider partners globally.

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This announcement has been authorised for release by the Board of FirstWave.

For media inquiries, please contact:
Ben Ready
RGC Media & Mktng
0415 743 838
ben@rgcmm.com.au

About FirstWave:
FirstWave is a global cybersecurity and network monitoring technology company formed in 2004. FirstWave's globally unique CyberCision™ platform provides best-in-class cybersecurity technologies, enabling FirstWave's Partners, including some of the world's largest telcos and managed service providers (MSPs), to protect their customers from cyber-attack, while rapidly growing cybersecurity services revenues at scale. In January 2022, FirstWave acquired Opmantek Ltd (Opmantek), a leading provider of enterprise-grade network management, automation, and IT audit software, with 150,000 organisations using their software across 178 countries and enterprise clients, including Microsoft, Telmex, Claro and NASA. Integrating CyberCision™ with Opmantek's flagship Network Management Information System (NMIS) and Open-AudIT product enables FirstWave to provide a comprehensive end-to-end solution for network discovery, management, and cybersecurity for its Partners globally.

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