

FirstWave Cloud Technology Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	FirstWave Cloud Technology Limited
ABN:	35 144 733 595
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

					\$
Revenues from ordinary activities	down	21.8%	to		4,521,849
Gross profit	down	18.0%	to		3,839,414
Loss from ordinary activities after tax attributable to the owners of FirstWave Cloud Technology Limited	improved	13.3%	to		(2,051,505)
Loss for the half-year attributable to the owners of FirstWave Cloud Technology Limited	improved	13.3%	to		(2,051,505)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax improved by 13.3% to \$2,051,505 (31 December 2023: \$2,366,055). The improvement against the prior half year loss is attributed to the improved focus on the entity's most profitable products in its most productive geographies and disciplined cost rationalisation.

Net cash inflows from operating activities in the period were \$1,070,446 (31 December 2023: net cash outflows of \$2,343,257) which represents a 145.7% or \$3,413,703 improvement over the prior period. This improvement was primarily attributable to a \$2,468,955 reduction in payments to suppliers and employees and a \$1,446,188 increase in other income.

Revenue from ordinary activities was down 21.8% to \$4,521,849 (31 December 2023: \$5,782,358). The reduction in revenue and gross profit relates primarily to matters already disclosed to the market concerning Telstra discontinuing its GPA firewall product and closure of its CSX2 platform as well as there being some significant non-recurring revenues in the prior comparative period.

Refer to the 'Review of operations' section of the Directors' report within the Interim Report for further commentary on the results.

3. Net tangible assets/(liabilities)

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.37)	(0.22)

Net tangible assets/(liabilities) calculations include right-of-use assets and lease liabilities.

4. Control gained over entities

None gained.

5. Loss of control over entities

None lost.

6. Foreign entities

There has been no change in foreign-owned subsidiaries to those reported for the year ended 30 June 2024. All group entities comply with International Financial Reporting Standards ('IFRS').

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

Refer to the attached Half Year Financial Report for the half-year ended 31 December 2024, which contains an emphasis of matter relating to a material uncertainty relating to going concern.

8. Attachments

Details of attachments (if any):

The Interim Report of FirstWave Cloud Technology Limited for the half-year ended 31 December 2024 is attached.

9. Signed

As authorised by the Board of Directors

Signed _____



John Grant
Chair

Date: 27 February 2025

FirstWave Cloud Technology Limited

ABN 35 144 733 595

Interim Report - 31 December 2024

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FirstWave Cloud Technology Limited
Directors' report
31 December 2024

The directors present their report, together with the financial statements of FirstWave Cloud Technology Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled (referred to hereafter as the 'consolidated entity') at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were directors of FirstWave Cloud Technology Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

John Grant – Non-Executive Chair
Danny Maher – Managing Director
Daniel Friel - Non-Executive Director

Principal activities

During the financial half- year, the principal continuing activities of the consolidated entity comprise of development and sale of network monitoring and internet security software.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

Profit or loss performance

The consolidated entity's revenue for the financial half-year was \$4,521,849 (31 December 2023: \$5,782,358) which represents a decrease of 21.8% over the prior comparative period ('PCP'). Gross profit for the financial half-year was \$3,839,414 (31 December 2023: \$4,656,322) which represents a decrease of 18.0% over the PCP. Recurring revenue represented 96.5% (31 December 2023: 93.1%) of total revenue. The reduction in revenue and gross profit relates primarily to matters already disclosed to the market concerning Telstra discontinuing its GPA firewall product and closure of its CSX2 platform as well as there being some significant non-recurring revenues in the prior comparative period.

Relevant to revenue and gross profit generated in the period were removal of recharges (zero margin revenues) for Telstra CSX2 cloud infrastructure platform and renewal of the following agreements with uplifted and/or extended revenues:

- Microsoft
- Telmex
- NASA, and
- Claro Dominican Republic.

Significant amongst these was the renewal/extension of the company's agreement with Telmex. The agreement includes an uplift in total value of approximately 10% and lays the foundation for several new strategic initiatives the company intends to pursue in Latin America together with Telmex.

The consolidated entity's loss after income tax amounted to \$2,051,505 (31 December 2023: \$2,366,055) which represents an improvement of 13.3%. The improvement against the prior financial year loss is attributed to the improved focus on the entity's most profitable products in its most productive geographies and disciplined cost reduction.

Relevant also to forward revenue opportunities, the company released new technology "opHA Message Bus". The high availability message bus technology is industry leading and will allow large organisations or organisations with critical infrastructure to implement FirstWave's network management technology at higher scale and higher performance. Most significantly it allows multiple deployments of the network management software to operate in a single cluster and exchange information in real time meaning that a large organisation may deploy as much of FirstWave's technology as they like to or need to and, from an operational perspective, have a single view across all deployments. Engineer operations taken on one server will be reflected live on another. The technology also provides for high availability / fail over between servers without any down time for the organisation.

Statement of financial position

Cash and cash equivalents increased by \$821 to \$1,678,838 (30 June 2024: \$1,678,017). The increase came after, \$1,070,446 net cash inflows from operating activities and \$1,004,222 outflows from investing activities, reflecting continued development of the consolidated entity's intellectual property.

FirstWave Cloud Technology Limited
Directors' report
31 December 2024

The net cash inflows from operating activities of \$1,070,446 compares to net cash outflows \$2,343,257 in the PCP which represents a 145.7% increase in net cash flows from operating activities. This significant shift in net cash flows was primarily attributable to a \$2,468,955 reduction in payments to suppliers and employees that was mainly the result of cost reductions that had been undertaken by management between the periods, and a \$1,446,188 increase in other income that reflects the annual research and development ('R&D') grant tax offset being received in H1 FY25 but was not received until H2 in FY24, and an additional rebate of \$222,982 being received in the current period from a revision to the FY23 income tax return.

Going concern

Based on its current commitments, the consolidated entity has sufficient funds to meet its debts as and when they fall due. Accordingly, the directors have determined that the consolidated entity will continue as a going concern, as explained in note 1 to the financial statements.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



John Grant
Chair



Danny Maher
Director

27 February 2025
Sydney



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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF FIRSTWAVE CLOUD TECHNOLOGY LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2024, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of FirstWave Cloud Technology Limited and the entities it controlled during the half year.

PKF

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'S Lindemann', written over a light blue horizontal line.

SHAUN LINDEMANN
PARTNER

27 FEBRUARY 2025
BRISBANE

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FirstWave Cloud Technology Limited

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31 December 2024

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General information

The financial statements cover FirstWave Cloud Technology Limited (referred to as the 'company' or 'parent') as a consolidated entity consisting of the company and the entities it controlled at the end of, or during, the half-year (referred to as the 'consolidated entity'). The financial statements are presented in Australian dollars, which is FirstWave Cloud Technology Limited's functional and presentation currency.

FirstWave Cloud Technology Limited is a listed public company limited by shares and is incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office

C/ Automic Pty Ltd
Level 5
126-130 Phillip Street
Sydney NSW 2000

Principal place of business

Level 14
132 Arthur Street
North Sydney NSW 2060

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2025. The directors have the power to amend and reissue the financial statements.

FirstWave Cloud Technology Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

		Consolidated	
	Note	31 Dec 2024	31 Dec 2023
		\$	\$
Revenue			
Revenue from contracts with customers	3	4,521,849	5,782,358
Cost of sales		<u>(682,435)</u>	<u>(1,126,036)</u>
Gross profit		3,839,414	4,656,322
Other income	4	462,424	657,936
Interest income calculated using the effective interest method		18,273	50,919
Expenses			
Sales and marketing		(1,618,790)	(2,697,299)
Product and development		(1,533,698)	(1,266,218)
Operations and support		(417,257)	(526,207)
Corporate and administration		(2,531,518)	(3,020,730)
Transaction costs		-	(208,830)
Finance costs	5	<u>(257,635)</u>	<u>(4,613)</u>
Total expenses		<u>(6,358,898)</u>	<u>(7,723,897)</u>
Loss before income tax expense		(2,038,787)	(2,358,720)
Income tax expense		<u>(12,718)</u>	<u>(7,335)</u>
Loss after income tax expense for the half-year attributable to the owners of FirstWave Cloud Technology Limited		(2,051,505)	(2,366,055)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(17,417)</u>	<u>(1,323)</u>
Other comprehensive income for the half-year, net of tax		<u>(17,417)</u>	<u>(1,323)</u>
Total comprehensive income for the half-year attributable to the owners of FirstWave Cloud Technology Limited		<u><u>(2,068,922)</u></u>	<u><u>(2,367,378)</u></u>
		Cents	Cents
Basic loss per share	15	(0.12)	(0.14)
Diluted loss per share	15	(0.12)	(0.14)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

FirstWave Cloud Technology Limited
Statement of financial position
As at 31 December 2024

		Consolidated	
	Note	31 Dec 2024	30 Jun 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,678,838	1,678,017
Term deposits		99,369	133,776
Trade and other receivables	6	1,505,362	2,200,055
Contract assets		56,399	255,230
Other assets		490,188	496,445
Total current assets		<u>3,830,156</u>	<u>4,763,523</u>
Non-current assets			
Property, plant and equipment		96,834	130,165
Right-of-use assets		58,412	108,476
Intangible assets	7	36,968,102	36,833,842
Other assets		45,399	33,226
Total non-current assets		<u>37,168,747</u>	<u>37,105,709</u>
Total assets		<u>40,998,903</u>	<u>41,869,232</u>
Liabilities			
Current liabilities			
Trade and other payables	8	1,376,940	1,737,780
Contract liabilities	9	2,854,814	1,948,484
Employee benefits		874,948	921,147
Borrowings	10	2,335,844	-
Lease liabilities		77,405	130,702
Deferred research and development income		914,935	793,353
Total current liabilities		<u>8,434,886</u>	<u>5,531,466</u>
Non-current liabilities			
Contract liabilities	9	476,825	401,293
Employee benefits		196,400	194,662
Borrowings	10	-	2,235,724
Deferred tax		44,000	44,000
Provisions		26,406	26,406
Lease liabilities		-	11,155
Deferred research and development income		1,211,900	1,211,900
Total non-current liabilities		<u>1,955,531</u>	<u>4,125,140</u>
Total liabilities		<u>10,390,417</u>	<u>9,656,606</u>
Net assets		<u>30,608,486</u>	<u>32,212,626</u>
Equity			
Issued capital	11	131,085,631	131,001,770
Reserves	12	5,108,192	5,783,561
Accumulated losses		(105,585,337)	(104,572,705)
Total equity		<u>30,608,486</u>	<u>32,212,626</u>

The above statement of financial position should be read in conjunction with the accompanying notes

FirstWave Cloud Technology Limited
Statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	128,474,750	5,911,076	(81,955,720)	52,430,106
Loss after income tax expense for the half-year	-	-	(2,366,055)	(2,366,055)
Other comprehensive income for the half-year, net of tax	-	(1,323)	-	(1,323)
Total comprehensive income for the half-year	-	(1,323)	(2,366,055)	(2,367,378)
<i>Transactions with owners in their capacity as owners:</i>				
Share issue-business combination, net of transaction costs	1,985,302	-	-	1,985,302
Share-based payment expense	-	321,613	-	321,613
Share issue on exercise of share rights, net of transaction costs	516,043	(516,043)	-	-
Transfer to retained earnings	-	(286,678)	286,678	-
Balance at 31 December 2023	<u>130,976,095</u>	<u>5,428,645</u>	<u>(84,035,097)</u>	<u>52,369,643</u>
	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	131,001,770	5,783,561	(104,572,705)	32,212,626
Loss after income tax expense for the half-year	-	-	(2,051,505)	(2,051,505)
Other comprehensive income for the half-year, net of tax	-	(17,417)	-	(17,417)
Total comprehensive income for the half-year	-	(17,417)	(2,051,505)	(2,068,922)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payment expense	-	394,183	-	394,183
Share issue on exercise of share rights, net of transaction costs	83,861	(13,262)	-	70,599
Transfer to retained earnings	-	(1,038,873)	1,038,873	-
Balance at 31 December 2024	<u>131,085,631</u>	<u>5,108,192</u>	<u>(105,585,337)</u>	<u>30,608,486</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

FirstWave Cloud Technology Limited
Statement of cash flows
For the half-year ended 31 December 2024

Consolidated
31 Dec 2024 **31 Dec 2023**
\$ **\$**

Cash flows from operating activities

Receipts from customers (inclusive of GST)	5,999,554	6,672,892
Payments to suppliers and employees (inclusive of GST)	(6,243,140)	(8,712,095)
Transaction cost payments (inclusive of GST)	-	(284,414)
Interest received	22,778	51,385
Other income	1,446,188	-
Interest and other finance costs paid	(154,934)	(71,025)
Net cash (used in)/from operating activities*	<u>1,070,446</u>	<u>(2,343,257)</u>

Cash flows from investing activities

Payments for property, plant and equipment	(2,244)	(33,346)
Payments for intangible assets	(1,001,978)	(1,405,016)
Receipts from the acquisition of Saisei	-	200,000
Net cash used in investing activities	<u>(1,004,222)</u>	<u>(1,238,362)</u>

Cash flows from financing activities

Share issue transaction costs	-	(14,405)
Payment of principal portion of lease liabilities	(65,403)	(65,403)
Net cash used in financing activities	<u>(65,403)</u>	<u>(79,808)</u>

Net increase/(decrease) in cash and cash equivalents	821	(3,661,427)
Cash and cash equivalents at the beginning of the financial half-year	<u>1,678,017</u>	<u>5,607,419</u>

Cash and cash equivalents at the end of the financial half-year	<u><u>1,678,838</u></u>	<u><u>1,945,992</u></u>
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Net cash used in operating activities	1,070,446	(2,343,257)
Transaction cost payments (inclusive of GST)	-	284,414
Net cash (used in)/from operating activities before transaction costs (inclusive of GST)	<u>1,070,446</u>	<u>(2,058,843)</u>

* The \$3,413,703 improvement in cash (used in)/ from operating activities included a \$2,468,955 reduction in payments to suppliers and employees that was primarily the result of cost reductions that had been undertaken by management between the periods, and a \$1,446,188 increase in other income that reflects the annual research and development grant tax offset being received in H1 FY25 whereas the annual return was not received until H2 in FY24, and an additional rebate of \$222,982 being received in the current period from a revision to the FY23 income tax return.

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going Concern

During the half-year ended 31 December 2024, the consolidated entity incurred a net loss after tax of \$2,051,505 (31 December 2023: \$2,366,055), generated net cash inflows from operating activities of \$1,070,446 (31 December 2023: net cash outflows of \$2,343,257) and had a net current liability of \$4,604,730 (30 June 2024: net current liability of \$767,943).

The directors have prepared the financial statements on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

In considering whether the consolidated entity can remain as a going concern moving forward, the directors note the following:

- The consolidated entity has reported operational improvement and reducing "normalised" cash usage in quarterly activity reports over the last 2 years and is continuing to focus on minimising its cash usage;
- During the half-year ended 31 December 2024, the consolidated entity generated sales of \$687,600;
- The consolidated entity needs approximately \$2,500,000 in calendar year 2025 in net new sales (i.e. sales in excess of churn beyond that already disclosed and accounted for) or other income to cover operating costs. The Directors believe there are several significant revenue opportunities in the company's sales pipeline that continue to move closer to fruition that, should they do so, would extend the cash runway into the FY26 financial year;
- The convertible note, unless renegotiated or converted earlier by the lender, is due for repayment on 22 August 2025. If it were to be repaid rather than renegotiated or converted, an additional \$2,500,000 in net new sales or other revenues would be required within the next 6 months from the date of signing this report;
- The consolidated entity has the ability to make further reductions to outlays if necessary;
- The consolidated entity is pursuing opportunities to sell business assets to acquirers who are appropriately resourced to monetise the value in these assets and hence value them accordingly. Should this come to fruition, it could represent a significant injection of cash; and
- The combination of any shortfall in net new sales, the level of cash required in any renegotiation of the terms of the convertible note, and no significant asset sale represents a significant level of additional funding required for the business to continue to operate as a going concern. In such circumstances, the consolidated entity would look to raise funds through the capital markets. The Company has demonstrated its ability to successfully raise capital in prior periods, and there is no evidence to suggest that the Company would not be able to raise necessary capital required to continue to fund its operations and obligations.

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity's operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer (being the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources.

Note 2. Operating segments (continued)

The consolidated entity only has one reportable segment being the development and sale of internet software. For information on the reportable segment refer to the statement of profit or loss and other income (for segment revenues and profit/loss) and statement of financial position (for total segment assets and liabilities) and notes to the financial statements. Refer to note 3 for geographical information. Whilst two cash-generating units have been identified for the purpose of internal impairment assessments at balance date, this level of information has not been compiled and provided internally to the CODM during the half-year.

Note 3. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	Consolidated
	31 Dec 2024	31 Dec 2023
	\$	\$
Internet security	2,091,331	2,895,907
Network monitoring	2,124,914	2,542,275
Network automation ('STM')	305,604	344,176
	<u>4,521,849</u>	<u>5,782,358</u>
<i>Geographical regions</i>		
Australia	2,389,689	3,030,017
North America*	1,339,477	1,788,483
LATAM**	541,548	610,787
ROW***	251,135	353,071
	<u>4,521,849</u>	<u>5,782,358</u>
<i>Timing of revenue recognition</i>		
Recurring revenue (over a period of time)	4,363,410	5,381,127
Non-recurring revenue (at a point in time)	158,439	401,231
	<u>4,521,849</u>	<u>5,782,358</u>

* North America represents revenue from customers in United States of America and Canada

** Latin America ('LATAM') represents revenue from customers in Mexico, Central America and South America.

*** Rest of the world ('ROW') represents the revenue from customers in the rest of the world.

Note 4. Other income

	Consolidated	Consolidated
	31 Dec 2024	31 Dec 2023
	\$	\$
Research and development grant income*	456,869	655,941
Other income	5,555	1,995
	<u>462,424</u>	<u>657,936</u>

* There are no unfulfilled conditions or other contingencies attached to receipt of R&D grant income.

Note 5. Expenses

Consolidated
31 Dec 2024 31 Dec 2023
\$ \$

Loss before income tax includes the following specific expenses:

Depreciation

Property, plant and equipment	33,672	30,689
Right-of-use assets	50,064	50,064
Total depreciation	83,736	80,753

Amortisation

Capitalised development costs	814,221	473,610
Customer list	34,098	28,232
Patents	10,915	13,501
Total amortisation	859,234	515,343
Total depreciation and amortisation	942,970	596,096

Finance costs

Interest and finance charges paid/payable on lease liabilities	2,019	4,613
Interest and finance charge on convertible note	255,616	-
Finance costs expensed	257,635	4,613

Net foreign exchange variance

Net foreign exchange variance	(8,297)	35,584
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Employee benefit expenses

Employee salaries and other benefits	3,808,181	5,440,086
Defined contribution superannuation expense	289,756	402,548
Share-based payments expenses	406,182	359,313
Capitalised development costs	(991,315)	(1,357,450)
Total Employee benefit expenses	3,512,804	4,844,497

Note 6. Trade and other receivables

Consolidated
31 Dec 2024 30 Jun 2024
\$ \$

Current assets

Trade receivables	933,536	887,951
Less: Allowance for expected credit losses	(77,370)	(77,370)
	856,166	810,581
Research and development tax incentive receivable	637,126	1,375,909
Other receivables	12,070	13,565
	1,505,362	2,200,055

Note 7. Intangible assets

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Non-current assets</i>		
Goodwill - at cost	50,495,774	50,495,774
Less: Impairment	<u>(19,955,063)</u>	<u>(19,955,063)</u>
	30,540,711	30,540,711
Capitalised development costs - at cost	33,741,329	32,750,014
Less: Accumulated amortisation	(20,933,102)	(20,118,881)
Less: Impairment	<u>(7,591,178)</u>	<u>(7,591,178)</u>
	5,217,049	5,039,955
Brand name - at cost	971,000	971,000
Customer list - at cost	341,000	341,000
Less: Accumulated amortisation	<u>(144,553)</u>	<u>(110,455)</u>
	196,447	230,545
Patents - at cost	265,592	263,413
Less: Accumulated amortisation	<u>(222,697)</u>	<u>(211,782)</u>
	42,895	51,631
	<u>36,968,102</u>	<u>36,833,842</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Goodwill	Capitalised development	Brand name	Customer list	Patents	Total
	\$	\$	\$	\$	\$	\$
Consolidated						
Balance at 1 July 2024	30,540,711	5,039,955	971,000	230,545	51,631	36,833,842
Additions	-	991,315	-	-	2,179	993,494
Amortisation expense	-	(814,221)	-	(34,098)	(10,915)	(859,234)
Balance at 31 December 2024	<u>30,540,711</u>	<u>5,217,049</u>	<u>971,000</u>	<u>196,447</u>	<u>42,895</u>	<u>36,968,102</u>

Note 8. Trade and other payables

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	751,746	836,972
Accrued expenses	623,298	816,728
GST payable	<u>1,896</u>	<u>84,080</u>
	<u>1,376,940</u>	<u>1,737,780</u>

Note 9. Contract liabilities

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Current liabilities	2,854,814	1,948,484
Non-current liabilities	476,825	401,293
	<u>3,331,639</u>	<u>2,349,777</u>

Reconciliation

Reconciliation of the written down values at the beginning and end of the current half-year and previous financial year are set out below:

Opening balance	2,349,777	3,944,964
Payments received in advance	3,704,661	4,144,858
Additions through business combinations	-	200,000
Transfer to revenue - included in the opening balance	(1,705,285)	(3,089,358)
Transfer to revenue - other balances	(1,017,514)	(2,850,687)
Closing balance	<u>3,331,639</u>	<u>2,349,777</u>

Note 10. Borrowings

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Current liabilities		
Convertible notes payable	2,335,844	-
Non-current liabilities		
Convertible notes payable	-	2,235,724
	<u>2,335,844</u>	<u>2,235,724</u>

The convertible note, unless renegotiated or converted earlier by the lender, is due for repayment on 22 August 2025.

Note 11. Issued capital

	Consolidated			
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>1,713,518,682</u>	<u>1,710,019,362</u>	<u>131,085,631</u>	<u>131,001,770</u>

Movements in ordinary share capital

Details	Date	Shares	\$	
Balance	1 July 2024	1,710,019,362		131,001,770
Issue of shares to suppliers in lieu of cash	31 October 2024	3,000,000	\$0.03	72,000
Issue of shares on conversion of rights	06 December 2024	499,320	\$0.02	13,262
Share issue transaction costs, net of tax				(1,401)
Balance	31 December 2024	<u>1,713,518,682</u>		<u>131,085,631</u>

Note 12. Reserves

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Foreign currency reserve	98,881	116,298
Share-based payments reserve	4,816,540	5,474,492
Convertible note equity reserve	192,771	192,771
	<u>5,108,192</u>	<u>5,783,561</u>

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency \$	Share-based payments \$	Convertible note equity \$	Total \$
Balance at 1 July 2024	116,298	5,474,492	192,771	5,783,561
Foreign currency translation	(17,417)	-	-	(17,417)
Share-based payment expense	-	394,183	-	394,183
Transfer to issued capital	-	(13,262)	-	(13,262)
Transfer to retained earnings	-	(1,038,873)	-	(1,038,873)
Balance at 31 December 2024	<u>98,881</u>	<u>4,816,540</u>	<u>192,771</u>	<u>5,108,192</u>

Note 13. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 14. Contingent liabilities

The consolidated entity has given bank guarantees as at 31 December 2024 of \$99,369 (30 June 2024: \$133,776) to one landlord.

Note 15. Earnings per share

	Consolidated half-year 31 Dec 2024 \$	Consolidated half-year 31 Dec 2023 \$
Loss after income tax attributable to the owners of FirstWave Cloud Technology Limited	<u>(2,051,505)</u>	<u>(2,366,055)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,711,100,788</u>	<u>1,705,896,636</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,711,100,788</u>	<u>1,705,896,636</u>
	Cents	Cents
Basic loss per share	(0.12)	(0.14)
Diluted loss per share	(0.12)	(0.14)

Options and rights have been excluded in the weighted average number of shares used to calculate diluted earnings per share as they were anti-dilutive.

Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

For personal use only

FirstWave Cloud Technology Limited
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



John Grant
Chair



Danny Maher
Director

27 February 2025
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF FIRSTWAVE CLOUD TECHNOLOGY LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of FirstWave Cloud Technology Limited ("the company"), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of FirstWave Cloud Technology Limited is not in accordance with the *Corporations Act 2001* including:-

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.



Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at Tuesday, 31 December 2024 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'S Lindemann', written over a light blue horizontal line.

SHAUN LINDEMANN
PARTNER

27 FEBRUARY 2025
BRISBANE