



FIRSTWAVE
CLOUD SECURITY TECHNOLOGY

FirstWave Cloud Technology Capital Raise

May 2020

A global cyber security company



Contents



FIRSTWAVE
CLOUD SECURITY TECHNOLOGY

A global cyber security company

Offer Summary

Recap Market Update

Forward Plan

Use of Funds

Offer Timetable

Appendix 1 - Calculations

Appendix 2 – Risks and Restrictions



Disclaimer

This presentation has been prepared by FirstWave Cloud Technology Limited (**FCT**) in connection with an accelerated non-renounceable pro rata entitlement offer of new fully paid ordinary shares (**New Shares**) to be made under section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) (**Entitlement Offer**) as notionally modified by the ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**ASIC Instrument**) and FCT's institutional placement of New Shares to institutional investors (**Placement**).

The Entitlement Offer will be made available to eligible institutional shareholders of FCT (**Institutional Entitlement Offer**) and eligible retail shareholders of FCT (**Retail Entitlement Offer**).

Not an offer

The material contained in this presentation is for information purposes only and is intended to be general background information on FCT and its activities and is dated 21 May 2020. This presentation is not a prospectus or other disclosure document or offering document under Australian law (and will not be lodged with ASIC or any foreign regulator) or any other law. It is for information purposes only and is not, and should not be considered to be, an invitation, offer or recommendation to acquire shares or any other financial products. It is not, and does not purport to contain all the information required to be contained in a prospectus, disclosure document or offering document under Australian law or any other law (and will not be lodged with ASIC or any foreign regulator).

The Placement will be conducted under section 708 of the Corporations Act and will be made available to certain persons to whom a prospectus is not required to be given under Chapter 6D of the Corporations Act. The Entitlement Offer will be made under s 708AA of the Corporations Act (as notionally modified by the ASIC Instrument).

In particular, this presentation and the information contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. This presentation may not be distributed or released in the United States. The securities referred to in this presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities referred to in this presentation may not be offered or sold, directly or indirectly, in the United States absent registration or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws. The release, publication or distribution of this presentation in jurisdictions outside Australia may be restricted by law. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. By accepting this presentation, you represent and warrant that you are entitled to receive such presentation in accordance with the above restrictions and agree to be bound by the limitations contained herein.

Summary information

The information in this presentation is supplied in summary form, is of a general background nature and does not purport to be complete or to provide all information that an investor should consider when making an investment decision. It should be read in conjunction with FCT's periodic and continuous disclosure announcements filed with the Australian Securities Exchange and, in particular, FCT's full year results for the financial year ended 30 June 2019.

Not financial product advice

This presentation is for information purposes only and it is not a financial product nor investment advice (nor tax, accounting or legal advice) nor a recommendation to acquire shares and has been prepared without taking into account the objectives, financial situation or needs of recipients of this presentation. It is not intended that it be relied upon as advice to investors or potential investors, who should make their own enquiries and investigations regarding an investment in FCT and in relation to all information in this presentation (including but not limited to the assumptions, uncertainties and contingencies which may affect the future operations of FCT and the value and the impact that different future outcomes may have on FCT) and before making any investment decisions, should consider the appropriateness of the information having regard to their specific investment objectives, financial situation or particular needs and should seek independent professional advice appropriate to their jurisdiction before making an investment decision. Neither this presentation nor anything contained in it forms the basis of any contract or commitment and no agreement to subscribe for securities will be entered into on the basis of this presentation. FCT is not licensed to provide, and this presentation does not constitute the provision of, investment or financial product advice in respect of FCT's shares. Cooling off rights do not apply to the acquisition of FCT's shares.

An investment in FCT shares is subject to investment and other known and unknown risks, some of which are beyond the control of FCT. FCT does not guarantee any particular rate of return or the performance of FCT, nor does it guarantee the repayment of capital from FCT or any particular tax treatment. Investors should have regard to (amongst other things) the risk factors outlined in this presentation when making their investment decisions. Refer to the "Risks" section of this presentation for a non-exhaustive list of the risks relating to an investment in FCT shares.

Joint lead managers' disclaimers

The joint lead managers, together with each of their respective related bodies corporate, shareholders or affiliates and each of their respective officers, directors, employees, affiliates, agents or advisers (each a "**Limited Party**") have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this presentation and do not make or purport to make any statement in this presentation and there is no statement in this presentation which is based on any statement by a Limited Party. No Limited Party makes any recommendation as to whether any investor or potential investor should participate in the Entitlement Offer or the Placement and makes no warranties concerning the Entitlement Offer or the Placement. Further, no Limited Party accepts any fiduciary obligations owed to or relationship with any investor or potential investor in connection with the Entitlement Offer, Placement or otherwise, and by accepting this presentation each recipient expressly disclaims any fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Entitlement Offer and Placement, and any other transaction or other matter arising in connection with this presentation. The joint lead managers or other Limited Parties may have interests in the shares of FCT, including being directors of, or providing banking services to, FCT. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The joint lead managers may receive fees for acting in their capacities as lead managers, administration agents and/or bookrunners, as applicable, to the Entitlement Offer and the Placement.

Disclaimer cont'd

Financial data

All amounts are in Australian Dollars (\$) or AUD unless otherwise indicated. A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

This presentation also includes pro-forma financial information. Pro-forma adjustments have been made in order to exclude one-off transaction costs associated with the Entitlement Offer and Placement. Investors should note that this information has not been audited and is based on management estimates and not on financial statements prepared in accordance with applicable statutory requirements. Accordingly, investors should treat this information with appropriate caution.

Investors should also be aware that certain financial data included in this presentation are "non-IFRS financial information" under ASX Regulatory Guide 230 (Disclosing non-IFRS financial information). The non-IFRS financial information financial measures do not have a standardised meaning prescribed by Australian International Financial Reporting Standards (AIFRS) and, therefore, may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with AIFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial measures included in this presentation.

Future performance

Forward-looking statements are statements about matters that are not historical facts. Forward-looking statements appear in a number of places in this presentation and include statements regarding FCT's intent, belief or current expectations or projections with respect to business and operations, market conditions, results of operations and financial condition, including, without limitation, forecasted economic indicators, performance metric outcomes, the potential impact and duration of the COVID-19 pandemic as well as the timetable and outcome of the Entitlement Offer and the Placement and the proceeds thereof. This presentation contains words such as 'will', 'may', 'expect', 'indicative', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'probability', 'risk', 'forecast', 'likely', 'estimate', 'projection', 'anticipate', 'believe', or similar words to identify forward-looking statements. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. These forward-looking statements reflect FCT's current views with respect to future events and are subject to change, certain risks, uncertainties, projections and assumptions which are beyond the control of FCT, and have been made based upon FCT's expectations and beliefs concerning future developments and their potential effect on FCT. There can be no assurance that future developments will be in accordance with FCT's expectations.

A number of important factors could cause FCT's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, including but not limited to, general economic conditions in Australia and worldwide; exchange rates; competition in the markets in which FCT will operate, the lack of willingness or predictability in timing for partner uptake of FCT's offerings, the inherent regulatory risks in the businesses of FCT and the duration of the COVID-19 pandemic. Assumptions on which forward-looking statements in this presentation are based may or may not prove to be correct and there can be no assurance that actual outcomes will not differ materially from these statements. None of the Associated Persons nor any other person referred to in this presentation makes any representation as to the accuracy or likelihood of fulfilment of the forward-looking statements or any of the assumptions upon which they are based. When relying on forward-looking statements to make decisions with respect to FCT, investors and others should carefully consider such factors, and other uncertainties and events. FCT is under no obligation to update any forward-looking statements contained in this presentation, as a result of new information, future events or otherwise, after the date of this presentation. As such, undue reliance should not be placed on any forward-looking statement.

Past performance information (including past share price performance of FCT) given in this presentation is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood or achievement or reasonableness of any forward-looking statements, forecast financial information, future share price performance or their forecast. None of the Limited Parties nor any independent third party has reviewed the reasonableness of the forward-looking statements or any underlying assumptions. Nothing contained in this presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty, or guarantee as to the past, present or the future performance of FCT.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.

Disclaimer

No representation or warranty, express or implied, is made as to the accuracy, completeness, reliability or fairness of the information, opinions and conclusions contained in this presentation. Any information in this presentation is made only at the date of this presentation, and opinions expressed reflect FCT's position at the date of this presentation, and are subject to change. FCT is under no obligation to update this presentation. No assurance is given by FCT that any capital raising or other transaction referred to in this presentation will proceed and FCT reserves its rights to withdraw or vary the transactions described in this presentation without notice. Neither FCT, its related bodies corporate, shareholders or affiliates, nor any of their officers, directors, employees, affiliates, agents, contractors, advisers or any other associated persons nor any Limited Party (collectively, "**Associated Persons**") represents or warrants in any way, express or implied, that the information, opinions, conclusions or other information contained in this presentation, any of which may change without notice, is fair, accurate, complete, reliable, up to date or correct. FCT does not represent or warrant that this presentation is complete or that it contains all material information about FCT or which a prospective investor or purchaser may require in evaluating a possible investment in FCT or an acquisition or other dealing in FCT shares. To the maximum extent permitted by law, FCT and its Associated Persons each expressly disclaims and excludes all direct, indirect, consequential or contingent loss, damage or liability (including, without limitation, any liability arising from fault or negligence) that may arise from, or is connected to, this presentation, or the use of this presentation, or any other written or oral information provided by or on behalf of FCT. The joint lead managers and their advisers have not been involved in the preparation of, and have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this presentation and do not make or purport to make any statement in this presentation.

FirstWave

A global cyber security company

Offer Summary



Offer Summary

Offer Structure & Size	> Capital of \$14.9m is to be raised under the offer via: > Placement of approximately 79m shares (representing approximately 25% of issued capital) to institutional and sophisticated investors to raise approximately \$3.5m (“Placement”) in accordance with <i>Class Waiver Decision – Temporary Extra Placement Capacity granted by ASX on 23 April 2020</i> > A 4 for 5 Accelerated pro-rata Non-Renounceable Entitlement Offer (“Entitlement Offer”) to existing shareholders as of the Record Date to raise approximately \$11.4m comprising of: > An institutional entitlement offer to raise approximately \$2.4m* and > A retail entitlement offer to raise approximately \$9.0m. > The Placement and Entitlement Offer are together referred to as the (“Offer”)
Offer Pricing	> Offer Price of \$0.045 per new share, represents a: > 35.3% discount to the 7-day VWAP up to 18 May 2020 (the last trading day prior to the announcement) of \$0.070 per share > 15.6% discount to the Theoretical Ex-Rights Price (‘TERP’) of \$0.053
Use of Funds	> Working capital to meet projected operational and investment expenditure
Ranking	> New Shares issued under the Offer will rank pari passu with existing fully paid ordinary shares on issue

Note:

*The size of the institutional entitlement as a percentage of the total Entitlement Offer is subject to change based on required shareholder confirmations (where applicable) as part of the accelerated offer.

Offer Summary

Director Participation

- > The Executive Chairman, John Grant, proposes to accept his entitlement in full and participate as a priority sub-underwriter to the Retail Entitlement Offer up to \$300k. No fees, commissions or other consideration will be payable to Mr Grant in connection with his role as a sub-underwriter to the Retail Entitlement Offer. Mr Grant's participation as a priority sub-underwriter to the Retail Entitlement Offer will terminate in circumstances where the Underwriting Agreement is terminated.
- > Directors have deferred payment of Board Fees from November 2019. Directors will be participating in the Entitlement Offer to the extent of the Board Fees deferred. Post Offer the Directors have confirmed that they will sacrifice Board Fees to the full extent the fees set for non-executive directors in FY21 allow into the proposed Share Appreciation Rights ("SARs") Plan. Participation in SARs will be subject to shareholder approval.

Underwriting*

- > The Retail Entitlement Offer is underwritten by Morgans Corporate Limited (Underwriter). In addition, director John Grant has agreed to priority sub-underwrite the Retail Entitlement Offer up to \$300k.
- > The Company has also agreed to issue 30,000,000 options (Options) to sub-underwriters nominated by the Underwriter subject to shareholders approving such issue at the Company's next general meeting. The Options will have an exercise price of \$0.05 and be exercisable within 12 months from their issue date.
- > If shareholders do not approve the issue of the Options at the Company's next general meeting, then the Company must make a cash payment to the Underwriter, for the benefit of the sub-underwriters, in an amount per Option equal to the greater of \$0.01 and the VWAP for the 7 trading days preceding the Company's next general meeting less \$0.05.

*The Underwriting Agreement dated 21 May 2020 between the Company and the Underwriter provides that the Underwriter will not be issued any shares that would cause it to breach the 20% takeover threshold contained in Chapter 6 of the Corporations Act 2001 (Cth). If the Underwriter was required to take up shares on issue which would otherwise cause it to breach or notify under these provisions then, for the purposes of ASIC Report 612 (March 2019), (i) it will still fund the entire underwritten proceeds in accordance with and subject to the terms of the underwriting agreement by the completion date, (ii) the number of excess shortfall shares would be up to the number of shares offered under the Retail Entitlement Offer less the number of shares that have been pre-committed or sub-underwritten and the number of shares that the Underwriter is able to take up without causing it to breach or notify under these provisions when aggregated with any additional interests the Underwriter and its affiliates hold at the relevant settlement date other than through its underwriting commitment; and (iii) it would enter into an arrangement for any excess shortfall shares to be issued to it, or to third party investors, after close of the offer at the same price as the offer price. No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their entitlement under the Retail Entitlement Offer where there is an excess shortfall.

Post Offer Proforma Capital Structure

	As at 31 March 2020	Post Offer Proforma \$14.9m Raise
Cash (\$m) ¹	\$5.8	\$19.6
Issued Capital (\$m) ¹	\$42.8	\$56.6
Shares on Issue (m)	316.0	647.6
Options on Issue (m) ²	36.1	66.1

¹Net of fundraising fees

²The existing options have been issued to employees, management and directors since May 2016 and have a three-year exercise period and exercise prices ranging between \$0.25 and \$0.75. Subject to shareholder approval, 30,000,000 options will be issued to sub-underwriters nominated by the Underwriter as part payment of the underwriting fee.

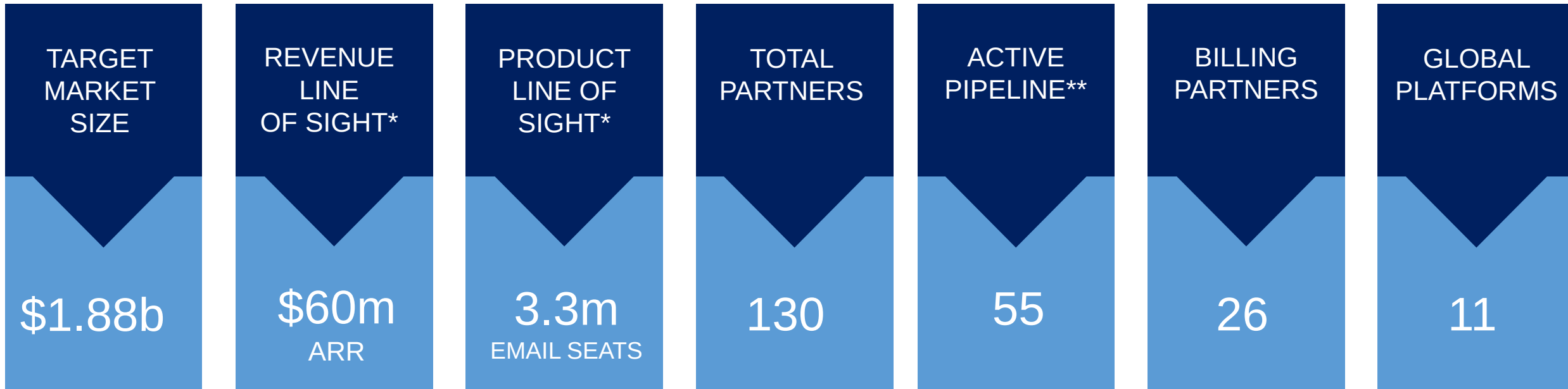
FirstWave

A global cyber security company

Recap Market Update

Where we are today

The lead indicators project a path to significant revenue



AND...the world has changed forever...

Note:

* Line of Sight: The mid-term (2 years) opportunity seen through current partners. See slides 27-29 for more details

** Active Pipeline: current active opportunities in pipeline moving towards revenue realization.

Slide Source: 22 April 2020 FCT Market Update

The world has changed forever

Digitisation
accelerates

Cyber crime
escalates

Work from
home
becomes the
new normal

Forbes

43,747 views | Mar 17, 2020, 01:40am EDT

How The COVID-19 Pandemic Is Fast-Tracking Digital Transformation In Companies

Bernard Marr Contributor @Enterprise Tech

If "necessity is the mother of invention," coronavirus (COVID-19) forced many around the world to rethink our daily lives from work to school to entertainment. In response to travel bans, school closures, and recommendations to not gather in large groups and keep our distance from fellow humans to limit the spread of the virus, many people turned to digital tools to keep some semblance of normality. It's been imperative to digitally transform our places of work and education to be able to operate effectively. Those companies able to use technology well to keep going and rethink their business model for the future by fast-tracking digital transformation will be ones ahead of their competition.



CISA
CYBER-INFRASTRUCTURE

Search

About Us Alerts and Tips Resources Industrial Control Systems

National Cyber Awareness System > Alerts > COVID-19 Exploited by Malicious Cyber Actors

Alert (AA20-099A)

COVID-19 Exploited by Malicious Cyber Actors

Original release date: April 08, 2020

Print Tweet Send Share

Summary

This is a joint alert from the United States Department of Homeland Security (DHS) Cybersecurity and Infrastructure Security Agency (CISA) and the United Kingdom's National Cyber Security Centre (NCSC).

This alert provides information on exploitation by cybercriminal and advanced persistent threat (APT) groups of the current coronavirus disease 2019 (COVID-19) global pandemic. It includes a non-exhaustive list of indicators of compromise (IOCs) for detection as well as mitigation advice.

Both CISA and NCSC are seeing a growing use of COVID-19-related themes by malicious cyber actors. At the same time, the surge in teleworking has increased the use of potentially vulnerable services, such as virtual private networks (VPNs), amplifying the threat to individuals and organizations.

APT groups and cybercriminals are targeting individuals, small and medium enterprises, and large organizations with COVID-19-related scams and phishing emails. This alert provides an overview of COVID-19-related malicious cyber activity and offers practical advice that individuals and organizations can follow to reduce the risk of being impacted. The IOCs provided within the accompanying .csv and .stix files of this alert are based on analysis from CISA, NCSC, and industry.

Note: this is a fast-moving situation and this alert does not seek to catalogue all COVID-19-related malicious cyber activity. Individuals and organizations should remain alert to increased activity relating to COVID-19 and take proactive steps to protect themselves.

Technical Details

Summary of Attacks

APT groups are using the COVID-19 pandemic as part of their cyber operations. These cyber threat actors will often masquerade as trusted entities. Their activity includes using coronavirus-themed phishing messages or malicious applications, often masquerading as trusted entities that may have been previously compromised. Their goals and targets are consistent with long-standing priorities such as espionage and "hack-and-leak" operations.

Tata Consultancy Services tells staff to go to their rooms and stay there, even after the pandemic passes

COO says plague-time productivity has improved so clients don't see WfH as a WtF

By Simon Sharwood, APAC Editor 28 Apr 2020 at 03:45

17 SHARE

ARLINGTON, VA, April 3, 2020

Gartner CFO Survey Reveals 74% Intend to Shift Some Employees to Remote Work Permanently

Nearly Three in Four CFOs Plan to Shift at Least 5% of Previously On-Site Employees to Permanently Remote Positions Post-COVID 19

A Gartner, Inc. survey of 317 CFOs and Finance leaders on March 30, 2020* revealed that 74% will move at least 5% of their previously on-site workforce to permanently remote positions post-COVID 19.

"This data is an example of the lasting impact the current coronavirus crisis will have on the way companies do business," said Alexander Bant, practice vice president, research for the Gartner Finance Practice. "CFOs, already under pressure to tightly manage costs, clearly sense an opportunity to realize the cost benefits of a remote workforce. In fact, nearly a quarter of respondents said they will move at least 20% of their on-site employees to permanent remote positions."

Forward Plan

Note: This plan should be considered in conjunction with the Disclaimers and Risks which are outlined in slides 3,4, 31 - 36



The Forward Plan in summary projects....

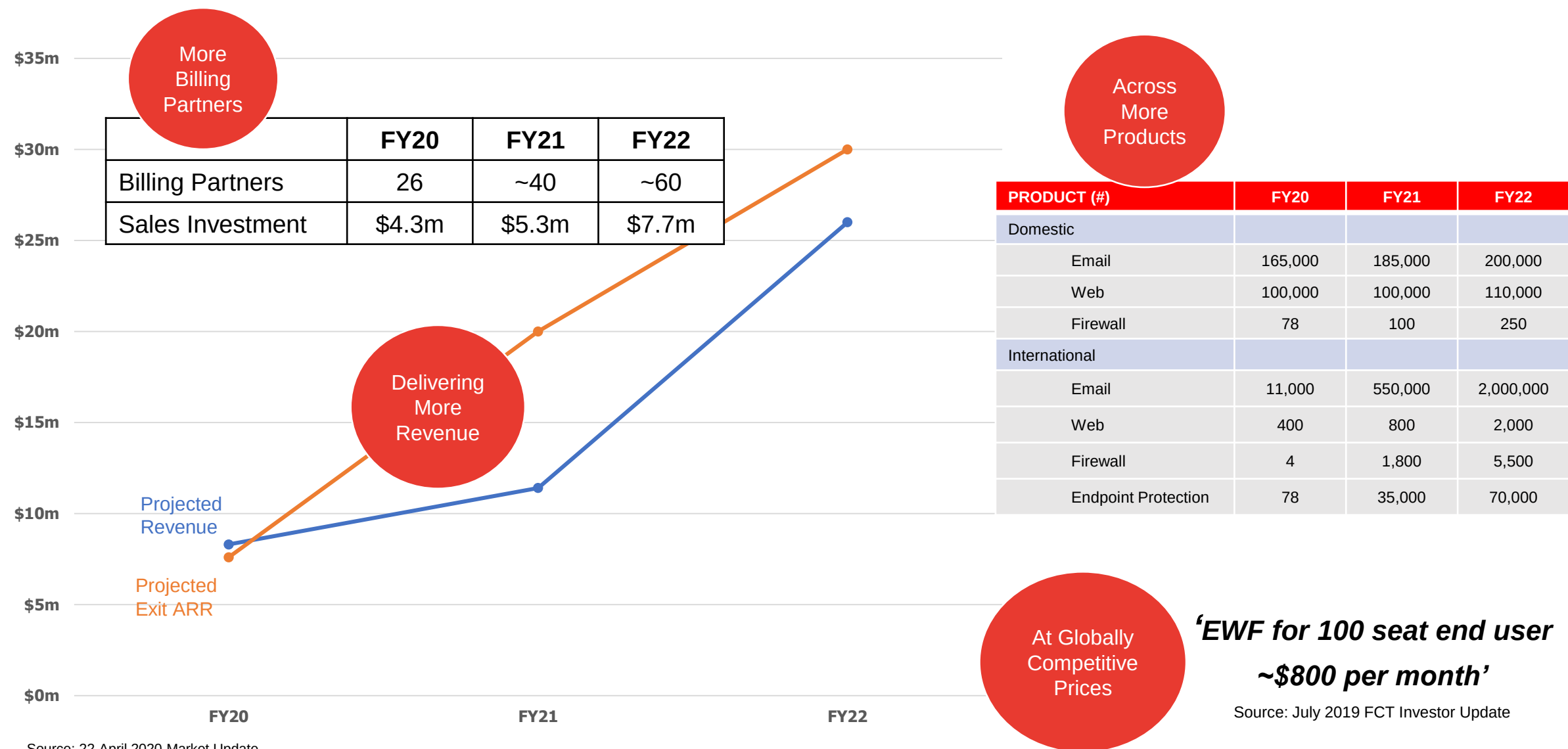


FY22 IN YEAR PROJECTED REVENUE OF \$26m

FY22 PROJECTED EXIT ANNUALISED RECURRING REVENUE OF \$30m

RESULTING IN PROJECTED CASH FLOW BREAK EVEN IN DECEMBER 2022

The Forward Plan projects acquisition of more partners that deliver more revenue

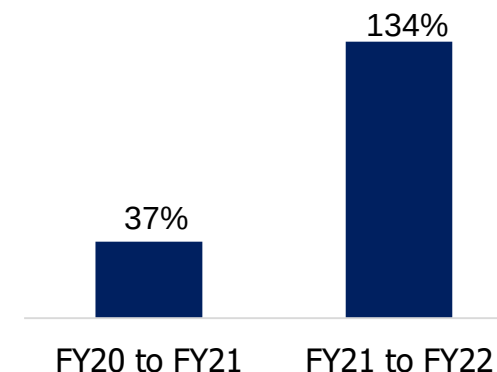


Source: 22 April 2020 Market Update

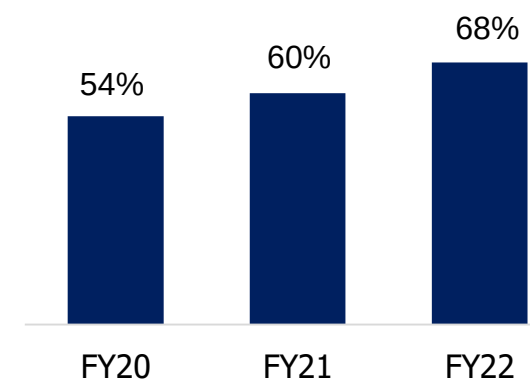
The Forward Plan projects revenue growth and improved margins

POTENTIAL REVENUES	FY20 (m)	FY21 (m)	FY22 (m)	% change 20/21	% change 21/22
Total Revenue	\$8.2	\$11.3	\$26.5	37%	134%
Recurring Revenue	\$7.4	\$10.5	\$25.3	42%	141%
Domestic	\$7.1	\$7.2	\$8.1	1%	12.7%
International	\$0.2	\$3.3	\$17.2	1,216%	420%
Non-recurring Revenue	\$0.8	\$0.8	\$1.2	-4%	44%
Domestic	\$0.7	\$0.6	\$0.6	-15%	-5%
International	\$0.1	\$0.2	\$0.6	65%	200%
Gross Margin	\$4.4	\$6.8	\$18.1	54%	164%
Gross Margin %	54%	60%	68%		

Revenue Growth

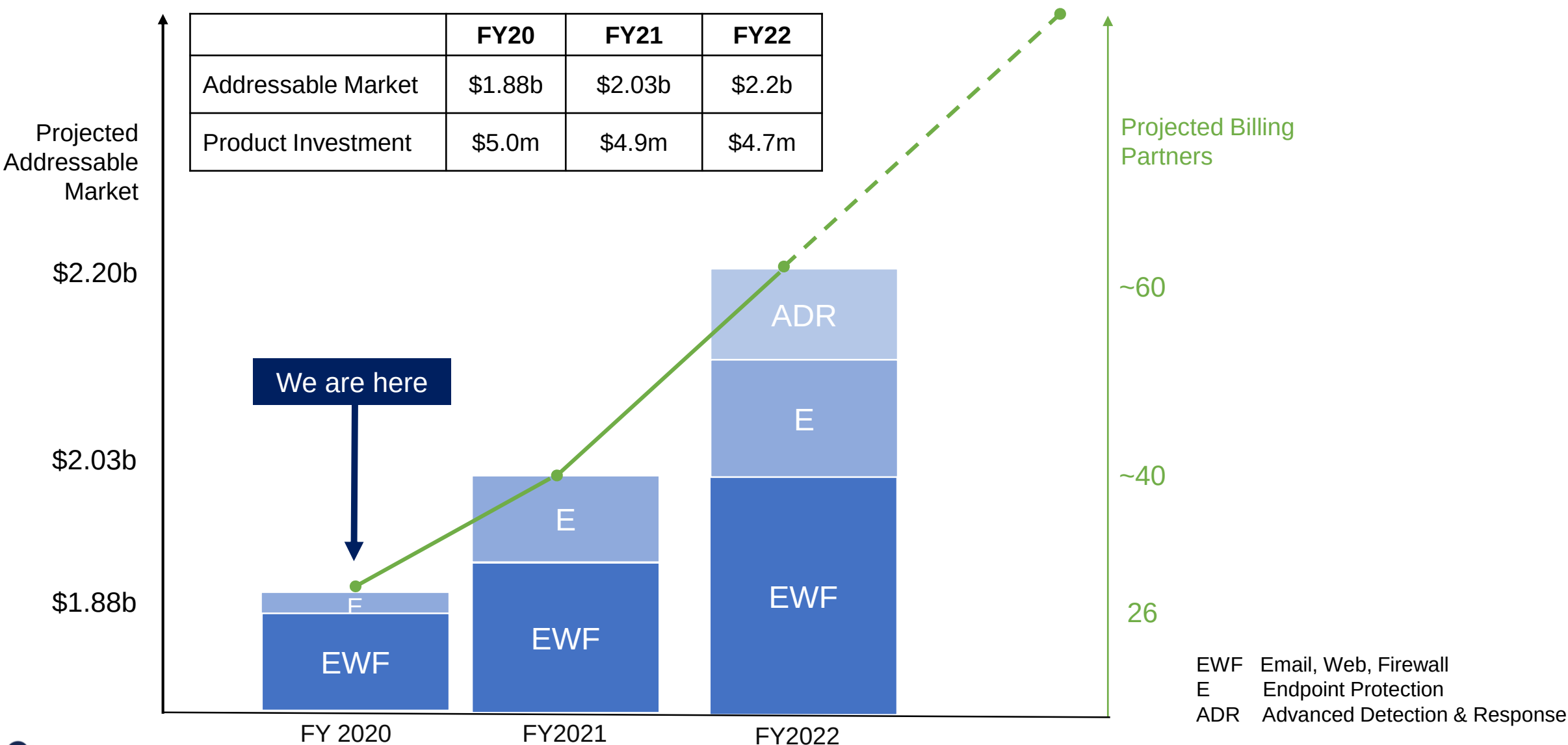


Gross Margin %



Note: Gross Margin % increases as revenue mix moves to international recurring revenue

The Forward Plan projects release of additional products into a growing addressable market



The Forward Plan projects roll-out of additional platforms

Platform Investment	FY20	FY21	FY22
	\$2.3m	\$2.4m	\$2.8m



The Forward Plan projects expansion of 24/7 customer service centres

Customer Support Investment	FY20	FY21	FY22
	\$1.3m	\$1.4m	\$1.6m



The Forward Plan projects conservative market penetration

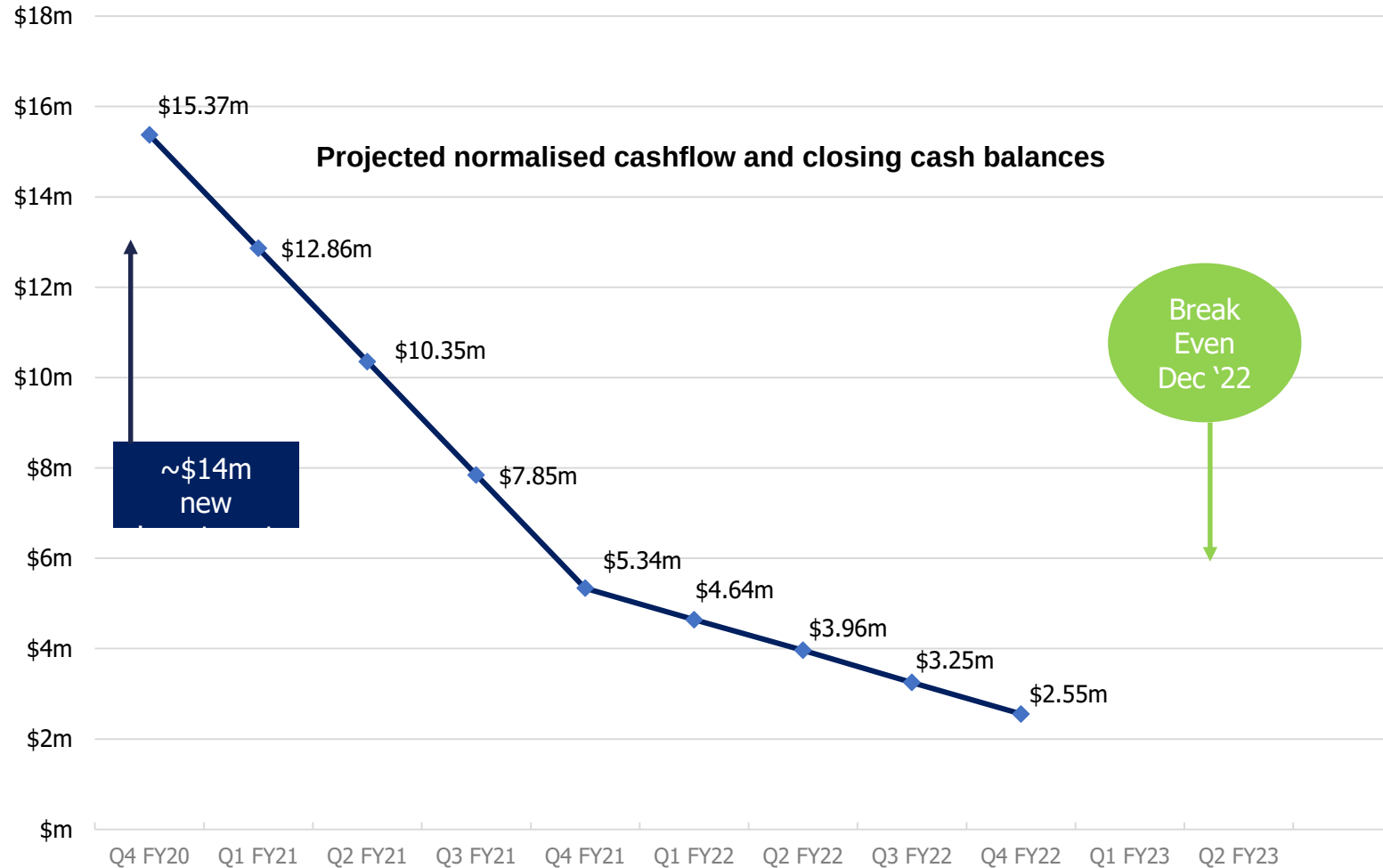
TARGET METRIC	FY20	FY21	FY22
Global Target Market (@ 8% pa growth)	*\$1.88b	\$2.03b	\$2.2b
Projected Billing Partners	26	~40	~60
Projected Product Offering	EWF+E	EWF+E+ADR	EWF+E+ADR+
Projected International Line of Sight	*\$60m	~\$80m	~\$100m
% of Global Target Market	3.2%	3.9%	4.5%
Projected conversion to IARR	\$0.25m	\$3m	\$17m
Of Global Target Market	~0	0.1%	0.8%
Of International Line of Sight	< 1%	4%	17%

Note:

1. For Email/Web/Firewall/Endpoint (EWF+E) Protection products from international market only
2. IARR: International Annualised Recurring Revenue

* See Appendix 1

The Forward Plan projects cashflow break even in December 2022



Key Assumptions:

- Domestic customer prepayment in Feb '21 and Feb '22
- R&D rebates in Dec '20 and Dec '21
- Business activity returns to pre-COVID-19 levels from 1 Oct '20
- ~\$14m new capital raised net of fees

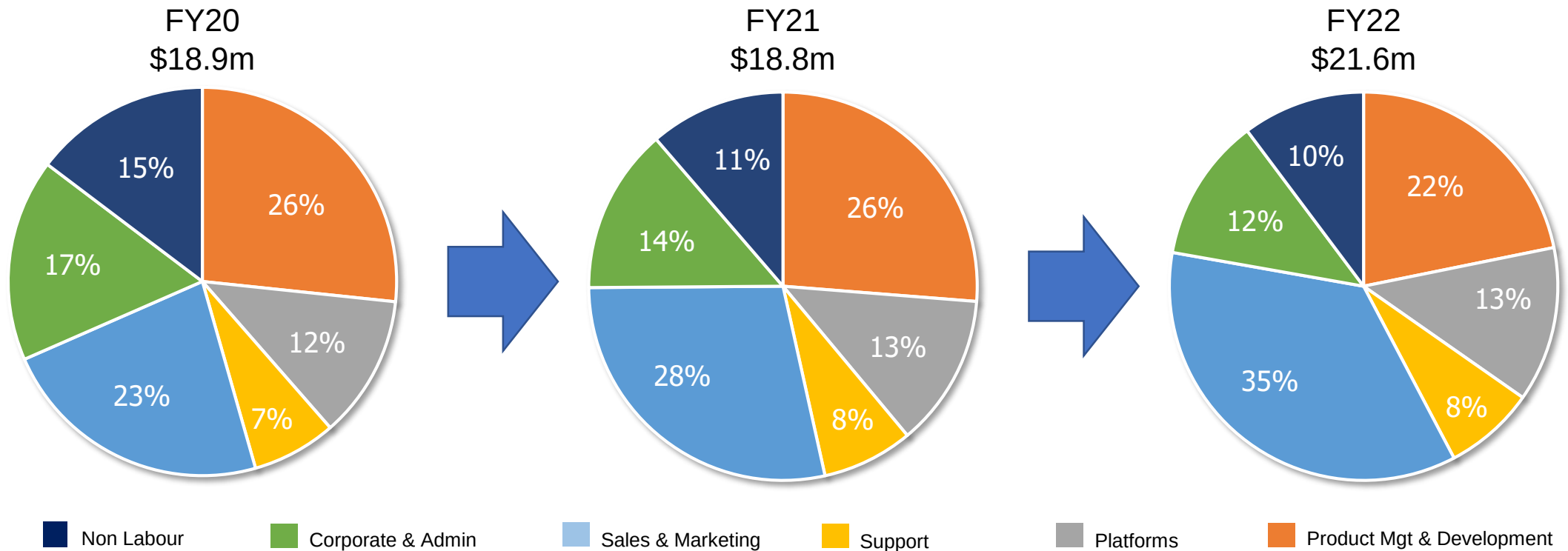
FirstWave

A global cyber security company

Use of Funds



The Forward Plan projects expenditure and investment as follows...



- Includes both operational and capital expenditure
- Projected investment in IP development is aimed to maintain a differentiated offering in the market
- Projected sales and marketing investment aims to accelerate the partner pipeline into revenue through our leveraged channel partner model

FirstWave

A global cyber security company

Offer Timetable

Timetable

Event	Date
Announcement of the Transaction, and Placement. Institutional Entitlement Offer opens	Thursday, 21 May 2020
Placement and Institutional Offer conducted	Thursday, 21 May 2020
Announcement of results of Placement and Institutional Offer	Friday, 22 May 2020
Trading halt lifted – Shares recommence trading on ASX on an ex-entitlement basis	Friday, 22 May 2020
Record Date for Retail Entitlement Offer (7:00pm AEST)	Monday, 25 May 2020
Retail Entitlement Offer opens and Retail Offer Booklet (including Entitlement and Acceptance Form) dispatched	Thursday, 28 May 2020
Settlement of Institutional Offer and Placement	Thursday, 28 May 2020
Allotment of New Shares issued under the Placement and Institutional Offer	Friday, 29 May 2020
Last day to extend Retail Entitlement Offer close date	Wednesday, 3 June 2020
Retail Entitlement Offer closes (5:00pm AEST)	Tuesday, 9 June 2020
Announcement of results of Retail Entitlement Offer	Friday, 12 June 2020
Settlement of New Shares under the Retail Entitlement Offer	Monday, 15 June 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Tuesday, 16 June 2020
Trading of New Shares issued under the Retail Entitlement Offer	Wednesday, 17 June 2020



FIRSTWAVE
CLOUD SECURITY TECHNOLOGY

Thank You

A global cyber security company

FirstWave

A global cyber security company

Appendix 1

Calculations



Calculating the FY20 Target Market of \$1.88B

‘EWF’

TAM: TOTAL ADDRESSABLE MARKET - Worldwide MSS/Cloud-Based Firewall & Content Security (Telco/SP-served)

SAM: SERVICEABLE ADDRESSABLE MARKET - Portion of Total Enterprises served < 200 employees in size (target end customer profile)

SOM: SERVICEABLE OBTAINABLE MARKET - Proportion of worldwide Telco/SPs accessible (Geos/ Partner reach), FCT wholesale revenue

‘E’

TAM - Worldwide Enterprise Endpoint Security Market

SAM: SMB Portion of TAM (<200 employees)

SOM: Accessible market via Telco/SPs, ‘switchable’ spend, FCT resale rev share

‘EWF’

TAM: \$14BN

SMB + % Medium Businesses (<200 employees) only

$SAM = 37\% * TAM = \$5.2BN$

- Accessible Geo Markets & Telco/SPs via (Current) FCT Channel Partners (75%)
- Adjustment of Telco/SP retail revenues to FCT wholesale /resale level (*45%)

$SOM = 75\% * 45\% \text{ of } SAM = \$1.88BN$

+

‘E’

TAM: \$11.7BN

SMB + % Medium Businesses (<200 employees) only

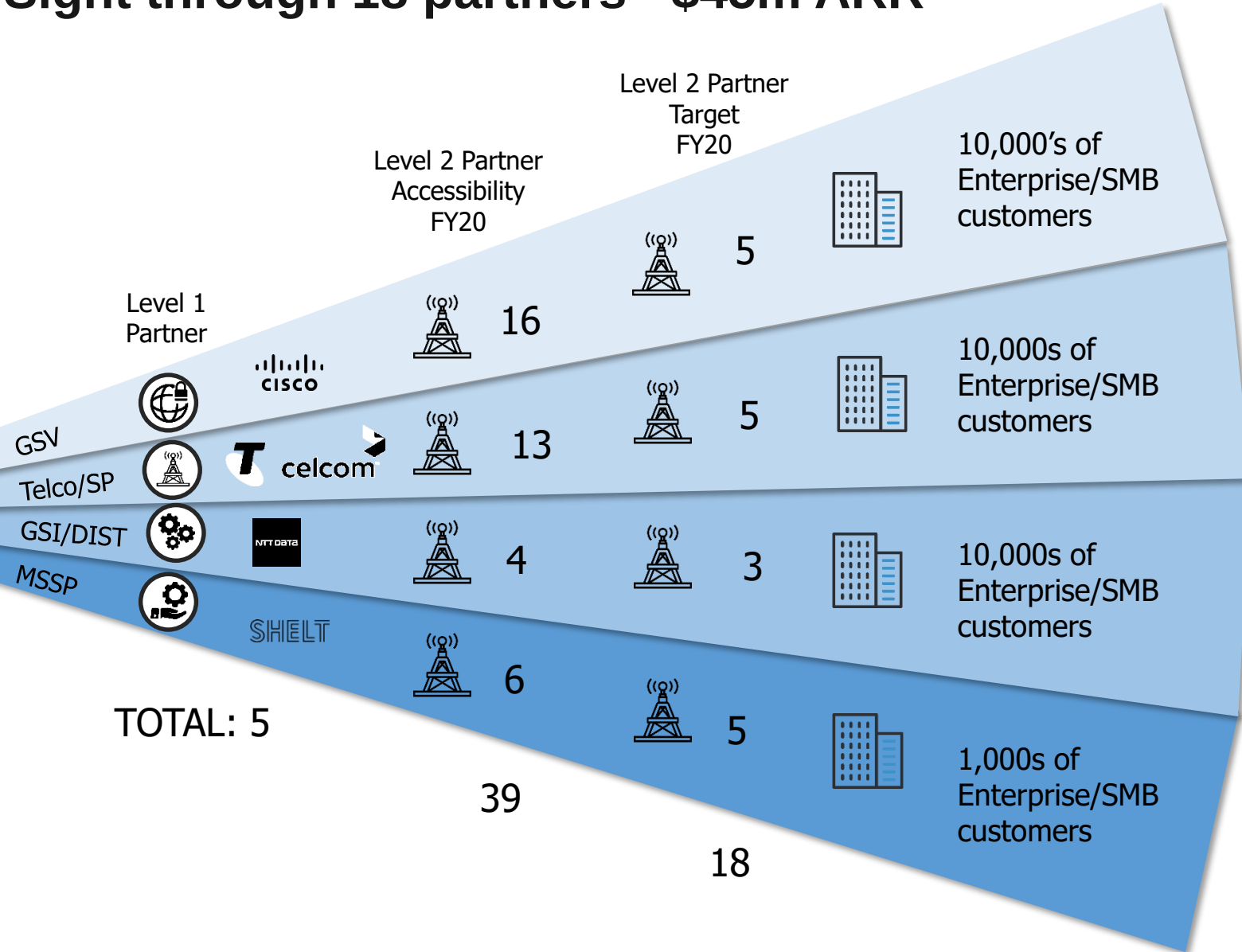
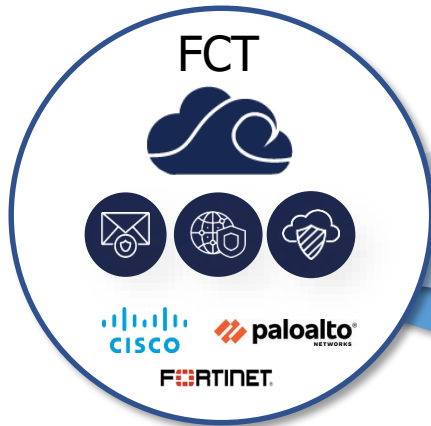
$SAM = 12\% * TAM = \$1.4BN$

- Accessible Markets & Telco/SPs via FCT Channel Partners (40%)
- ‘Switchable’ % of EPP customer buyer base per annum (30%)
- Adjustment of Telco/SP retail revenues to FCT resale level (*45%)

$SOM = 40\% * 30\% * 45\% \text{ of } SAM = \$0.076BN$

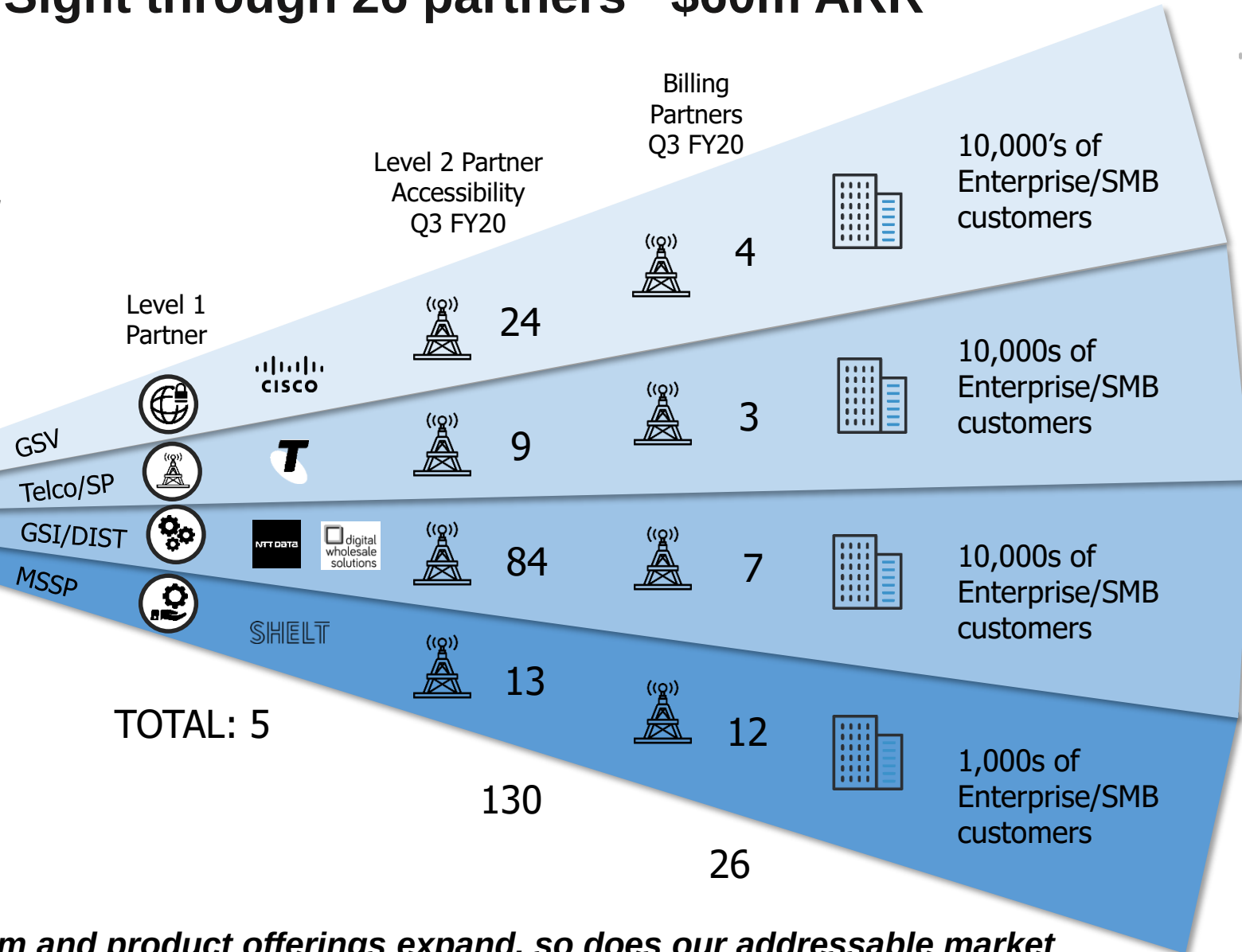
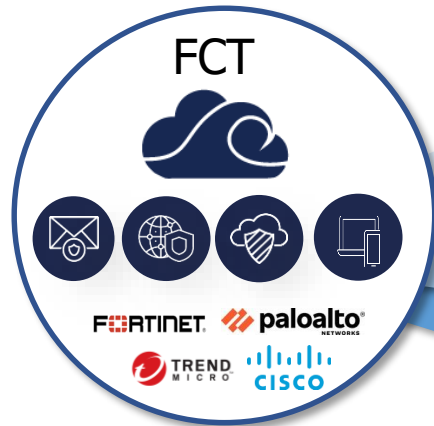
Q1 FY20 Line of Sight through 18 partners ~\$45m ARR

\$1.8b global market opportunity



Q3 FY20 Line of Sight through 26 partners ~\$60m ARR

\$1.88b global market opportunity



As our partner ecosystem and product offerings expand, so does our addressable market

FirstWave

A global cyber security company

Appendix 2

Risks and Restrictions



Key Risks

This section discusses some of the risks associated with an investment in FirstWave. FirstWave's business is subject to a number of risk factors both specific to its business and of a general nature which may impact on its future performance and forecasts. Before subscribing for FirstWave securities, prospective investors should carefully consider and evaluate FirstWave and its business and whether the securities are suitable to acquire having regard to their own investment objectives and financial circumstances and taking into consideration the material risk factors, set out below. The risk factors below are not exhaustive. Prospective investors should consider publicly available information on FirstWave, examine the full content of this presentation and consult their financial or other advisers before making an investment decision. Any investment will be solely at the investor's risk.

Specific Risks:

Dependence on Key Personnel

FirstWave depends on the talent and experience of its Personnel, and, as such, any departure of key Personnel may be materially adverse to FirstWave's prospects. It may be difficult to replace key Personnel or to do so in a timely manner or at a comparable expense. Additionally, if any key Personnel were to leave to work for or establish a competitor, this could further impact FirstWave's prospects. FirstWave has sought to mitigate this risk with equity incentives, but these incentives cannot remove the risk altogether.

Intellectual Property

The intellectual property in the FirstWave platform is critical to its commercialisation. There may be circumstances where FirstWave's intellectual property cannot be protected or is subject to unauthorized infringement. Notwithstanding that FirstWave may have legal rights in respect of any infringement, those rights may be costly and time consuming to enforce.

FirstWave has source code and other intellectual property which are important assets. It is therefore reliant on a combination of confidentiality agreements with its consultants and third parties with whom it operates, in addition to trademark and domain name intellectual property right protections, in order to protect the FirstWave brand. Given the nature of the product, FirstWave does not have complete copyright and patent protection of its intellectual property. If FirstWave is unable to protect its intellectual property, competitors may gain access to its technology which may adversely impact the business. In addition, third parties may make claims against FirstWave for infringement of their intellectual property rights. Defending such actions may be costly to FirstWave and divert the time and resources of Board and key management personnel, resulting in detriment to FirstWave. The intellectual property rights of a third party may also prevent FirstWave from utilising its own intellectual property rights, requiring FirstWave to rebrand at significant cost to FirstWave.

Competition

Markets in which FirstWave competes may be subject to disruptive change from new technologies and competition may arise from a number of sources both in Australia and abroad. It may include companies that have greater capital resources and closer customer relationships than FirstWave. Competition may also arise from companies with developed processes, systems, and technology or customers may seek to develop their own equivalent analytical platforms.

Any significant competition or failure to keep pace with technological change may adversely affect FirstWave's ability to attract customers or meet its business objectives.

Reliance on Third Parties

As the FirstWave platform is cloud-based, FirstWave relies upon data centres and other third-party service providers for the ongoing availability of its platform. FirstWave's influence over these third-parties is limited. Any system failure that causes an interruption to the platform could materially affect FirstWave's business. System failures, if prolonged, could reduce the attractiveness of the platform to existing and potential customers and could damage FirstWave's business reputation and brand name, and consequently, its financial performance, position and prospects.

Reliance on Continual Platform Development

FirstWave's ability to grow its customer base and generate revenue will be dependent in part upon its ability to continually develop and innovate the FirstWave platform to ensure it is a market leader in the industry. This may involve introducing significant changes to the existing FirstWave platform, including technologies with which there is little or no prior development or operating experience. If the modified platform does not attract customers, FirstWave may fail to generate sufficient revenue or operating profit to justify the investment.

Hacking and Breaches

FirstWave may be adversely affected by malicious third-party actions that seek to breach security of the platform. Any such 'hacking' of the platform could, among other things, jeopardise the security of customer information stored on the FirstWave platform. If FirstWave's efforts to combat such malicious actions are unsuccessful, or if the platform has actual or perceived vulnerabilities, FirstWave's business reputation and brand name may be harmed, which may result in a loss of customers from the platform (and reduced prospects of securing new customers).

Key Risks cont'd

Lead Time Delay

There is a risk that the lead time from the identification of new customers/partners to the execution of the contract to product delivery and billing and actual payment for the services may be longer than anticipated. While FirstWave will use its best endeavours to reduce the lead times on its revenue generation activities, any delays which may be beyond the control of FirstWave have the potential to materially impact the financial position, performance and prospects of FirstWave.

COVID-19

The COVID 19 pandemic has had and continues to have an impact on FirstWave's business. In particular the inability for our people to travel internationally has delayed a number of product installations in offshore jurisdictions. Even after the travel restrictions are lifted, there is substantial uncertainty as to the economic outlook internationally.

There are also other changes in the domestic and global macroeconomic environment associated with the events relating to COVID-19 that are beyond the control of FirstWave and may be exacerbated in an economic recession or downturn. These include but are not limited to:

- changes in inflation, interest rates and foreign currency exchange rates;
- changes in employment levels and labour costs;
- changes in aggregate investment and economic output; and
- other changes in economic conditions which may affect the revenue or costs of FirstWave.

It is therefore difficult for FirstWave to know how long the travel restrictions and quarantine rules will apply, and hence to quantify what the impact of COVID-19 on its business will be.

Sufficiency of Funding

The funds raised under the Placement and Entitlement Offer will be applied primarily for working capital purposes to help FirstWave pursue its growth strategy. However there is no certainty that these expenditures will deliver sufficient sales growth to obviate the need for further capital. For example, even if FirstWave becomes cash flow positive, the Directors may consider it appropriate to increase expenditure on the development of FirstWave's platform. As a result, FirstWave may require further funding in the medium term. Any equity funding sought may be highly dilutive to Shareholders, depending on the price at which FirstWave seeks to issue new securities and the level of participation under the Entitlement Offer. While debt funding may be available to FirstWave in the future, the availability of such funding, will be dependent on FirstWave's financial performance. In addition to dilution, if FirstWave is unsuccessful in obtaining funds when required, it may need to delay planned business activities, and potentially forgo growth opportunities, which in turn may adversely affect FirstWave's financial performance or position.

Information Technology Risks

The platforms offered by FirstWave may contain defects and bugs when first introduced to a particular customer or as new versions are released. These defects or bugs could interrupt or delay the provision of services to customers and could ultimately damage FirstWave's business reputation or financial performance.

FirstWave's platform is also subject to risks associated with computer viruses, physical or electronic break-ins, loss of data from physical damage or from failures by third party service providers or operating systems and similar disruptions, as well as to damage from the inadvertent introduction onto its systems of incorrect programming language by its employees. Any failures, faults, interruption, loss or corruption of data or other compromise to FirstWave's platform as a result of these risks may have a longer-term impact on client satisfaction and could adversely affect the financial performance of FirstWave's business as well as its business reputation.

Regulatory Risks

Changes in the structure and regulation of the industries in which FirstWave operates in Australia and elsewhere could materially affect FirstWave and its business. Changes to government policy, law or regulations, or the introduction of new regulatory regimes may lead to an increase in operational costs and may have a materially adverse effect on the operations, financial performance and prospects of FirstWave.

Key Risks cont'd

General Risks:

Share Market Risks

The price of Shares rise and fall and might trade at prices below or above the Offer Price. There can also be no assurance that an active trading market will develop for the Shares.

Speculative Nature of Investments

Any potential investor should be aware that subscribing for Shares involves various risks. The Shares to be issued pursuant to the Placement and Entitlement Offer carry no guarantees with respect to the payment of dividends, return of capital or market value. The success of FirstWave is dependent on the commercialisation of its products and market adoption of those products. An investment in FirstWave should therefore be considered speculative in nature.

General Economic Risks

FirstWave's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies.

Taxation Risks

Future changes in Australian and international taxation laws in jurisdictions that FirstWave operates may affect taxation treatment of an investment in FirstWave shares, or the holding and disposal of those shares. Additionally, changes in tax law in the various jurisdictions in which FirstWave operates, may impact the future tax liabilities of FirstWave.

Litigation Risk

Disputes or litigation may arise from time to time in the course of the business activities of FirstWave. There is a risk that any material or costly dispute or litigation could adversely affect FirstWave's reputation, financial position, performance or prospects.

Underlying Assumptions

The forward looking statements, opinions and estimates contained in this investor presentation as well as the anticipated application of funds raised (Relevant Statements) rely on various assumptions. These assumptions include that business will return to pre COVID-19 levels in Q2 FY21 i.e. from 1 October 2020; that partners will apply their resources to taking CCSP to market as they did pre COVID-19; that Cisco, in particular, remains as committed to FirstWave as it was pre COVID-19; that FirstWave's level and location of resources will remain as they are now; and that a new Share Appreciation Rights Plan allowing Board/Executives/Leadership Team to exchange fees and remuneration for shares in the Company will be approved by shareholders.

Various factors, both known and unknown, may impact upon the performance of FirstWave and cause its actual performance to vary significantly from the expected results disclosed in the Relevant Statements. In addition, the assumptions upon which the Relevant Statements are based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of the Company, the directors and management and are not reliably predictable. Accordingly none of the Company, its directors and management or any other person can give investors any assurance that the outcomes disclosed in the Relevant Statements will eventuate. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Relevant Statements.

While the directors believe the assumptions upon which the Relevant Statements are based (including the assumptions referred to above), when taken as a whole, to be reasonable at the time of preparing this presentation, the assumptions are not fact, and investors are cautioned not to place undue reliance on the Relevant Statements. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Relevant Statements and that this may have a material positive or negative effect on the Company's actual financial performance, cash flows or financial position.

In particular, investors should note that there is continued uncertainty as to the duration of and further impact of COVID-19 including (but not limited to) in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, travel restrictions and the impact on the Australian and global economy. There is a risk that if the spread of COVID-19 continues, and/or the actions taken to combat COVID-19 persist, FirstWave's operational and financial performance could deteriorate.

Therefore, depending on the duration of the impact of COVID-19 and if any of the assumptions on which the Relevant Statements are based do not eventuate or are incorrect, FirstWave may not be able to execute effectively on its strategies and intended application of funds raised as per the Relevant Statements. Furthermore, in executing its future growth strategies which target expansion of existing business in Australia and overseas, FirstWave could be exposed to additional or unforeseen costs, which may strain financial or management resources. There is also a risk of disruption to FirstWave's business models and/or those of its suppliers due to factors that are outside the control of FirstWave and such disruption could adversely impact FirstWave's reputation and financial performance. Thus, to the extent that any of the assumptions underlying the Relevant Statements do not materialise or if any unforeseen risks arise, FirstWave may be required to obtain further equity funding in the medium term, which may be highly dilutionary to Shareholders.

Key Risks cont'd

Offer Risks:

Underwriting Risk

FirstWave has entered into an Offer Management and Underwriting Agreement with Morgans Corporate Limited and Wentworth Global Capital Finance Pty Limited (collectively, **Joint Lead Managers**) (**Underwriting Agreement**), pursuant to which Morgans Corporate Limited (**Underwriter**) has agreed to underwrite the retail component of the Entitlement Offer¹ on the terms and conditions of the Underwriting Agreement. The Underwriter has, in turn, entered into sub-underwriting arrangements.

If certain conditions are not satisfied or certain events occur, the Joint Lead Managers may terminate the Underwriting Agreement. Termination of the Underwriting Agreement would have an adverse impact on the total amount of proceeds that could be raised under the Entitlement Offer.

The Joint Lead Managers' and Underwriter's obligations under the Underwriting Agreement, including to manage and underwrite the retail component of the Entitlement Offer, are conditional on certain matters, including the timely delivery of due diligence process sign-offs and other documents.

The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- a statement contained in the offer materials is false, misleading or deceptive or a matter required to be included in the offer materials to comply with all applicable laws is omitted from the offer materials;
- the ASX/S&P All Ordinaries Index of ASX stands at a level that is 90% or less of the level of the index as at the close of trading on the day before the date of the Underwriting Agreement:
 - at any time on or before the closing date for the Institutional Bookbuild (21 May 2020);
 - at market close on any of the business days before the Institutional Settlement Date (28 May 2020) or Retail Settlement Date (15 June 2020) and closes at or below that level for at least 3 consecutive business days; or
 - at market close on any of the three business days immediately before the Institutional Settlement Date (28 May 2020) or Retail Settlement Date (15 June 2020) and closes at or below that level on each subsequent business day (if any) before the Institutional Settlement Date or Retail Settlement Date;
- the cleansing notice issued in connection with the offer is or becomes defective within the meaning of section 708AA(11) of the Corporations Act or an obligation arises on FirstWave to give ASX a notice in accordance with section 708AA(12) of the Corporations Act (as included in the Corporations Act by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84;
- an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the offer or the offer materials and any such application becomes public or is not withdrawn within 2 Business Days after it is made;
- there is an application to a government agency for an order, declaration or other remedy, or a government agency commences any investigation or hearing or announces its intention to do so, in each case in connection with the offer;
- FirstWave is prevented from allotting and issuing the securities the subject of the offer within the time required by the timetable, ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency;
- certain delays in the timetable occur without the prior written consent of the Joint Lead Managers;
- FirstWave ceases to be admitted to the official list of ASX or the ordinary shares in FirstWave are suspended from trading on, or cease to be quoted on, ASX;
- A director of FirstWave being charged with an indictable offence relating to any financial or corporate matter, being disqualified from managing a corporation under the Corporations Act or any regulatory body commencing any public action against a director in his or her capacity as a director of FirstWave or announcing that it intends to take any such action;
- the responses provided to the due diligence questionnaire or any other information made available by or on behalf of FirstWave as part of the due diligence process to the Joint Lead Managers being misleading or deceptive;

¹See footnote slide 7

Key Risks cont'd

Offer Risks (cont'd)

Underwriting Risk (cont'd)

- any material statement or estimate in an offer materials which relates to a future matter is not, in the reasonable opinion of the Joint Lead Managers, based on reasonable grounds (including having regard to ASIC Regulatory Guide 170);
- there is a material adverse change, or there is a development involving a prospective material adverse change, in the business, assets, liabilities, financial position or performance, profits, losses, operations, results or prospects of FirstWave;
- ASX refuses to grant, or withdrawals approval for, official quotation of the new shares;
- a representation or warranty made or given by FirstWave under the Underwriting Agreement proves to be, or has been, or becomes, untrue or incorrect;
- there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation is made under any law, or a government agency adopts a policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a government agency that such a law or regulation will be introduced or policy adopted (as the case may be);
- there is a change in the senior management of FirstWave or its directors;
- FirstWave alters its share capital or its constitution without the prior written consent of the Joint Lead Managers;
- any of the following occurs:
 - a suspension or material limitation in trading in securities generally or any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Hong Kong, New Zealand, the United Kingdom, the United States of America or the international financial markets or any change in national or international political, financial or economic conditions; or
 - any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Hong Kong, New Zealand, the United Kingdom, the United States of America or the international financial markets or any change in national or international political, financial or economic conditions; and
- in respect of any one or more of the United States, Australia, New Zealand, the United Kingdom, or Hong Kong:
 - hostilities not presently existing commence (whether war has been declared or not);
 - a major escalation in existing hostilities occurs (whether war has been declared or not) involving or the declaration by any of these countries of a national emergency (other than as a result of the COVID-19 pandemic); or
 - war or a major terrorist act is perpetrated anywhere in the world.

The ability of the Joint Lead Managers to terminate the Underwriting Agreement in respect of some events will depend on whether the Joint Lead Managers have reasonable grounds to believe that the event:

- has, or is likely to have, a material adverse effect on the success or settlement of the offer, the price at which the ordinary shares of FirstWave are sold on ASX, the ability of the Joint Lead Managers to market or promote or settle the offer or the performance of the secondary trading market of the securities at any time during the 30-day period following the Institutional Settlement Date or Retail Settlement Date, as applicable; or
- has given, or could reasonably be expected to give rise to either Joint Lead Manager being involved in a contravention of an applicable law or incurring a liability under an applicable law as a result of that event.

For the purposes of the Underwriting Agreement, the effect of any matter on the success of the offer is determined by assessing the likely effect of that matter on a decision of an investor to invest in the securities as if that decision to invest were made after the occurrence of that matter and not by considering the number and extent of applications received before the occurrence of that matter.

FirstWave also gives certain representations, warranties and undertakings to the Joint Lead Managers and an indemnity to the Joint Lead Managers and its affiliates subject to certain carve-outs.

Key Risks cont'd

Offer Risks (cont'd)

Dilution

Shareholders who do not participate in the Placement and/or take up all of their entitlements under the Entitlement Offer, will have their percentage of shareholding in FirstWave diluted and will not be exposed to future increases or decreases in FirstWave's share price in respect of the new shares which would have been issued to them had they participated in the Placement or taken up their entitlement under the Entitlement Offer. Shareholders may have their investment diluted by future capital raisings by FirstWave.

Entitlement Offer not renounceable

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Accordingly, if any shareholder does not take up his/her/its entitlement, they will not receive any value for these entitlements.

Foreign Selling Restrictions

This document does not constitute an offer of new ordinary shares (**New Shares**) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

New Zealand

The New Shares under the Entitlement Offer are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares under the Entitlement Offer is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This presentation has not been registered, filed or approved by any New Zealand regulatory authority. This presentation is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.



FIRSTWAVE
CLOUD SECURITY TECHNOLOGY

Thank You

A global cyber security company