



FIRSTWAVE
CLOUD SECURITY TECHNOLOGY

LETTER TO SHAREHOLDERS

31 January 2020

Dear Shareholder,

FirstWave Cloud Technology Limited (FirstWave or Company) today released its Appendix 4C cash flow report for the quarter ending the 31st of December 2019 fulfilling the Company's reporting requirements under its ASX listing.

In considering the Appendix 4C, you should note my comments at the Company's AGM on the 20th of November 2019 that we have a large lump of prepaid income (last year received in April) from our largest customer that skews cash flow numbers provided in the quarterly Appendix 4C returns.

You will also see that the Appendix 4C confirms my comments at the Company's November AGM that, taking into account our revenue forecasts, the anticipated receipt of an annual prepayment in Q3, and the in-year reduction in investment of \$1.3M, the Company will have sufficient funds to support its operations through the full FY2020 financial year.

On the 10th of February, an Investor Update Presentation will be released with an accompanying Investor Teleconference Update at 10am that day.

This will provide shareholders with a more detailed picture on the progress that has been made against the Q2 FY2020 objectives tabled in the Investor presentation on the 29th of October 2019 and at the Company's AGM, namely:

- Partner progress on the path to revenue and against the targeted number of billing partners
- Progress against the June line of sight for International Annual Recurring Revenue
- Delivery of the product and technology roadmap
- Progress on the steps that are being taken to reduce and focus investment (or cash-burn)
- Cash flow
- Actions to further strengthen the Company's balance sheet.

I look forward to updating you on the 10th of February.

Yours sincerely

John Grant
Executive Chairman
FirstWave Cloud Technology Limited



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