

# Q3 FY22 Shareholder Update

28 April 2022



**FirstWave**

# Today's Presenters



**JOHN GRANT**

**Chairman**



**DANNY MAHER**

**Managing  
Director and CEO**



**IAIN BARTRAM**

**CFO and  
Company Secretary**



# Agenda

1. Q3 Highlights
2. Operational & Strategic Update
3. Q3 Financial Performance
4. CyberCision Mobile – sneak peek
5. Wrap-up
6. Q&A

# Q3 Highlights



- Our core objective is to **deliver returns to shareholders**
- To do this:
  - We are transitioning to a **sales-led culture**
  - We have made key decisions to better position us to **grow revenue faster**
  - We are **spending less**

# Operational & Strategic Update

Danny Maher – Managing Director and CEO

# A reminder of our 3 strategic priorities



**TRANSITION TO  
SALES-LED CULTURE**



**GROW FASTER**



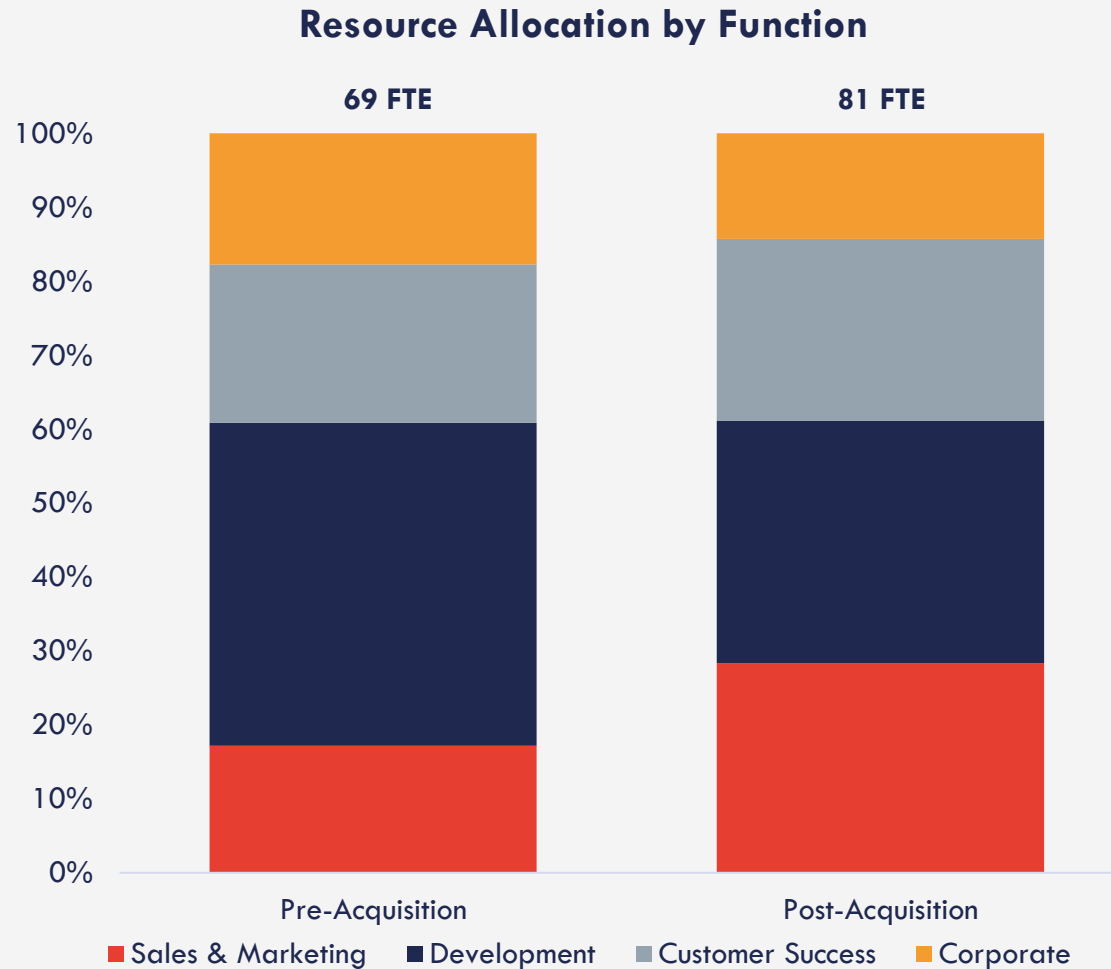
**SPEND LESS**

# We are transitioning to a sales-led culture



- Shifting our investment towards sales and marketing
- Ensuring the CRO and CMO are highly visible
- Uniting company around highly visible sales strategy and goals
- Increasing accountability for all sales team members in line with those goals
- Building and maintaining multi-level relationships with key accounts i.e. more than just the sales team
- Celebrating and promoting wins internally and externally
- Optimising processes to enable sales efficiency

# Shifting our investment to sales and marketing

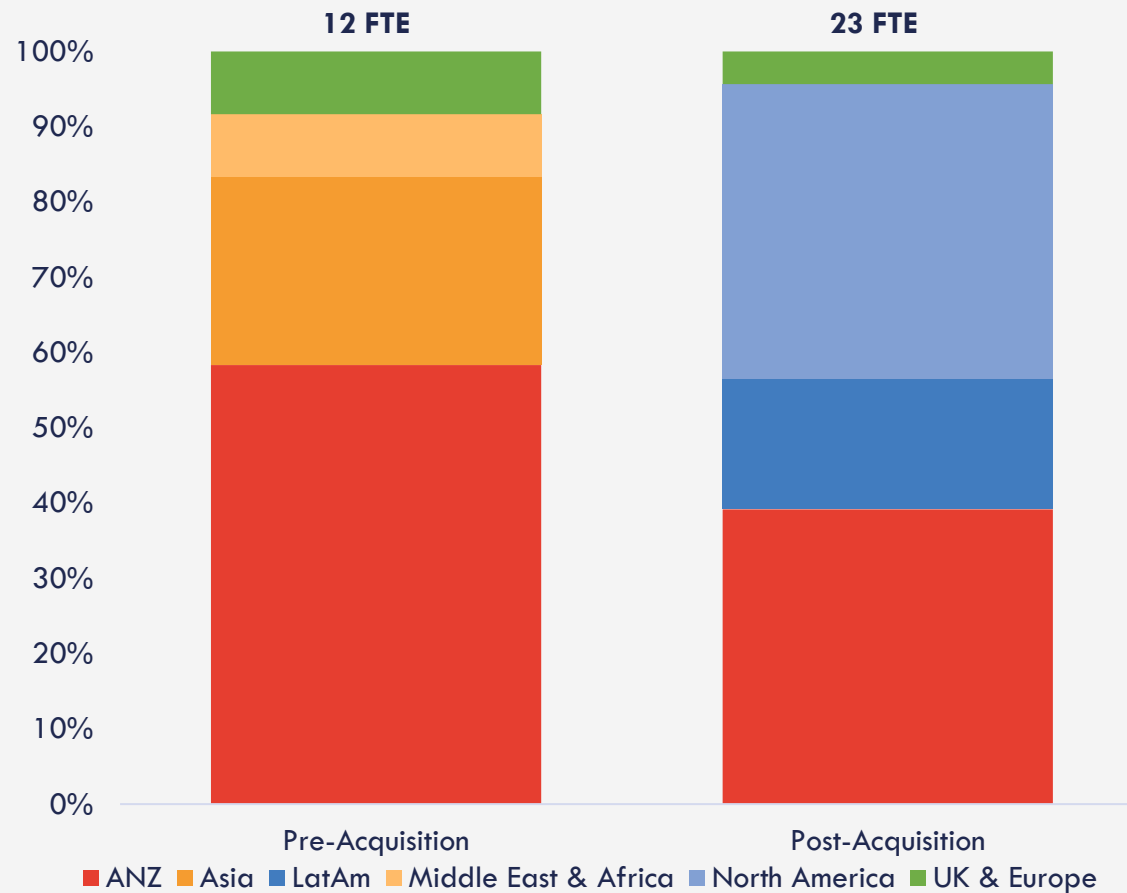




# Shifting our investment to sales and marketing



## Sales and Marketing Resources by Location



# We are better positioned to grow revenue faster



- Growth in quarter
  - Q3 ARR growth of 2.4% over proforma Q2 to 10.9m
  - Significant contract with Microsoft announced
  - Significant contract with large Australian client in final stages of negotiation
- Leading with our most commercially attractive products
  - Prioritising frictionless email and network management
- Targeting the markets where we have strength
  - US, Latin America and Australia
- Launching new products
  - Phase II launch of CyberCision planned for mid-May to include Frictionless Email and Mobile

# We are spending less

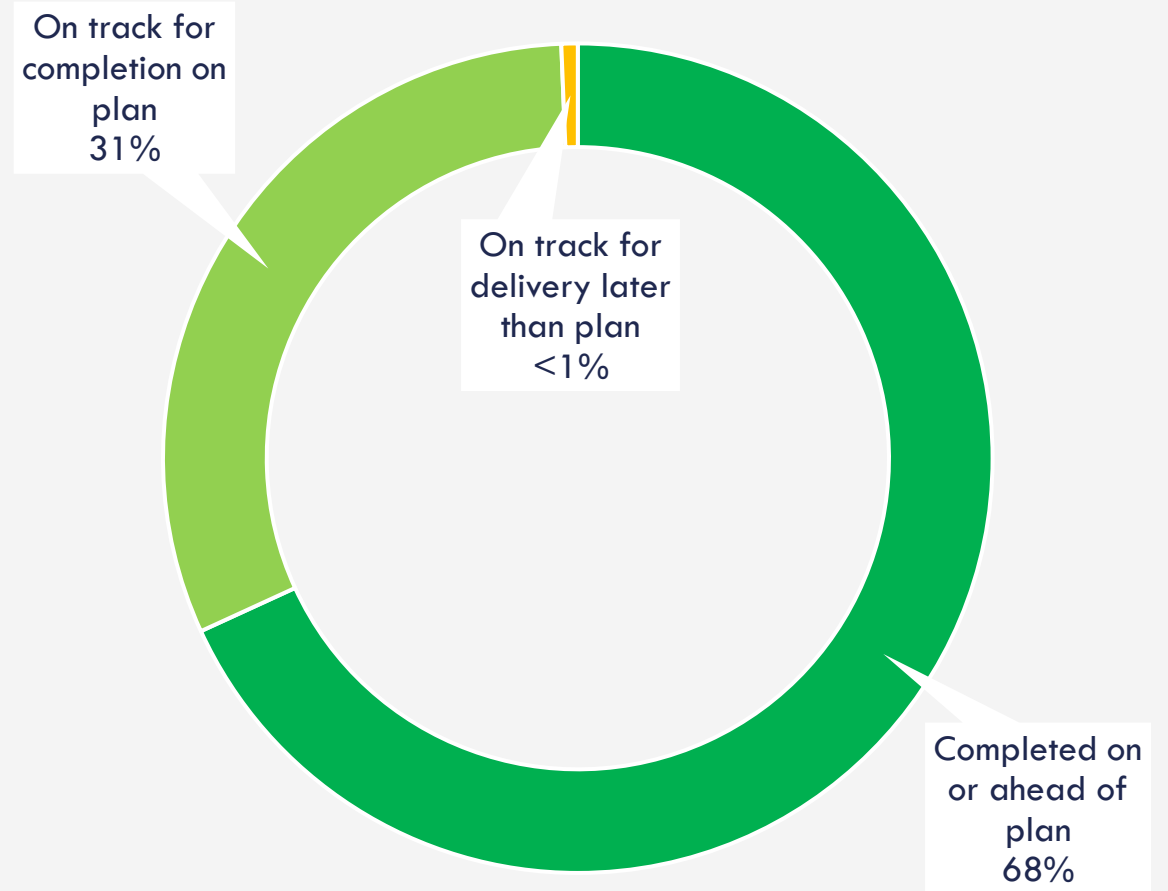


- Focused on capital efficiency to lower cash burn
- Cost reductions exceeding expectations
- Cash expenses down by \$5.5m p.a. cf July 2021
- Further savings in excess of \$500k p.a. have now been actioned
- Full savings will translate to lower cash burn by June 30
- Continue to target \$500k p/m cash burn entering FY23
- Consolidating CyberCision platforms
- Renegotiating 3<sup>rd</sup> party agreements

# Opmantek integration progressing to plan



- 157 tasks
- 107 completed on time
- 49 on track for delivery as planned
- 1 task deferred by one month
- No deviation from the plan developed in January



# Q3 Financial Performance

Iain Bartram – CFO and Company Secretary

# Q3 Financial Performance – Revenue and Gross Profit



(A\$m)	Pro forma		Change
	Q2	Q3	
ARR	10.65	10.90	+2.4%
Revenue	2.77	3.10	+11.8%
Gross Profit	1.88	2.21	+17.7%
Gross Profit Margin	67.7%	71.3%	+3.6ppts

## Note:

The pro forma Q3 in-period revenue and gross profit contains two significant one-off revenue items:

- \$164K – deferred revenue, now being recognised due to contract cancellation.
- \$235K – previous provision, revenue now being recognised due to contract clarification.



# Q3 Financial Performance – Cash position



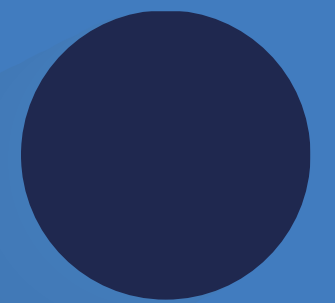
- Strong Q3 closing cash position \$12.71m
- All transaction costs for Opmantek acquisition have been fully paid
- \* “Normalised” monthly cash burn < \$0.8m in Mar’22
  - includes ~\$0.2m of staff working notice who will not be present in Q1 FY23

\* “Normalised” monthly cash burn:

- includes capitalised development labour,
- has a monthly allocation for R&D grant earned against development activities,
- recognised revenue rather than billings, and
- smooths out other timings of cash receipts and expenses.

# CyberCision Mobile

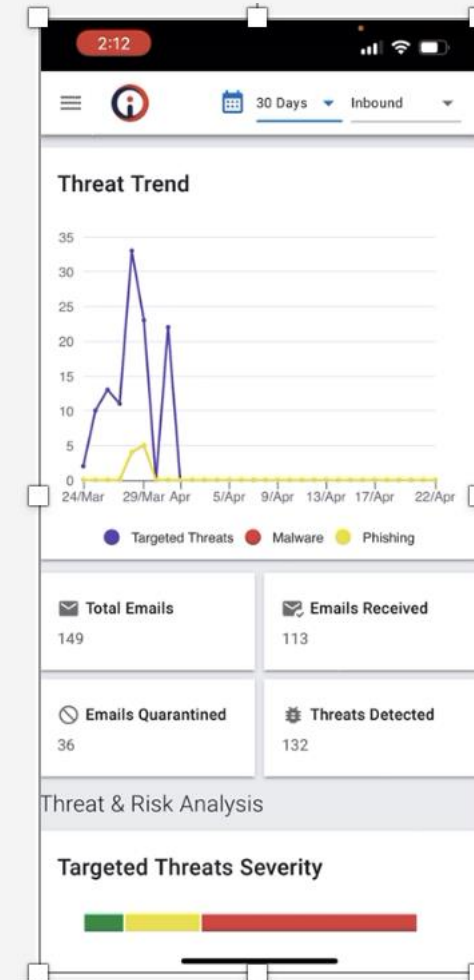
Sneak peek



# CyberCision Mobile



- Part of CyberCision Phase II
- White-Labeled for our Partners
- Client's gain visibility of their threats – live
- Client's gain visibility of their historical protection
- Multi-Device Platform Support: iOS & Android (PWA)
- A Cybersecurity platform in the palm of your hand



# Wrap-Up



- FirstWave is already a transformed company following the acquisition of Opmantek
- We can now make decisions that we couldn't previously make
  - Cost savings are being realised
  - New markets are open and active (geographies and products)
  - Spending is growth focused
- Like all companies, our path to success won't be a straight line, but we are executing our plan well and have seen good progress in Q3
- Our core objective is to deliver returns to shareholders

# Q&A



Thank you



**FirstWave**