



**30 November 2017: ASX Company Announcements Platform**

**CEO Speech, FirstWave Cloud Technology (FCT)  
Annual General Meeting (AGM)  
Nov 30, 2017**

**FirstWave Cloud Technology Limited (ASX:FCT) (“FirstWave”, “the company”)**

Good morning ladies and gentlemen,

Welcome to the FirstWave Cloud Technology (FCT) annual general meeting. My name is David Kirton and I am the Interim Chief Executive Officer of FirstWave Cloud Technology. This morning I would like to give you a business update in relation to FirstWave.

I have been with FirstWave now for 7 months. Principally in the CFO role, but more recently also in the Interim CEO role. It has been an exciting 7 months with many challenges, some of which I anticipated when joining the company, and some of which come at you when you least expect it. Through my short time in the company, I have been impressed with two key things;

1. The surprise that most people experience when they start to understand the richness in the Technology developed by FirstWave, and
2. The quality and determination of the human resources in the organisation and the commitment they bring to making the organisation successful.

It is with these two foundations that we began in FirstWave, a review of our Corporate Plan. This review was predicated on the basis that we were mindful of the fact that FirstWave had not achieved in its first year of being a public company, the progress that the quality of the technology, the quality of the human resources, and the potential application that the Software as a Service (SaaS) offerings, could bring to potential customers and consumers of our cloud based security solutions and to investors.

I am pleased to be able to conclude that at the end of the Corporate planning process<sup>1</sup> at FirstWave we are Ready;

1. Ready to take advantage of a \$10bn market opportunity
2. Ready to establish our strategic presence across new global markets
3. Ready to establish new go-to-market sales channels
4. Ready to be one of Australia’s leading technology companies
5. Ready to challenge the world’s leading cyber security cloud technology companies

The existing global cloud content security market is estimated by IHS Technology<sup>1</sup> at US\$9bn and is expected to grow to US\$13bn by calendar year 2021. FirstWave has the potential to address 75% or US\$10bn of the market.

<sup>1</sup> IHS Technology Cloud and CPE Managed Security Services Annual Market Report: Regional 3 April 2017

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There are favourable dynamics for the application of FirstWave's cloud based cyber security solutions, namely;

1. Security expertise is scarce in large enterprises and is often non-existent in small to medium enterprises (SME's).
2. Growth in cyber-attacks has driven customer demand for enterprise grade security

The largest market is in North America (40%), followed by APAC (31%), EMEA (20%) with the balance geographically dispersed.

The FirstWave cloud security technology is unique and market leading. We deliver a market-leading enterprise grade security solution offering cloud secure email Gateway's (SEG), cloud secure web gateway's (SWG), cloud based next generation firewalls, and cloud advanced threat protection. What makes FirstWave unique in the market is;

1. That our products and services are directly and easily integrated into existing customer platforms
2. That we have fostered constructive collaborative relationships with leading Global Security Vendors (GSV's)
3. That we have attracted and retain world class talent from leading global organisations
4. That our platform can be easily and rapidly replicated across new geographies
5. That we have developed our Enterprise Specific Protection (ESP) proprietary software intelligence at the core of our cloud content security technology

I am pleased to be able to introduce you today to members of the FirstWave leadership team including;

1. Neil Pollock – Chief of Operations and Head of FirstWave's International Business
2. Simon Ryan – Chief Technology Officer
3. Andrew Chamberlain – Chief Revenue Officer

Our Chairman Drew Kelton has previously introduced Sam Saba the newest member of the FirstWave board.

The FirstWave leadership team is moving at speed in the implementation of our Corporate Plan. I have already simplified the operating structure of the organisation, reducing, and prioritising the number of opportunities we are pursuing. We are advanced in the deployment of our platforms in North America and Asia, I expect that we will make our pre-Xmas milestone of having our email platform deployed and ready for service in the North American and APAC markets. Our pipeline of sales opportunities remains strong, and we are on track for our first International Revenue in the 2nd half of FY2018.

Our first quarter results have shown revenue growth of 55% on the prior corresponding period with customer orders increasing to 204 (from 185 in Q4 FY2017). Quarter on quarter revenue growth has been softer than anticipated to date, although the launch domestically of the Internet Protect email and web offerings in December 2017, plus the launch of our new email platform in December, has us confident that sales momentum will accelerate in the 2<sup>nd</sup> half of FY2018. There have been some additional re-structuring expenses in the 2<sup>nd</sup> quarter FY2018 not included in the previous 4C operating update, and I expect our cash balance at December 31<sup>st</sup>, 2017 to be ~\$4m.

I wanted to thank those investors who have participated in the recent placement completed by FirstWave. This investment and support, will ensure FirstWave can deploy the enable phase of our 3 stage Corporate Plan. Our Corporate plan has the aspiration for FirstWave to deploy its cloud based security solutions globally growing revenue to approximately US\$130m by FY2022.



We are ready to meet both the opportunity and challenges that this aspiration entails. Specifically, we will be;

1. Raising awareness of FirstWave as a market leading brand in cloud content security
2. Educating business about the need for protection against cyber attacks
3. Educating the investor community on FirstWave's product, market, and international growth trajectory
4. Remaining at the forefront of technology development in the face of an escalating cyber threat outlook and increasing frequency of cyber-attacks
5. Establish a strong customer centric culture, with accountability across the organisation.
6. Ensure FirstWave leverages its full competitive advantage through the successful execution of its Ready for the Next Wave FY18-22 Corporate Plan

Finally, I wanted to confirm the milestones against which we are measuring our progress;

Milestone	Expected Date
1. Domestic launch of the Internet Protect Email, Web, Bundle offerings	Dec 2017 with first revenue January 2018
2. Launch Global Email Platform	Dec 2017
3. In market in North America and Asia	Q3 FY2018
4. New Channel Partners	Q3 FY2018
5. First International revenue	Q4 FY2018
6. Drive full year FY2018 FirstWave consolidated sales revenue to >\$9m	June 30 <sup>th</sup> 2018
7. Exit FY2018 with FirstWave consolidated sales revenue profile >\$14m	June 30 <sup>th</sup> 2018

Thank you for your attendance today and continued support of FirstWave.

- ENDS -

**For further information, please contact:**

Drew Kelton  
Chairman  
+61 2 9409 7000

**For media and investor inquiries:** Consiglio – Hayley Morris 0407 789 018 / Emily Blyth 0401 601 044



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**About FirstWave Cloud Technology**

Australian cloud technology company, FirstWave, operates a technology business in the burgeoning cloud based IT managed security services market, having created an intelligent carrier grade cloud security platform for business. FirstWave has delivered Security as a Service (SaaS) solutions since 2004 in a form similar to what we call "cloud" today. FirstWave offers a comprehensive cloud security and analytics technology solutions suite that, along with advanced mail, web & next generation firewall (NGFW) content controls, now offers unified, integrated x-threat vector advanced malware protection technology solution for any business or enterprise moving to or operating in the cloud. [www.firstwave.com.au](http://www.firstwave.com.au)



**FirstWave Cloud Technology Ltd** ABN: 35 144 733 595 (ASX: FCT)

A Level 10, 132 Arthur St North Sydney, NSW, 2060, Australia. P +61 02 9409 7000 W [Firstwavecloud.com](http://Firstwavecloud.com)

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