



Revenue Up - Cash Burn and Operating Losses Slashed

Australian-based global software company FirstWave Cloud Technology Limited (ASX: FCT) (FirstWave) today reported a 34% improvement in revenue while continuing to narrow its operating losses for the year to 30 June 2023.

The company's operating loss, excluding impairment was \$5.86 million, which is 57% lower than the \$13.46 million reported in the previous year. In addition to this loss, an impairment of \$7.59 million was recorded against the value of its CyberCision™ asset as a result of a decision to invest more heavily in FirstWave's fast-growing network monitoring software.

FirstWave's network monitoring business revenue increased to \$5.32 million for the 12 months (2022: \$1.99 million for the period 14 Jan 2022 to 30 June 2022), and Directors believe this area of the business continues to offer substantial growth opportunities.

Highlights for the full-year results include:

- Revenue up 34% to \$12.49 million (2022: \$9.35 million)
- Gross profit up 56% to \$9.63million (2022: \$6.19 million)
- Expenses (excluding impairment) down 14% to \$18.13 million (2022: \$21.05 million)
- Net cash used in operating activities and payments for intangibles was down 58% to \$4.66M (2022: \$11.09M)

FirstWave CEO Danny Maher said the company continued to make good progress throughout the year with continued growth in revenue and a clear strategy to achieve its goal of being cash flow positive.

"Our network monitoring software business continues to build momentum in North and Latin America" he said. "We have a considerable pipeline of opportunities which we look forward to converting into new business as our growth continues to accelerate."

There were several new client wins during the year, including L3Harris, Arizona College of Nursing and Raytheon in North America, all of which licensed FirstWave's network monitoring products in multi-year subscriptions.

Several existing network monitoring clients increased the number of devices under their licence agreements, including NASA in North America, which agreed to extend and expand its licence to support the Artemis (www.nasa.gov/specials/artemis/) missions.

Dominican Republic's leading internet provider, Claro, licenced the recently released NMIS 9.4 suite of products with the agreement, including US\$280,000 in up-front fees.

Mexican Telecommunications giant Telmex extended their contract with FirstWave for a further 12 months, in a renewal worth approximately US\$300,000 in annual revenues.

Mr Maher said the company had entered the new financial year with strong momentum.

"We have several opportunities in our pipeline that have the potential to accelerate progress significantly and we are pushing these to a conclusion at the earliest possible opportunity," he said.

Review of Investment Priorities

ASX Release

30 August 2023



Following a detailed review of its future investment priorities and the continued strength of its network monitoring platform, the company has undertaken a repurposing of its development team that will deliver annual savings of approximately \$1.5 million.

The savings are primarily due to making 11 positions redundant, mainly in its Australian-based CyberCision development team.

The repurposing reflects where the Company sees its short to mid-term revenue opportunities and does not impact its investment in its network monitoring software or its North American operations, where the company continues to see high growth opportunities.

Existing clients of the CyberCision platform will not be affected by the changes, and the company continues to see opportunities for the product, including the upcoming launch to the Australian government and large enterprise market of FirstWave's sovereign email security platform that is compliant with the Australian Cyber Security Centre's Information Security Manual ('ISM').

ENDS

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

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About FirstWave:

FirstWave is a leading provider of enterprise-grade network management, cybersecurity, automation, and IT audit software, with 150,000 organisations using their software across 178 countries and enterprise clients, including Microsoft, Telmex, Claro and NASA. The company's platforms provide a comprehensive end-to-end solution for network discovery, management, and cybersecurity for its Partners.

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