

# FirstWave

31 July 2025

## ASX ANNOUNCEMENT

### ACTIVITY REPORT AND APPENDIX 4C FOR THE QUARTER ENDED 30 JUNE 2025

Global cybersecurity and network management company, FirstWave Cloud Technology Limited (ASX:FCT) (**FirstWave** or **Company**), provides its Activity Report and Appendix 4C for the fourth quarter of FY25 ended 30 June 2025.

#### Business Update

Q4 saw a number of significant licence renewals from major clients including:

- Telstra (Secure Internet Gateway)
- Solarus
- Services Australia
- Macquarie Cloud

The Company was also pleased to announce the licensing of its NMIS v9 technology to Claro Dominican Republic which further expands their use of FirstWave technology.

In addition to these sales, FirstWave also struck a new partnership with AWS and Ingram Micro to launch FirstWave products on to the AWS marketplace – commencing with CyberCision. Funding has been provided by Ingram Micro and AWS to support the launch and marketing of FirstWave's products.

During quarter end and completing in July, FirstWave undertook a restructure of its operations.

The restructure lowers the Company's headcount by approximately 8 FTE, once employees have completed working their notice periods. Under the new structure, FirstWave will operate with four core divisions, each aligned to the Company's strategic priorities and revenue streams:

- Engineering – Led by Jason Tam, this division now integrates support, delivery, and development to streamline execution and enhance responsiveness to customer needs.
- Sales – The Chief Revenue Officer (CRO) role is currently vacant and will be filled by CEO Danny Maher in the interim. All global sales and account management teams report into this division.
- Products and Marketing – Headed by Sharon Hunneybell, this division unifies product management and marketing to drive innovation and market alignment.
- Commercial (Corporate and Finance) – Led by CFO Iain Bartram, supported by GM of Finance Tony DePolignol, this division is evolving to become more commercially integrated with the front end of the business.

#### Financial Highlights

- The cash position at the quarter end was \$0.27m, down from \$0.55m at the end of the previous quarter;
- Revenue of \$2.08m down 3% QoQ, The majority of the fall in revenue was driven by the previously disclosed churn from Telstra and was in line with expectations;
- Annualised Recurring Revenue (ARR)\* of \$7.78m, down 2% QoQ. In line with the revenue reduction from Telstra noted above;
- Gross Profit in Q4 of \$1.92m, down 1% QoQ with a margin improvement of 1 ppts to 92%; and
- Capitalisation of development costs of \$0.41m, down 23% QoQ.

## Cash Flow Highlights

In Q4 the Company used \$0.28m in cash, of which \$0.48m was to support operational activities. Having navigated the cyclically high cash usage period of Q4, the business is now in a quarter where it anticipates no cash usage from operating activities.

The cash position at the end of the quarter was \$0.27m after the following major movements:

Cash inflows of:

- \$2.06m from customers.

Cash payments of:

- \$2.04m for staff costs of which;
  - \$1.62m was recognised as operating activities; and
  - \$0.42m were capitalised and hence recognised as investing activities;
- \$0.18m for product and operating costs; and
- \$0.71m for administration and corporate cost.

The Company's 12-month average normalised cash usage without any new sales at the end of Q4 has been calculated at \$195k per month. The normalised cash usage also excludes any non-recurring revenues (non-recurring revenues averaged \$62k per month over the previous 12 months when accounting for the Claro DR order which will see revenue in July). Normalised cash usage includes \$25k per month of interest against the convertible note. The comparable figure from Q3 was \$220k per month. Normalised cashflow is not a proxy for forecasted short term cashflow which will reflect the swings in inflows and outflows that the normalised calculation seeks to smooth and will also reflect new sales.

As detailed in Item 6.1 of the accompanying Appendix 4C, the Company paid \$28k in cash payments to related parties and their associates. This included \$17k in Directors fees and \$11k for services delivered by an associated entity to David Garnier for services which had been contracted prior to Mr Garnier joining the Board. The \$17k in Directors' fees is lower than their agreed fees as a result of the Directors electing to receive a portion of their fees in equity-based payments.

## Outlook

The Company continues to work to service and grow recurring revenues with current customers while pursuing its new path of AI powered compliance management, leading the way to monetise the significant base of organisations (estimated at 150,000) of FirstWave's Open-AudIT product. Recent positive renewal and uplift announcements, and other orders received in the last 60 days, are due to generate over \$2m of cash inflows in August.

The new financial year has been marked by a change in the Company's board of directors, with the appointment of David Garnier and Roger Buckeridge to work with CEO Danny Maher, to pursue a strong business growth trajectory, marked by seizing opportunities within a sophisticated risk management process. The Board will examine inorganic as well as organic growth opportunities and continues to consider all available options, with a priority on increased sales, to de-risk growth plans.

The Company has scheduled an update on FY25 Q4 performance via Teleconference at 9.30am (AEDT) Wednesday 6 August 2025. The presentation for this update will be uploaded to the ASX website prior to the teleconference.

\* ARR is the recurring revenue of the last month of the quarter x 12

# Normalised includes: interest, capitalised development labour, monthly allocation for R&D grant, recurring revenue rather than collections and smooths out other timings.

**All numbers in this quarterly cash flow report and accompanying commentary for the quarter ended 30 June 2025 are unaudited.**

## Appendix 4C Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

FirstWave Cloud Technology Limited [FCT:ASX]

**ABN**

35 144 733 595

**Quarter ended ("current quarter")**

30 June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,059	10,259
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(182)	(2,092)
(c) advertising and marketing	(35)	(258)
(d) leased assets	-	-
(e) staff costs	(1,621)	(7,016)
(f) administration and corporate costs	(713)	(2,115)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	16	48
1.5 Interest and other costs of finance paid	(78)	(311)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,378
1.8 Other	76	98
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(478)</b>	<b>(9)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(6)
(d) investments	-	-
(e) intellectual property	(417)	(1,911)
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(417)</b>	<b>(1,917)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other		
	Repayment of lease liabilities	(33)	(131)
	Advance on R&D offset grant	644	644
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>611</b>	<b>513</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	548	1,678
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(478)	(9)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(417)	(1,917)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	611	512
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>265</b>	<b>265</b>

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	265	548
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>265</b>	<b>548</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(28)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	300	-
7.2	Credit standby arrangements	644	644
7.3	Other (please specify)	2,500	2,500
<b>7.4</b>	<b>Total financing facilities</b>	<b>3,444</b>	<b>3,144</b>
<b>7.5</b>	<b>Unused financing facilities available at quarter end</b>		<b>300</b>

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.1 FirstWave has an asset leasing facility for \$300,000 with NAB which is secured against the assets being purchased. The facility is available on a revolving basis with repayment terms ranging from 1 to 3 years from the draw-down date. FCT does not currently and has not previously used this facility.

7.2 FirstWave engages in R&D expenditure that qualifies for a refundable tax offset from the ATO. Get Advance (Finance Innovations Management Pty Ltd) is an organisation that provides access to R&D offset tax rebates in advance of the qualifying entities lodging their annual tax return. Get Advance has charged FCT an application fee of 1% and 1.375% per month in charges against all amounts drawn. These fees are capitalised against the advance and repaid from the ATO rebate received post lodgement of FCT's FY25 tax return.

7.3 FirstWave has previously entered into a \$2.5m convertible note arrangement with Formue Nord (A/S) who have now rebranded as Fenja Capital. The \$2.5m funding attracts an interest rate of 8% plus BBSW (approximately 12% per annum), with the interest payable quarterly in arrears, there is no penalty for early repayment. The lender has the option to convert the loan at strike price of \$0.036 up until the loan maturity date of 22 August 2025.

**Appendix 4C**  
**Quarterly cash flow report for entities subject to Listing Rule 4.7B**

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(478)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	265
8.3 Unused finance facilities available at quarter end (Item 7.5)	300
8.4 Total available funding (Item 8.2 + Item 8.3)	565
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>1.2</b>
<i>Note: If the entity has reported positive net operating cash flows in item 1.9, answer 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: FCT's operational costs are cyclical, with several large annual renewals and new sales having been completed in late June and early July. With the collections of these deals falling in Q1 FCT anticipates positive cash flows from operating activities in the next quarter. FCT has also undertaken a reduction in operating costs to bring costs more into line with the revenues being produced and supported at the current scale of business.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: FCT's first priority is to endeavour to increase cash reserves through sales, where software subscriptions are paid 12 and sometimes 24 and 36 months in advance. Secondly FCT is engaged in multiple discussions with parties interested in investing in the business should it require additional reserves.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: FCT's management and directors believe that the business can continue with its operations and meet its objectives to increase shareholder value, on the basis of its sales' pipeline and market interest in its product enhancements.

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

### Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2025

Authorised by: the Board

### Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- If this report has been authorised for release to the market by your board of directors, you can insert here: "By the Board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the Board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.