



FIRSTWAVE
CLOUD SECURITY TECHNOLOGY

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FirstWave reports Half Year results and progress against key milestones

FY18 Highlights to Date

- Revenue growing 42% on the prior corresponding period (PCP)
- Successfully raised \$4.35m via a private placement underpinning the Enable phase of the International expansion strategy, resulting in:
 - The launch of new email/web cloud security offerings with revenue to flow from 1Q FY18
 - The launch of the public cloud security platform on Amazon Web Services (AWS) using Cisco Amazon Machine Image (AMI) optimised security appliances
 - Signing 2 new channel partners to distribute/resell the public cloud security platform
 - Ingram Micro in Australia – Signed as a software distributor
 - Mind Flow (M) Sdn Bhd in Malaysia – Signed as a reseller (see separate press release)
- First orders via the new channel partners anticipated in 4Q FY18

FirstWave Cloud Technology Limited (ASX:FCT) (“FirstWave”), Australia’s pioneering cloud security technology company, today announced its financial results for the first half of the 2018 financial year ended 31 December 2017, demonstrating strong progress against the key commitments for the 2018 fiscal year.

FirstWave’s revenue for the half year was \$4,056,727, which represents a growth of 42.3% over the prior comparative period (PCP). Licensing and support revenue (SaaS), grew by 57.2% for the first half year over PCP, and by 15.5% over the second half of FY17. Professional Services revenue was \$329,742 representing a ratio of 8.8% to licensing and support revenue.

1H FY18 revenue was consistent with FirstWave’s expectations. Sales were below expectations with the first orders of the Internet Protect offering only received in December 2017. FirstWave’s opportunity pipeline remains strong, and anticipates that its licensing and support (SaaS) revenue will continue to grow in the 2H FY18 and beyond.

Cash and cash equivalents increased by \$2,318,975 million to \$4,080,864, driven by FirstWave’s capital raise in Oct 2017. Cash consumption by operations was \$894,705. Cash used in operating activities reduced by \$831,733 on PCP driven by FirstWave’s focus on optimising working capital (commercially negotiating prepayments of large long-term revenue contracts).



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David Kirton, FirstWave's Interim Chief Executive Officer, said: "FirstWave's 1H FY18 financial results have shown strong headline revenue growth and improvements in net profit and operating cash flows. The launch of our Public Cloud Security Platform in Asia and North America in December 2017 has increased the reach of the FirstWave Security as a Service offering. Email traffic is already flowing on the platform and we have signed new software distributor/reseller partners in both our Australian and International markets that are likely to accrue revenue in the 4Q FY18. The new Public Cloud Security Platform positions FirstWave for a stronger second half sales result.

Of the six key milestones announced in November, the ENABLE phase is delivering, with three milestones completed;

1. Launched the email/web security offers with first revenue realised
2. Launched the global email platform – Dec 2017
3. In market in North America and Asia – 3Q FY18

In addition we are making good progress against the remaining three milestones having signed 2 new software distributors/resellers (Ingram Micro Australia and Mind Flow (M) Sdn Bhd Malaysia), advancing through proof of concept with a third - Interactive and continued progress with our GSV partners in relation to increasing the reach of the FirstWave Cloud Security Platform to new markets and customers. FirstWave is planning a series of investor roadshows for March where investors will be further briefed on progress against our strategic objectives."

Drew Kelton, FirstWave's Chairman, said: "The first half of FY18 has been both a challenging and exciting six months. We have made significant operational changes to the executive team, led by David Kirton. The new team established a framework for a three year strategic plan which outlined the international expansion we presented to the market in October 2017. This resulted in the successful capital raising of \$4.35M by private placement to support the Enable phase of our plan. The team continues to deliver against the milestones set by the board, and have our full support for this international growth journey. As we move rapidly towards the Expand phase of this plan, the board will evaluate the required capital structure to allow the company to realise its ambitions."

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Follow FCT on its Twitter investor relations feed: https://twitter.com/Firstwave_FCT

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

