

FirstWave

**2022
ANNUAL
REPORT**

Financial Statements

For the Year Ended 30 June 2022

Firstwave Cloud Technology Limited

ABN 35 144 733 595

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Chairman's Letter

2022 was a year in which your Company asked for continuing patience from shareholders as it reset its product strategy and its path forward with the acquisition of Opmantek Ltd.

Key aspects of the year:

- In July, a change in leadership with CEO Neil Pollock standing down and my taking the role in the interim to appointing a replacement
- In July, informing shareholders in the FY21 Q4 Update that, while the strategic rationale for FirstWave's long term success remained intact, a review of operations had indicated there was a lack of organizational focus and 'friction' in the product to adoption at scale for both the service provider and end user and that, until this was removed toward the end of Q3 in a new version of the software, we would not engage in new partner sales
- In October, following a review of international contracts, two African based partners requested a pause in their contracts to review key terms related to their payments to FirstWave prior to receiving payments from their customers. The two contracts represented AU\$1.95m of the AU\$3.01m International Annualised Recurring Revenue (IARR) reported at FirstWave's Q4 FY21 update. After careful consideration of its options, the Company agreed to pause the contracts and accept the revised terms in principle, believing this to be in the best interests of shareholders and partners
- In November, the launch of CyberCision Phase I, the most transformational technology upgrade in FirstWave's history aimed primarily at service providers and providing higher levels of automation and integration
- In November, announcement of the intended acquisition of Opmantek Ltd via the issue of FirstWave shares and a \$14m capital raise as growth capital. The acquisition delivered new software – Network Management and Information System (NMIS) and Open-Audit – doubling the current portfolio, a new channel to market in the US and Latin America led by US based Chief Revenue Officer, Craig Nelson, the opportunity to merge the two businesses to deliver significant cost-out, a new CEO, Managing Director and major shareholder, Danny Maher, and an additional Non-Executive Director, Ray Kiley
- In March, extension of FirstWave's contract with Telstra for an additional two years with a further two-year option, expansion of its scope to include additional cybersecurity services provided through FirstWave's CyberCision platform, together with prioritising Telstra as a key account for FirstWave and improving the sales enablement process with key account management to open significant new revenue streams, and
- In June, launching CyberCision Phase II, including real-time cybersecurity visibility via a mobile app for end-users, and frictionless email protection delivering speed and scale of adoption for service providers.

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In Closing:

FY22 has been a transformative year for FirstWave with:

- Normalised cash burn reducing from \$1m per month to near \$0.5m per month
- Cash on hand increasing from \$9.96m to \$10.41m
- Annualised Recurring Revenue (ARR) of \$10.92m up from \$9.32m
- Saleable product IP expanding significantly to add software providing network audit, management and intelligence to cybersecurity
- New channels to market into the US and Latin America and a reduction in emphasis on the Middle East, Africa, Europe, Asia and India.

The FY23 year shows more promise for revenue growth at higher margins and lower costs than any in the past. The challenge for the management team under Danny Maher is to realise this promise.

The directors and management team will continue to apply the Company's resources in a way we believe is in shareholders' best interests and, once again, we give our sincere thanks to both long-term and new shareholders for their continued support for the Company.

My sincere thanks also go to our full team who continue to deliver to their best ability under pressure – FirstWave is a very hard-working Company – and to my fellow directors for their commitment, contribution and support.

Kind regards



John Grant
Chairman

CEO's Letter

I was thrilled to join the company in January as part of the acquisition of Opmantek Ltd. As part of this transaction I became one of the major shareholders in the company and brought across a group of shareholders who I have known and have enjoyed their support over a long period of time. I have seen this acquisition transform the company and I commend the chair and the board for initiating it. As a major shareholder myself, and with a commitment to returns for all shareholders, I can say that every month that has passed during my time as CEO I have seen the company move forward – reducing cash burn, growing the pipeline and enhancing key customer and partner relationships. I believe we have transformed the company and after integrating the two company's products and cultures we can focus on the significant opportunities to grow our revenues.

Resetting Strategic Direction:

Our goal is to increase shareholder returns.

In February we adopted 3 key strategic principles to guide the company towards this goal:

1. Be capital efficient (principally focused on reducing costs)
2. Adopt a sales-led culture
3. Grow Faster

Off the back of these 3 strategic objectives a full strategic plan was developed which was approved by the board in June and communicated to all staff in July.

The impacts of resetting this strategy are significant.

In terms of capital efficiency, we have seen our normalised cash burn move from around \$1m per

month to under \$0.6m a month and approaching the \$0.5m per month which was targeted post the acquisition of Opmantek. As revenue grows, we will see this cash burn reduce further. Significantly, our company's total operational costs are lower than they were in December 2021 even though we have acquired and absorbed another company which doubled our Gross Profit. I feel the company is fit, operating with higher efficiency, and still investing appropriately in growth.

In terms of adopting a sales-led culture, I am extremely pleased in how the organisation has embraced this shift. We are seeing the majority of the people in the company understand that they are part of increasing sales and making decisions that are focused on increasing sales. We have seen multi-level and multi-faceted relationships building with our key partners – it is critical that we all engage with our customers and partners to help deliver success. We have seen decisions on our product development reviewed with a view to whether they will increase sales (or reduce churn) in addition to whether they increase functionality.

In relation to growing faster, we have seen increases in our gross margins, some very helpful once off revenues, and our pipeline grow to a level that has never been seen before (either by FirstWave or Opmantek). With our strategy set and having a positive impact, our costs under control and our people focused on sales growth, we now need to see these deals transition from pipeline to customers. Noting that the deals in the pipeline were not there 6 months ago, I am very pleased also with our growth initiatives. We have managed to maintain our Annual Recurring Revenues with some growth while integrating Opmantek and resetting this strategy.

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Outlook:

The integration of Opmantek has gone very well and is complete.

We have good levels of cash to invest in our growth, stabilised and reducing cash burn, and an excellent and growing pipeline.

The company is in a very different and highly positive place compared to 12 months ago. Our focus and challenge now is the conversion of the pipeline we have built during a time in which we have reduced costs, reset our strategy and absorbed a company of similar size to ourselves. Conversion of the pipeline will deliver clients that provide ongoing growth – commercial relationships that grow over time and therefore also underpin future growth.

CyberCision will take another leap forward as we integrate some of the Opmantek IP into the platform – this is IP the company now owns wholly (does not have to develop) and as a result we are going to see some significant product enhancements quickly without significant R&D efforts and we will see increased product margins. The product team is working on the integration of this IP within our three guiding strategic principles, and I have been impressed with their work so far. We should see the first impact of this work in Q3 of the FY23 year.

We have diversified our revenues geographically and from a product perspective which de-risks the business and also allows us to put an increased strategic focus on the Telstra relationship. We have

the ability to grow within our existing client base and from new clients currently in the pipeline. While we are investing in our growth by leveraging the good levels of cash that we have, we are conscious that we also have to manage associated risks and on that front I am also very pleased that we have many levers to pull and many ways to navigate this next period of time depending on the levels of growth that we achieve – be it higher or lower than planned, we have sufficient capital and sufficient flexibility to continue to execute and reach cash flow break even.

FirstWave is in a very exciting and growing space being a provider of software for Cybersecurity and Network Management. We have exceptional clients such as Telstra, NASA, Microsoft and Nextlink who continue to extend and expand their agreements with us. We have an exceptional pipeline created off the back of exceptional products and we see revenues and margins growing and cash burn continuing to decrease.

I am a happy, optimistic MD and shareholder at this point in time, and I look forward to the next financial year.

Kind regards



Danny Maher
Managing Director and Chief Executive Officer

Directors' report

30 June 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'FirstWave') consisting of FirstWave Cloud Technology Limited (referred to hereafter as the 'company', or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following persons were directors of FirstWave Cloud Technology Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Grant – Non-Executive Chairman
(Executive Chairman until 27 January 2022)
Paul MacRae – Non-Executive Director
Euh (David) Hwang – Non-Executive Director
Danny Maher – Managing Director
(appointed on 27 January 2022)
Ray Kiley – Non-Executive Director
(appointed on 27 January 2022)

Principal activities

During the financial year, the principal continuing activities of the consolidated entity comprise of development and sale of internet security software and with the acquisition of Opmantek Ltd ('Opmantek') on 14 January 2022 have expanded to include the development and sale of network monitoring software.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

FirstWave Cloud Technology Limited, provides the following review of its operations for the Financial Year 2022 ('FY22').

FY22 saw some significant changes for the company starting in July with the departure of the CEO Neil Pollock that resulted in the Chairman John Grant taking on an interim CEO role while an executive search exercise was run looking for a suitable replacement.

In this interim role John undertook a review of the business that resulted in two significant events:

- An announcement in the FY21 Q4 investor update that 'friction' existed in the product and that new partner sales would not be actively pursued until this 'friction' was removed; and
- An ASX announcement on 19 October 2021 noting two material contracts that represented \$1.95 million of the \$3.01 million international annualised recurring revenue ('IARR') reported in the company's FY21 Q4 update needed to be paused while contract issues involving end-customer usage and payments were resolved.

On 27 October 2021 the company announced the launch of CyberCision Phase I which marked the start of an upgrade to the company's products to remove the 'friction' noted in John's review. There was a subsequent ASX announcement on 1 June 2022 for CyberCision Phase II that detailed the launch of a new mobile app and frictionless email protection. The most significant event in the year was the acquisition of Opmantek Ltd. An initial announcement was made on 29 November 2021 stating the intended acquisition of Opmantek Ltd via the issue of FirstWave shares and a \$14,000,000 capital raise (which comprised of a \$7,000,000 two-tranche placement, and a fully underwritten \$7,000,000 non-renounceable entitlement offer) surrounding the acquisition to provide future growth capital.

On 7 December 2021, the company issued 40,000,000 new shares from the first tranche of the two-tranche placement announced by the company on 29 November 2021 at an offer price of \$0.07 per new share raising a total of \$2,800,000 (before costs).

On 21 December 2021, the company issued 99,398,468 new shares from the fully underwritten entitlement offer announced by the company on 29 November 2021 to subscribe 3 new shares for every 23 existing shares of the company at an offer price of \$0.07 per new share raising a total of \$6,957,893 (before costs).

On 10 January 2022, Danny Maher was appointed as Chief Executive Officer of the company.

On 14 January 2022, the acquisition was completed with 100% acceptance from Opmantek shareholders and a new Key Management Personnel, Craig Nelson, was appointed as Chief Revenue Officer with immediate effect.

On 20 January 2022, the company issued 60,000,000 new shares from the second tranche of the two-tranche placement announced by the company on 29 November 2021 at an offer price of \$0.07 per new share raising a total of \$4,200,000 before issue costs.

On 27 January 2022, Danny Maher was appointed as Managing Director and Ray Kiley was appointed as non-executive director.

From 14 January 2022, the combined business focused on performance, integration and cost reduction. The combined business also announced a new Microsoft deal for network management, extended the Telstra relationship for further two years and announced a five-year Macquarie Cloud Services deal.

Financial review

Profit or loss performance

FirstWave's revenue for the year was \$9,351,497 (2021: \$7,975,182), which represents an increase of 17.3% over the prior comparative period ('PCP'). Revenue from the product lines from acquisition of Opmantek from 14 January 2022 to 30 June 2022 was \$1,999,207. The reduction in revenues from the Firstwave products was mainly due to the loss of revenue in the African region as discussed in the ASX announcement on 19 October 2021.

FirstWave's total comprehensive loss after income tax was \$13,455,494 (2021: loss \$10,812,108), representing a 24.4% worsening on the PCP. This result includes \$2,173,410 (2021: \$nil) one-off transaction costs in relation to the acquisition of Opmantek Ltd. The loss excluding the transaction costs was \$11,282,084 representing a 4.3% worsening on PCP. This result also includes the impact of the recognition of non-cash share-based payment expenses of \$860,004 (2021: \$3,078,902), resulting from share rights and options being granted to employees and directors. These are reported in divisional expense classifications, e.g., sales and marketing, product and development and hence align with where the recipient's employment costs have been recognised in the statement of profit or loss and other comprehensive income.

FirstWave continued its focus on disciplined cost management of 'cash-settled' expenses (those that the company pays for in cash and hence excludes share-based payments, depreciation and amortisation) which were \$4,601,704 higher than the previous year at \$16,488,444 (2021: \$11,886,740). The higher 'cash-settled' expenses were mainly due to \$2,173,410 (2021: nil) one-off transaction costs in relation to the acquisition of Opmantek Ltd and combined business costs from 14 January 2022 onwards.

With the experience that FirstWave has developed in estimating R&D returns and the fact that an

R&D rebate has been granted consistently over several years, FirstWave recognised R&D income on an accrual basis in FY22 (\$1,358,122) and FY21 (\$2,239,577). However, FY21 was the first year that the R&D income was recognised on an accrual basis. The Research and Development (R&D) tax incentive of \$2,061,928 relating to FY20 was recognised as income on its receipt in January 2021 (i.e., FY21). Therefore, the financial results for FY21 include R&D income from both the prior period of \$2,061,928 and FY21 accrued income estimated at \$1,275,017. Total R&D income recognised in FY21 was \$2,239,577, which is less than the total of \$3,336,945 referenced above due to the work undertaken to earn this R&D grant being capitalised, and the majority of the funds, therefore, being recognised in the statement of financial position. Refer to note 5 'Other income' for further information.

Statement of financial position

Cash and cash equivalents increased by \$446,723 which was largely because of a successful equity raise (which comprised of a placement to institutional and sophisticated investors, and a fully underwritten non-renounceable entitlement offer) in December 2021 and January 2022, of \$13,957,893 (before costs) by issuing 199,398,468 shares at \$0.07 per share. This equity raise was completed to support the acquisition of Opmantek after allowing for payments for \$2,717,781 in transaction costs, repayment of loans and warrants of \$2,282,136 and payment of brokerage fees of \$1,050,862. There were net cash outflows of \$3,084,626 relating to further investment into FirstWave's technology platform and a net cash outflow of \$8,003,571 to support operating activities. Net cash used in operating activities was lower than PCP by \$43,102 (0.5%). Cash receipts from customers were \$11,156,706 (2021: \$4,070,181).

FirstWave has significant intangible assets of \$61,830,141 in the statement of financial position, the majority of which relates to the goodwill on acquisition of Opmantek Ltd of \$49,493,774, the development of the FirstWave CyberCision platform, and the development of the Network Management Information System ('NMIS') and Open-Audit suite of software products. FirstWave continues to invest in the CyberCision platform and the NMIS and Open-Audit suite of software products through the capitalisation of applicable development projects.

Liquidity

The directors consider that the consolidated entity will continue as a going concern, as explained in note 1 to the financial statements.

Business risks

The following is a summary of material business risks that could adversely affect the consolidated entity's financial performance and growth potential in future years and how the consolidated entity propose to mitigate such risks.

Macroeconomic risks

As the products sold by the consolidated entity are discretionary for many customers, the consolidated entity's financial performance can be impacted by current and future economic conditions which it cannot control, such as increases in interest rates, inflation and its customers' operating costs. The consolidated entity stays abreast of these conditions, focuses on its internal debtor controls and is diversifying its customer base to help manage these risks.

Competitive market and changes to market trends

The consolidated entity operates in a highly competitive market. Innovation is constant and new, competitive products could result in pricing pressures and result in unfavourable product positioning within the market. This risk is managed through maintaining product development teams that are highly experienced and remain abreast of the latest technological advances and implications for our current and future products. The company also continues to invest in its brand which continues to be well regarded within Australia and USA.

Revenue concentration

FirstWave's globally unique CyberCision platform provides best-in-class cybersecurity technologies, enabling FirstWave's Partners, including some of the world's largest telcos and managed service providers (MSPs), to protect their customers from cyber-attack, while rapidly growing cybersecurity services revenues at scale. In previous financial periods there was a concentration risk due to a focus on a single significant customer. In January 2022, FirstWave acquired Opmantek Limited ('Opmantek'), a leading provider of enterprise-grade network management, automation and IT audit software, with 150,000 organisations using their software across 178 countries and enterprise clients including Microsoft, Telmex, Claro, NextLink and NASA. CyberCision together with Opmantek's flagship Network Management Information System ('NMIS') and Open-Audit product enables FirstWave to provide a comprehensive end-to-end solution for network discovery, management and cybersecurity for its Partners globally. The acquisition and subsequent integration of the two businesses has reduced the revenue concentration risk with the combined business now having an expanded product offering and a geographically distributed range of customers.

Cybersecurity and Information technology ('IT') infrastructure

The executive has directed substantial effort into ensuring that the risk and security controls safeguarding the combined entity continue to meet best practice. The controls guarantee that the combined entity can meet the high assurance requirements demanded by our partners and the requirements of our ISO 27001 certified Information Security Management System ('ISMS'). The entity

has extended its proactive monitoring of trends and vulnerabilities, utilising subscriptions to Threat Intelligence services, the Australian Cyber Security Centre as well as regular internal vulnerability assessments, external penetration testing, security awareness training, Phishing simulation tests and (desktop based) BCP/DR tests. The robust ISO certified ISMS, resilient systems, continuous review and testing and high level of staff security awareness all contribute to safeguard and protect the company's people and systems.

Significant changes in the state of affairs

The remaining 15,288,373 sub-underwriter options from the May 2020 capital raise were exercised in July and August 2021, adding a further \$764,419 to cash reserves.

On 7 December 2021, the company issued 40,000,000 new shares from the first tranche of the two-tranche placement announced by the company on 29 November 2021 at an offer price of \$0.07 per new share raising a total of \$2,800,000 (before costs).

On 21 December 2021, the company issued 99,398,468 new shares from the fully underwritten entitlement offer announced by the company on 29 November 2021 to subscribe 3 new shares for every 23 existing shares of the company at an offer price of \$0.07 per new share raising a total of \$6,957,893 (before costs).

On 10 January 2022, Danny Maher, the Opmantek Executive Chairman was appointed CEO of the company.

On 14 January 2022, the company completed the acquisition of Opmantek Ltd ('Opmantek') with the acceptance by Opmantek's shareholders of the offer to acquire 100% of the issued capital of Opmantek through the issuance of 691,265,824 new shares in the company. The acquisition was undertaken as a 100% scrip for scrip acquisition. A fast-growing provider of enterprise-grade network management, automation and IT audit software to Managed Service Providers ('MSP') and medium to large businesses worldwide, Opmantek was acquired to bring substantial operational, financial and strategic benefits to the consolidated entity including product expansion, new global channels, access to the US market and a strengthened leadership team.

On 17 January 2022, the 691,265,824 new shares of the company were issued. The issue of the shares has resulted in:

- Opmantek becoming a wholly owned subsidiary of the company; and
- Opmantek shareholders owning approximately 42% of the company's issued shares.

On 20 January 2022, the company issued 60,000,000 new shares from the second tranche of the two-tranche placement announced by the company on 29 November 2021 at an offer price of \$0.07 per new share raising a total of \$4,200,000 (before costs).

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The consolidated entity's priorities for FY23 are to:

Increase capital efficiency;

- Restructuring and cost reductions have been substantially completed and gains will be fully realised in FY23.
- Further efficiencies will be achieved through the rationalisation of the cloud platforms that are deployed to support CyberCision and streamlining partner programs to focus on those partners and customers that represent the greatest commercial opportunity.

Grow revenues faster;

- A greater percentage of the company's spend will be on sales and marketing.
- A new website will be launched which incorporates marketing automation tools to accelerate and automate lead generation.
- Geographically the company will focus primarily on USA, Latin America and Australia while continuing to engage with service providers from anywhere in the world where it makes commercial sense.
- The company's growth focus from a product perspective is spearheaded by CyberCision email protection and NMIS.
- The company will accelerate cross selling initiatives.
- The company will leverage the IP acquired with the Opmantek acquisition to enhance the CyberCision platform and to increase Gross Margins.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on current directors

Information on the directors of the company as at 30 June 2022 and up to the date of this annual report is set out below:

Name:	John Grant
Title:	Non-Executive Director and Chairman (Executive Chairman until 27 January 2022)
Qualifications:	John has a degree in Engineering with Honours
Experience and expertise:	John has an extensive career spanning technology, engineering and construction, and sports administration. He has held leadership positions including Managing Director and CEO of ASX listed technology company, Data#3 Limited, and inaugural Chair of the Australian Rugby League Commission. He has also chaired or been a member of various industry and government advisory groups and industry associations.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration and Nomination Committee and member of the Audit, Risk and Compliance Committee
Interests in shares:	3,995,400 ordinary shares directly held
Interests in options:	4,200,000 options over ordinary shares
Interests in rights:	7,769,983 service rights

Name:	Paul MacRae
Title:	Non-Executive Director
Qualifications:	Paul is a Graduate of the Australian Institute of Company Directors and holds Business qualifications and a Bachelor of Science in Chemistry from The University of Glasgow. He is an active advisory board member and mentor across several sectors.
Experience and expertise:	Paul has a successful history of setting up and running businesses in the IT industry in Australia and overseas. Paul's background includes having run divisions of TechnologyOne Limited. Paul has a strong background in IT security, application software, software development, outsourcing, cloud computing and transactional systems. His roles have included establishing MessageLabs in Australia & NZ (which was acquired by Symantec to establish its cloud business). He set up the Global reservation system Galileo in New Zealand. He was involved in selling his successful SAP Consultancy and has been instrumental in growing business at several leading software companies.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Remuneration and Nomination Committee
Interests in shares:	3,682,084 ordinary shares directly held
Interests in options:	None
Interests in rights:	2,525,690 restricted rights

Name:	Euh (David) Hwang
Title:	Non-Executive Director (appointed on 7 June 2021)
Qualifications:	Bachelor of Laws from UNSW
Experience and expertise:	David is an experienced executive and corporate lawyer (with particular expertise in ECM and ASX Listing Rules) and a trusted adviser to ASX Boards and management of businesses across a range of industries. Most recently, David was the Managing Principal (Legal and Company Secretarial) at Automic Group, which, under his leadership, developed into Australia's largest and premier service provider in the outsourced company secretarial space for pre-IPO and ASX listed entities. He is also a Notary Public.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit, Risk and Compliance Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

Name:	Danny Maher
Title:	Managing Director (appointed on 27 January 2022)
Qualifications:	Bachelor of Computing Studies, University of Canberra 1992 – awarded the University Prize.
Experience and expertise:	Danny has over 25 years' experience in the IT Industry across the USA, Asia, UK and Australian markets. He was the only executive shareholder of the NetStar Group which he led and built into a global Managed Services business servicing clients in 42 countries eventuating in its sale to Logicalis in 2009. Danny also founded Opmantek, a developer of cloud-enabled automated enterprise network management and IT audit software, on 29 October 2010. Opmantek was acquired by FirstWave Cloud Technology Limited on 14 January 2022. At the time of acquisition Opmantek operated offices in Australia, the US and Mexico, with the software being used around the world by service providers and enterprise customers that include Microsoft, Telmex, NASA and NextLink. Danny is a graduate of the University of Canberra where he studied a double major in Computing and a minor in Marketing and won the prestigious University Prize.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit, Risk and Compliance Committee and member of the Remuneration and Nomination Committee
Interests in shares:	50,922,171 ordinary shares directly held 201,233 570 ordinary shares indirectly held
Interests in options:	None
Interests in rights:	None

Name:	Ray Kiley
Title:	Non-Executive Director (appointed on 27 January 2022)
Qualifications:	Bachelor of Laws (Hons) and Bachelor of Science from ANU
Experience and expertise:	Ray is an experienced advisor to technology start-ups and scale-ups. Previously he was CEO of Intelledox – an Australian enterprise software scale up that was successfully sold to SmartCommunications, an AKKR company. Mr Kiley began his career as a lawyer with Baker & McKenzie and later with Telstra where he was a Divisional General Counsel. He has since held senior management roles with Telstra, Medibank and CoreLogic before joining Intelledox. Mr Kiley has a Bachelor of Laws (Hons) and a Bachelor of Science majoring in Computer Science from the Australian National University.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit, Risk and Compliance Committee
Interests in shares:	1,044,762 ordinary shares directly held
Interests in options:	None
Interests in rights:	438,730 service rights. It should be noted that Ray's service rights will be subject to approval at the next shareholder's meeting.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Iain Bartram studied at Cambridge University, United Kingdom and has a Master's degree in Computer and Management Science and a post graduate diploma in Design and Manufacturing. Iain went on to train as an accountant with PwC in London and holds an ACA and is a member of the Institute of Chartered Accountants Australia. He was appointed as company secretary on 9 November 2020. Iain has over 20 years' experience as a strategic CFO with international experience in high growth, listed and unlisted technology businesses. Iain's previous experience includes CFO of Jaxsta Limited (ASX:JXT).

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board		Remuneration and Nomination Committee		Audit, Risk and Compliance Committee	
	Attended	Held	Attended	Held	Attended	Held
John Grant	17	17	4	4	5	5
Paul MacRae*	17	17	4	4	4	4
Euh (David) Hwang**	17	17	3	3	5	5
Ray Kiley (appointed on 27 January 2022)***	4	5	-	-	1	1
Danny Maher (appointed on 27 January 2022)****	5	5	1	1	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

* Paul MacRae resigned as an Audit, Risk and Compliance Committee (ARCC) member and was appointed as a member and Chair of the Remuneration and Nomination Committee on 22 February 2022.

** Euh (David) Hwang resigned as a Remuneration and Nomination Committee member on 22 February 2022.

*** Ray Kiley was appointed as an ARCC member and Chair on 22 February 2022.

**** Danny Maher was appointed as an ARCC and Remuneration and Nomination Committee member on 22 February 2022.

Remuneration report (audited)

The remuneration report details the key management personnel ('KMP') remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

A major contributor to the performance of the consolidated entity is the quality of its directors and executives, and the Board is responsible for determining and reviewing their remuneration arrangements.

The consolidated entity's remuneration framework aims to attract, motivate, reward and retain high performing and high-quality personnel, and consists of a level of fixed remuneration that is market competitive and appropriate in recognition of the role and the candidate's experience, and a level of variable remuneration that aligns with sustained increase in shareholder value and rewards performance for results delivered.

The Board of Directors is also cognisant of remuneration being within reasonable shareholder expectations and to best practice levels of transparency.

Non-executive directors' remuneration

Fees and payments to non-executive directors ('NEDs') reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' remuneration and payments are appropriate and in line with the market.

The maximum amount of fees that can be paid to NEDs is capped by a pool approved by shareholders. At a General Meeting, held on 15 April 2016, shareholders approved the current fee pool of \$400,000 per annum which is recorded on an accrual basis. The fee pool and the base directors' fees did not change in FY2022. Grants of options approved by shareholders do not count towards this limit.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives (STI);
- long term incentives (LTI) in the form of options and share rights; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentive program is designed to align the targets of the business units with the targets of those executives responsible for meeting those business unit targets. STI payments are granted to executives based on specific annual targets and key performance indicators (KPI's) being achieved. KPI's relate to qualitative and quantitative leadership performance and are subject to Board discretion.

The long-term incentives are in the form of options and share rights. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2022.

The chairman's remuneration is determined independently to the remuneration of the non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Consolidated entity performance and link to remuneration

STIs were linked directly to performance with any payment requiring measurable achievement against the consolidated entity and individual targets. Any STIs and LTIs granted are at the discretion of the Board.

Voting and comments made at the company's 2020 Annual General Meeting ('AGM')

At the 9 December 2021 AGM, 99.24% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

The KMP of the consolidated entity consisted of the directors of FirstWave Cloud Technology Limited and the following persons:

- Simon Ryan – Chief Technology Officer
- Iain Bartram – Chief Financial Officer
- Craig Nelson – Chief Revenue Officer (joined 14 January 2022)
- Neil Pollock – Chief Executive Officer (resigned on 8 July 2021)

In the second half of FY22 and as the incoming CEO, Danny Maher was tasked with combining the Opmantek and FirstWave businesses as quickly and efficiently as possible and positioning the business for future growth. This involved setting a fresh strategic direction for the combined business and reducing the cash burn through cost reductions while simultaneously maintaining, and where possible growing, the overall company revenues. Danny's Key Performance Indicators (KPIs) therefore covered targets for the integration, cash reserves and revenues. Danny's contract for the six months was split between a fixed \$180,000 base plus superannuation, and a variable \$180,000 Short Term Incentive (STI). Assessment of performance against those targets by the Board resulted in Danny being awarded the full \$180,000 bonus which will be paid in cash in Q1 FY23.

Craig Nelson joined the FirstWave senior management team as Chief Revenue Officer and as part of his new contract he requested to sacrifice his first 6 months of salary i.e. 2H FY22, as well as other components of his remuneration, for Share Service Rights. This resulted in the issue of 4,292,506 service rights as covered in the ASX announcement on 8 April 2022. For FY22 Craig was also paid USD \$11,765 for health care and USD \$18,297 for commission against sales in FY22 H2.

In FY22 Iain Bartram agreed that his STI and LTI be combined and structured as SARs for the next 3 years to conserve the company's cash and to align him with shareholders focused on maximizing longer term returns. The SARs plan was outlined in the ASX announcement on 11 Nov 2021 with 3 tranches of SARs being 2,796,610, 3,113,208 and 3,367,347 at exercise prices of \$0.18, \$0.27 and \$0.36 respectively and to vest based on continued service over FY22, FY23 and FY24.

During the year an opportunity presented itself in the acquisition of Opmantek in which Iain Bartram played a significant role resulting in the award of a \$45,000 cash bonus for his part in the negotiation and completion of this transformational deal and the integration.

In FY23 the Board believes the business must capitalise on the opportunity to leverage the gains made through the acquisition of Opmantek to drive significant growth in revenue and positive cashflows. To do so it is critical to retain and appropriately incentivize the key people in the business.

FirstWave CEO Danny Maher has agreed that for the FY23 and FY24 years, his contract will be split between a fixed \$360,000 base plus superannuation, an STI against achievement of annualised revenue and EBITDA targets in each of the two financial years of \$180,000 in cash, and a Long-Term Incentive (LTI) equivalent to \$180,000 awarded in Share Appreciation Rights (SARs) to align his remuneration with the rest of the management team.

FirstWave CRO Craig Nelson has agreed that for the FY23 and FY24 years, his contract will be split between a fixed US\$275,000 base plus contribution to healthcare of US\$25,000, an STI against achievement of growth in annualised revenue targets in each of the two financial years of US\$206,250 in cash, and a Long-Term Incentive (LTI) equivalent to US\$68,750 awarded in SARs to align his remuneration with the rest of the management team.

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Details of the remuneration of KMP of the consolidated entity are set out in the following tables:

	Short-term benefits		Termination benefits	Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus		Super-annuation	Long service leave	Equity-settled options/rights	
2022	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
John Grant	204,845-	-	-	19,853	-	106,355	331,053
Paul MacRae	29,000	-	-	5,800	-	51,405	86,205
Euh (David) Hwang	48,000	-	-	-	-	-	48,000
Ray Kiley*	-	-	-	2,900	-	25,885	28,785
<i>Executive Director:</i>							
Danny Maher**	172,857	180,000	-	9,498	2,868	-	365,223
<i>Other Key Management Personnel:</i>							
Simon Ryan	355,000	-	-	23,568	10,590	35,005	424,163
Iain Bartram	330,000	45,000	-	23,568	1,827	157,693	558,088
Craig Nelson***	16,354	25,434	-	-	-	326,230	368,018
Neil Pollock****	-	-	149,357	20,603	-	332	170,292
	1,156,056	250,434	149,357	105,790	15,285	702,905	2,379,827

* Represents remuneration from the date of appointment to 30 June 2022. It should be noted that Ray's service rights will be subject to approval at the next shareholder's meeting.

** Represents remuneration from the date of appointment to 30 June 2022.

*** Represents remuneration from the date of appointment to 30 June 2022. Craig's H2 FY22 base salary and his H2 FY22 STI were salary sacrificed and converted into share settled equity-based payments.

**** Represents remuneration from 1 July 2021 the date of resignation of 7 July 2021, which was his effective last date of employment.

	Short-term benefits		Termination benefits	Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus		Super-annuation	Long service leave	Equity-settled options/rights	
2021	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:							
Paul MacRae	-	-	-	5,510	-	135,333	140,843
Euh (David) Hwang*	-	-	-	-	-	-	-
Scott Lidgett**	-	-	-	3,673	-	135,333	139,006
David Acton**	55,382	-	-	5,261	-	-	60,643
Executive Director:							
John Grant (Executive Chairman)	248,306	-	-	21,694	-	394,582	664,582
Other Key Management Personnel:							
Simon Ryan	283,556	-	-	21,694	15,169	339,126	659,545
Iain Bartram***	262,692	-	-	19,851	292	306,958	589,793
Neil Pollock	356,061	41,141	-	-	-	218,564	615,766
	1,205,997	41,141	-	77,683	15,461	1,529,896	2,870,178

* Euh (David) Hwang did not receive any remuneration from his date of appointment as KMP on 7 June 2021 until 30 June 2021.

** Represents remuneration up to the date of resignation as KMP for Scott Lidgett on 4 February 2021 and David Acton on 7 June 2021.

*** Represents remuneration from the date of appointment as KMP for Iain Bartram on 17 August 2020.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		STI		LTI	
	2022	2021	2022	2021	2022	2021
Non-Executive Directors:						
John Grant	68%	41%	-	-	32%	59%
Paul MacRae	40%	4%	-	-	60%	96%
Euh (David) Hwang	100%	-	-	-	-	-
Ray Kiley	10%	-	-	-	90%	-
Scott Lidgett	-	3%	-	-	-	97%
David Acton	-	100%	-	-	-	-
Executive Director						
Danny Maher	51%	-	49%	-	-	-
Other Key Management Personnel:						
Simon Ryan	92%	49%	-	-	8%	51%
Iain Bartram	64%	48%	8%	-	28%	52%
Craig Nelson	4%	-	7%	-	89%	-
Neil Pollock	100%	58%	-	7%	-	35%

Service agreements

The consolidated entity enters into employment agreements with each KMP. The employment agreements with the KMP are continuous (i.e., not of fixed duration) and includes a minimum of 4 weeks' notice on the part of the employee and the consolidated entity. The employment agreements contain substantially the same terms which include the usual statutory entitlements, typical confidentiality and intellectual property provisions intended to protect the consolidated entity's intellectual property rights and other proprietary information and non-compete clauses. KMP have no entitlement to termination payments in the event of removal for misconduct.

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CHAIRMAN'S LETTER | CEO'S LETTER | DIRECTORS' REPORT | FINANCIAL REPORT | SHAREHOLDER INFORMATION | CORPORATE DIRECTORY

Share-based compensation

Issue of shares

There were no shares issued to directors and other KMP as part of compensation during the year ended 30 June 2022.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other KMP in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per share right at grant date
John Grant	1,400,000	20/11/2019	01/07/2021	30/06/2024	\$0.425	\$0.087
John Grant	1,400,000	20/11/2019	01/07/2022	30/06/2025	\$0.547	\$0.093
Neil Pollock	1,333,334	09/11/2018	01/07/2021	30/06/2026	\$0.520	\$0.092

Options granted carry no dividend or voting rights. Vesting of the options are subject to service conditions (continuous employment) and there are no performance conditions.

The number of options over ordinary shares granted to and vested in directors and other KMP as part of compensation is set out below:

Name	Number of options granted during the year 2022	Number of options granted during the year 2021	Number of options vested during the year 2022	Number of options vested during the year 2021
John Grant	-	-	1,400,000	1,400,000
Neil Pollock	-	-	1,333,334	1,333,334

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of options for the year
	\$	\$	\$	%
Paul MacRae	-	-	133,200	-
Simon Ryan	-	-	69,750	-
Neil Pollock	-	-	-	0.2%

Share rights

The terms and conditions of each grant of share rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per right at grant date
Simon Ryan	952,270	01/06/2020	30/06/2022	30/06/2035	\$0.000	\$0.105
Simon Ryan	367,340	03/09/2021	02/10/2021	02/09/2024	\$0.000	\$0.067
Simon Ryan	155,121	03/09/2021	02/12/2021	02/09/2024	\$0.000	\$0.067
Iain Bartram	2,796,610	11/11/2021	30/06/2024	30/06/2027	\$0.180	\$0.057
Iain Bartram	3,113,208	11/11/2021	30/06/2024	30/06/2027	\$0.270	\$0.051
Iain Bartram	3,367,347	11/11/2021	30/06/2024	30/06/2027	\$0.360	\$0.046
John Grant	1,003,345	04/03/2022	31/12/2021	30/06/2035	\$0.000	\$0.106
Paul MacRae*	484,950	04/03/2022	31/12/2021	30/06/2035	\$0.000	\$0.106
Ray Kiley**	438,730	07/03/2022	30/06/2022	30/06/2027	\$0.000	\$0.059
Craig Nelson	4,292,506	08/04/2022	30/06/2022	30/06/2027	\$0.000	\$0.076

* Restricted rights to NEDs vest on grant date and are not forfeited on resignation. The exercise of the rights is restricted to the earlier of 30 June 2023 or date of resignation as per the restricted rights invitation letter to Paul MacRae.

** Ray's service rights will be subject to approval at the next shareholder's meeting.

*** all service rights issued in FY22 only had a time served criteria and did not have any performance based criteria.

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Share rights granted carry no dividend or voting rights.

Iain Bartram was granted 2,796,610, 3,113,208 and 3,367,347 Share Appreciation Rights ('SARs') with an exercise price of \$0.18, \$0.27 and \$0.36 respectively per right under the company's share rights plan. These rights were issued 11 November 2021 and vest in 3 years time being 30 June 2024 and expire 30 June 2027.

Craig Nelson sacrificed \$329,477 value of remuneration and was granted 4,292,506 Service Rights.

It is also noted that Ray Kiley sacrificed his director's fees for H2 FY22 totalling \$29,000 and was granted and subject to shareholder approval will be issued with 438,730 service rights.

The number of share rights over ordinary shares granted to and vested in directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Number of rights granted during the year 2022	Number of rights granted during the year 2021	Number of rights vested during the year 2022	Number of rights vested during the year 2021
John Grant	1,003,345	-	1,003,345	3,349,996
Paul MacRae	484,950	-	484,950	-
Ray Kiley*	438,730	-	438,730	-
Simon Ryan	522,461	-	1,475,231	2,373,141
Iain Bartram	9,277,165	3,083,804	-	508,065
Craig Nelson	4,292,506	-	4,292,506	-
Neil Pollock	-	-	-	1,903,296

* Ray's service rights will be subject to approval at the next shareholder's meeting

Values of share rights over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Value of rights granted during the year	Value of rights vested during the year	Value of rights lapsed during the year	Remuneration consisting of rights for the year
	\$	\$	\$	%
John Grant	106,355	106,355	-	32.0%
Paul MacRae	51,405	51,405	-	60.0%
Ray Kiley*	25,885	25,885	-	90.0%
Simon Ryan	35,005	135,046	-	8.0%
Iain Bartram	473,078	-	-	28.0%
Craig Nelson	326,230	326,230	-	89.0%

* Ray's service rights will be subject to approval at the next shareholder's meeting.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Purchased during the year	Other	Balance at the end of the year
<i>Ordinary shares</i>					
John Grant	3,995,400	-	-	-	3,995,400
Paul MacRae	3,682,084	-	-	-	3,682,084
Ray Kiley*	-	-	294,762	750,000	1,044,762
Danny Maher*	-	-	-	252,155,741	252,155,741
Simon Ryan	4,024,800	367,340	-	-	4,392,140
Iain Bartram	-	508,065	-	-	508,065
Craig Nelson*	-	-	-	19,523,897	19,523,897
Neil Pollock**	1,804,236	-	-	(1,804,236)	-
	13,506,520	875,405	294,762	270,625,402	285,302,089

* Other ordinary shares for Danny, Ray, Craig relate to the equity holding at the time of the Opmantek Ltd acquisition.

** Neil Pollock's date of resignation was 7 July 2021 which was his effective last date of employment.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Lapsed	Other*	Balance at the end of the year
<i>Options over ordinary shares</i>					
John Grant	4,200,000	-	-	-	4,200,000
Paul MacRae	1,200,000	-	(1,200,000)	-	-
Simon Ryan	750,000	-	(750,000)	-	-
Neil Pollock	4,000,000	-	-	(4,000,000)	-
	10,150,000	-	(1,950,000)	(4,000,000)	4,200,000

* Others represents Neil Pollock's options held on resignation date 7 July 2021 which was his effective last date of employment.

Share rights holding

The number of share rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Expired/ forfeited/other	Balance at the end of the year
<i>Share rights over ordinary shares</i>				
John Grant	6,766,638	1,003,345	-	7,769,983
Paul MacRae	2,040,740	484,950	-	2,525,690
Ray Kiley*	-	438,730	-	438,730
Simon Ryan	4,278,681	522,461	(367,340)	4,433,802
Iain Bartram	3,083,804	9,277,165	(508,065)	11,852,904
Craig Nelson	-	4,292,506	-	4,292,506
Neil Pollock**	439,222	-	(439,222)	-
	16,609,085	16,019,157	(1,314,627)	31,313,615

* Ray's service rights will be subject to approval at the next shareholder's meeting.

** Represents Neil Pollock's share rights held on resignation date 7 July 2021 which was his effective last date of employment.

	Vested and exercisable	Vested and unexercisable	Other**	Balance at the end of the year
<i>Share rights holding over ordinary shares (vested at 30 June 2022)</i>				
John Grant	7,769,983	-	-	7,769,983
Paul MacRae	-	2,525,690	-	2,525,690
Ray Kiley*	438,730	-	-	438,730
Simon Ryan	4,433,802	-	-	4,433,802
Craig Nelson	4,292,506	-	-	4,292,506
Neil Pollock**	439,222	-	(439,222)	-
Total vested share rights over ordinary shares	17,374,243	2,525,690	(439,222)	19,460,711

* Ray's service rights will be subject to approval at the next shareholder's meeting.

** Represents Neil Pollock's share rights held on resignation date 7 July 2021 which was his effective last date of employment.

Loans to key management personnel and their related parties

There was no loans to key management personnel and their related parties as at 30 June 2022.

This concludes the remuneration report, which has been audited.

Shares under option

There were 22,766,000 unissued ordinary shares of FirstWave Cloud Technology Limited under option outstanding at the date of this report. The options are exercisable at a weighted average exercise price of \$0.42 per option.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares under share rights

There were 36,786,717 unissued ordinary shares of FirstWave Cloud Technology Limited under share rights outstanding at the date of this report. This includes 2,575,739 PSARs that have an exercise price of \$0.119. The remaining 34,210,978 share rights have no exercise price.

Shares issued on the exercise of options

15,288,373 ordinary shares of FirstWave Cloud Technology Limited were issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report. The options were exercised at an exercise price of \$0.05 per share.

Shares issued on the exercise of share rights

9,010,917 ordinary shares of FirstWave Cloud Technology Limited were issued on the exercise of share rights during the year ended 30 June 2022 and up to the date of this report. Share rights were exercised at an exercise price of \$nil.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Grant Thornton

There are no officers of the company who are former partners of Grant Thornton.

Auditor’s independence declaration

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors’ report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



John Grant
Chairman



Ray Kiley
Director

30 August 2022
Sydney

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Auditor's independence declaration



Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
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Queen Victoria Building NSW
1230
T +61 2 8297 2400

Auditor's Independence Declaration

To the Directors of Firstwave Cloud Technology Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Firstwave Cloud Technology Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

R J Isbell

R J Isbell
Partner – Audit & Assurance

Sydney, 30 August 2022

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FINANCIAL REPORT

General information

The financial statements cover Firstwave Cloud Technology Limited (referred to as the 'company' or 'parent') as a consolidated entity consisting of Firstwave Cloud Technology Limited and the entities it controlled at the end of, or during, the year (referred to as the 'consolidated entity'). The financial statements are presented in Australian dollars, which is Firstwave Cloud Technology Limited's functional and presentation currency.

FirstWave Cloud Technology Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 14, 132 Arthur Street
North Sydney, NSW 2060
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2022. The directors have the power to amend and reissue the financial statements.

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Statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Note	Consolidated	
		2022 \$	2021 \$
Revenue			
Revenue from contracts with customers	4	9,351,497	7,975,182
Cost of sales	6	(3,164,155)	(3,672,032)
Gross profit		6,187,342	4,303,150
Other income	5	1,391,018	2,427,485
Interest income calculated using the effective interest method		13,495	91,660
Expenses			
Sales and marketing		(5,074,454)	(5,169,266)
Product and development		(4,724,761)	(3,246,854)
Operations and support		(1,856,924)	(2,884,306)
Corporate and administration		(7,157,028)	(6,280,826)
Transaction costs		(2,173,410)	-
Finance costs	6	(60,772)	(53,151)
Total expenses		(21,047,349)	(17,634,403)
Loss before income tax expense		(13,455,494)	(10,812,108)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of FirstWave Cloud Technology Limited		(13,455,494)	(10,812,108)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		99,954	4,180
Other comprehensive income for the year, net of tax		99,954	4,180
Total comprehensive income for the year attributable to the owners of FirstWave Cloud Technology Limited		(13,355,540)	(10,807,928)
		Cents	Cents
Basic earnings per share	35	(1.14)	(1.61)
Diluted earnings per share	35	(1.14)	(1.61)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

FIRST WAVE CLOUD TECHNOLOGY 2022 ANNUAL REPORT
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Statement of financial position

As at 30 June 2022

Assets	Note	Consolidated	
		2022 \$	2021 \$
Current assets			
Cash and cash equivalents	8	10,408,589	9,961,866
Term deposits		133,776	133,776
Trade and other receivables	9	3,083,004	2,843,953
Contract assets		168,417	552,697
Other assets	10	639,081	1,139,701
Total current assets		14,432,867	14,631,993
Non-current assets			
Property, plant and equipment	11	167,484	126,206
Right-of-use assets	12	308,730	622,149
Intangibles	13	61,830,141	9,503,305
Total non-current assets		62,306,355	10,251,660
Total assets		76,739,222	24,883,653
Liabilities			
Current liabilities			
Trade and other payables	14	3,917,913	4,258,988
Contract liabilities	15	3,060,533	901,819
Employee benefits	16	1,410,549	1,266,539
Lease liabilities	18	107,145	176,758
Deferred research and development income	19	945,979	832,128
Total current liabilities		9,442,119	7,436,232
Non-current liabilities			
Contract liabilities	15	153,782	121,231
Employee benefits	16	108,860	155,445
Provisions	17	26,406	105,000
Lease liabilities	18	260,426	456,230
Deferred research and development income	19	1,590,156	1,739,171
Total non-current liabilities		2,139,630	2,577,077
Total liabilities		11,581,749	10,013,309
Net assets		65,157,473	14,870,344
Equity			
Issued capital	21	128,426,284	63,760,506
Reserves	22	5,736,129	7,611,200
Accumulated losses		(69,004,940)	(56,501,362)
Total equity		65,157,473	14,870,344

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2022

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	54,667,525	6,386,579	(45,699,152)	15,354,952
Loss after income tax expense for the year	-	-	(10,812,108)	(10,812,108)
Other comprehensive income for the year, net of tax	-	4,180	-	4,180
Total comprehensive income for the year	-	4,180	(10,812,108)	(10,807,928)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 21)	6,505,518	-	-	6,505,518
Share-based payments (note 36)	-	3,078,902	-	3,078,902
Transfer to retained earnings	-	(9,898)	9,898	-
Share issue on exercise of options	2,587,463	(1,848,563)	-	738,900
Balance at 30 June 2021	63,760,506	7,611,200	(56,501,362)	14,870,344
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	63,760,506	7,611,200	(56,501,362)	14,870,344
Loss after income tax expense for the year	-	-	(13,455,494)	(13,455,494)
Other comprehensive income for the year, net of tax	-	99,954	-	99,954
Total comprehensive income for the year	-	99,954	(13,455,494)	(13,355,540)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 21)	62,036,737	-	-	62,036,737
Share-based payment expense (note 36)	-	860,004	-	860,004
Share issue on exercise of options and service rights (note 21)	2,629,041	(1,873,113)	-	755,928
Transfer to retained earnings	-	(961,916)	951,916	(10,000)
Balance at 30 June 2022	128,426,284	5,736,129	(69,004,940)	65,157,473

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of cash flows

For the year ended 30 June 2022

	Note	Consolidated	
		2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		11,156,706	4,070,181
Payments to suppliers and employees (inclusive of GST)		(17,912,327)	(14,432,542)
Transaction cost payments (inclusive of GST)		(2,717,781)	-
Interest received		17,700	66,182
Other income		1,661,314	2,287,248
Interest and other finance costs paid		(183)	(37,742)
Income taxes paid		(209,000)	-
Net cash used in operating activities	34	(8,003,571)	(8,046,673)
Cash flows from investing activities			
Payments for property, plant and equipment		(121,000)	(100,058)
Payments for intangibles		(3,084,626)	(3,727,130)
Opening cash balance of the acquired entity	33	958,938	-
Net cash used in investing activities		(2,246,688)	(3,827,188)
Cash flows from financing activities			
Proceeds from issue of shares		13,957,893	6,441,238
Proceeds from exercise of options		761,163	738,900
Share issue transaction costs		(1,051,445)	(348,029)
Repayment of receivables from key management personnel		-	221,500
Settlement of Opmantek Ltd borrowings	33	(2,282,136)	-
Borrowings to Opmantek Ltd	33	(500,000)	-
Repayment of lease liabilities	34	(188,493)	(499,220)
Net cash from financing activities		10,696,982	6,554,389
Net increase/(decrease) in cash and cash equivalents		446,723	(5,319,472)
Cash and cash equivalents at the beginning of the financial year		9,961,866	15,281,338
Cash and cash equivalents at the end of the financial year	8	10,408,589	9,961,866
Net cash used in operating activities		(8,003,571)	(8,046,673)
Transaction cost payments (inclusive of GST)		2,717,781	-
Net cash used in operating activities before transaction costs (inclusive of GST)		(5,285,790)	(8,046,673)

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements

30 June 2021

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

During the year ended 30 June 2022, the consolidated entity incurred a net loss after tax of \$13,455,494 (2021: loss of \$10,812,108 and net cash outflows used in operating activities of \$8,003,571 (2021 : operating cash outflow of \$8,046,673)). The directors have prepared the financial statements on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The directors determined that the use of the going concern basis of accounting is appropriate in preparing the financial statements. The assessment of going concern is based on cash flow projections. The preparation of these projections incorporates a number of key assumptions and judgements particularly related to the level of anticipated revenue growth the business can achieve and the level of investment to support this.

Given the significant pipeline of recurring revenue opportunities the consolidated entity has developed since the acquisition of Opmantek Ltd, the level of current cash reserves, and the reduced level of cash burn, the board considers it in shareholders' best interests to continue to invest in converting the pipeline to increase recurring revenues. This is clearly not without risk. However, the consolidated entity's management has advised the directors that if it becomes clear that the above assumptions are not being realised, the consolidated entity has the ability to significantly reduce its operating costs and adjust its investments and has sufficient time to make these adjustments to realise a cash flow neutral business within the existing funding reserves.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 32.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of FirstWave Cloud Technology Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. FirstWave Cloud Technology Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is FirstWave Cloud Technology Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Disaggregation of revenue

Recurring revenue relates to the provisioning of licensing, support, and professional services revenue provided over the contracted service period and where revenue is recognised over a period of time. Non-recurring revenue relates to professional services revenue that is ad hoc in nature and where revenue is recognised at a point in time.

Licensing and support revenue (recurring revenue)

Recognition of licensing and support revenue commences upon provisioning of the contracted service. Provisioning entails the setting up of the customer on the entity's infrastructure and the rendering of prescribed professional services to the customer to enable the provision of the contracted service. As licensing is subscription based, license revenue and the related support service revenue is recognised over the term of the contract, commencing on the date of service activation.

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants

Government grants are recognised at fair value where there is a reasonable certainty that the grant will be received upon meeting all grant terms and conditions. Grants that are meant to fund expenditure on research and development are recognised over the periods when these costs are written off to profit or loss. Grants related to assets are carried forward as deferred income at fair value and are credited to other income over the expected useful life of the asset on a straight line basis.

Prepayments

Prepayments are largely made up of back to back cost of licenses procured from upstream security vendors/channel partners. These prepayments are charged to profit and loss over a term that is between 12 and 48 months, co-terming with related license revenue recognised per revenue recognition policy stated above.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

FirstWave Cloud Technology Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Other financial assets

Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	3 years
Computer equipment	3-5 years
Computer platform	2-3 years
Website	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Capitalised development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure relating to an internally-generated intangible asset arising from development is capitalised when: it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the internal development; and its costs can be measured reliably.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses on the same basis as intangible assets that are acquired separately.

Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives of 5 years.

Brand name

Brand name acquired in a business combination is not amortised but tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Brand names are considered to be indefinite life assets because there is no foreseeable limit to the cash flows generated by them.

Customer list

Customer list acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Patents

Significant costs associated with patents are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives of 5 years.

Information systems

Significant costs associated with information systems are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The fair value less costs of disposal has been determined with reference to the market capitalisation of the Company discounted for estimated costs of disposal.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is determined using either the Binomial, Black-Scholes or Monte Carlo option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of FirstWave Cloud Technology Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The adoption of these Accounting Standards and Interpretations is not expected to have any significant impact on the consolidated entity's financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 36 for information regarding key assumptions.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 9, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Capitalised development costs

Distinguishing the research and development phases of a new customised product and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than the previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

Management has assessed that goodwill cannot be allocated on a non-arbitrary basis to individual cash generating units ('CGUs'), and has been allocated to a group of CGUs. The group of CGUs represents the lowest level at which management captures information, for internal management reporting purposes, about the benefits of the goodwill. The combined CGUs are not larger than an operating segment. Impairment testing is therefore performed at the consolidated group level using fair value less costs of disposal ('FVLCD') with reference to the market capitalisation of the Company less estimated disposal costs.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises

liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis, the amounts disclosed in note 33 are final. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity's operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer (being the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Following the acquisition of Opmantek Ltd during the financial year, refer to note 33, the consolidated entity only has one reportable segment being the development and sale of internet security software. For information on the reportable segment refer to the statement of profit or loss and other income (for segment revenues and profit/loss) and statement of financial position (for total segment assets and liabilities) and notes to the financial statements.

Major customers

During the year ended 30 June 2022, there was one major external customer (2021: one customer) where revenue exceeded 10% of the consolidated revenue. Total revenue from the customer for the year ended 30 June 2022 amounted to \$6,234,304 (2021: \$6,487,157).

Note 4. Revenue from contracts with customers

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2022	2021
	\$	\$
<i>Major service lines</i>		
CyberCision	7,352,290	7,975,182
Network monitoring	1,999,207	-
	<u>9,351,497</u>	<u>7,975,182</u>
<i>Geographical regions</i>		
Australia	6,781,065	6,728,796
International	2,570,432	1,246,386
	<u>9,351,497</u>	<u>7,975,182</u>
<i>Timing of revenue recognition</i>		
Recurring revenue (over a period of time)	9,131,206	7,595,067
Non-recurring revenue (at a point in time)	220,291	380,115
	<u>9,351,497</u>	<u>7,975,182</u>

Note 5. Other income

Disaggregation of revenue

	Consolidated	
	2022 \$	2021 \$
Research and development grant income*	1,358,122	2,239,577
Other income**	32,896	32,896
Other income	1,391,018	2,427,485

* The consolidated entity recognised R&D income on an accrual basis. FY21 was the first year that the consolidated entity started recognising R&D income on an accruals basis. In FY21, the Research and Development (R&D) tax incentive of \$2,061,928 relating to FY20 was recognised as income on its receipt in January 2021 (i.e., FY21). Therefore, the financial results for FY21 include both R&D income from FY20 of \$2,061,928 and FY21 accrued income estimated at \$1,275,017. Total R&D income recognised in FY21 was \$2,239,577, which is less than the total of \$3,336,945 referenced above due to the work undertaken to earn this R&D grant being capitalised, and the majority of the funds, therefore, being recognised in the statement of financial position. There are no unfulfilled conditions or other contingencies attached to the grant.

** Includes \$26,260 (2021: \$8,696) Singapore Government job support grant and \$nil (2021: \$100,000) Export Market Development Grant ('EMDG').

Note 6. Expenses

	Consolidated	
	2022 \$	2021 \$
Loss before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of licenses	3,164,165	3,672,032
<i>Depreciation</i>		
Leasehold improvements	46,546	122,758
Computer equipment	43,395	47,013
Website	410	-
Computer platform	2,280	2,757
Right-of-use assets	202,750	369,075
Total depreciation	295,381	541,603
<i>Amortisation</i>		
Capitalised development costs	3,279,236	2,113,634
Customer list	6,875	-
Patents	27,410	13,522
Total amortisation	3,313,521	2,127,156
Total depreciation and amortisation	3,608,902	2,668,759
<i>Impairment</i>		
Information systems	90,000	-
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	60,772	53,151
<i>Net foreign exchange variance</i>		
Net foreign exchange variance	38,178	(12,122)
<i>Employee benefit expenses</i>		
Employee salaries and other benefits*	11,420,218	11,621,907
Defined contribution superannuation expense	774,676	700,747
Share-based payments expenses	860,004	3,078,902
Total employee benefit expenses	13,054,898	15,401,556

* Includes a salary sacrifice amount of \$538,539 (2021: \$1,160,422). Share rights have been granted for cash forgone.

Note 7. Income tax

	Consolidated	
	2022 \$	2021 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(13,455,494)	(10,812,108)
Tax at the statutory tax rate of 25% (2021: 26%)	(3,363,874)	(2,811,148)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	749,666	534,873
Entertainment expenses	603	1,429
Non-deductible research and development incentive expenditure	669,570	762,079
Development costs	(857,314)	(1,083,272)
Deferred income	(339,530)	(626,490)
	(3,140,879)	(3,222,529)
Tax losses not recognised (including reversal of previously recognised tax losses)	2,658,303	2,685,819
Current year temporary differences not recognised	482,576	536,710
Income tax expense	-	-
	Consolidated	
	2022 \$	2021 \$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	50,098,496	38,618,225
Potential tax benefit at statutory tax rates	12,524,624	10,040,739

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Cash and cash equivalents

	Consolidated	
	2022 \$	2021 \$
Cash at bank	10,408,589	9,961,866

Note 9. Trade and other receivables

	Consolidated	
	2022 \$	2021 \$
Trade receivables	1,691,107	1,553,923
Less: Allowance for expected credit losses	(260,123)	(210,224)
	<u>1,430,984</u>	<u>1,343,699</u>
Research and development tax incentive receivable	1,397,219	1,275,017
Other receivables	34,685	86,122
GST receivable	220,116	139,115
	<u>3,083,004</u>	<u>2,843,953</u>

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$667,906 (2021: \$156,741) in profit or loss in respect of impairment of receivables for the year ended 30 June 2022.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2022 %	2021 %	2022 \$	2021 \$	2022 \$	2021 \$
Not overdue	-	-	1,172,563	764,652	-	-
0 to 3 months overdue	9.20%	3.63%	227,960	327,670	20,982	11,894
3 to 6 months overdue	12.37%	14.28%	25,034	148,980	3,098	21,274
6 to 12 months overdue	36.78%	18.59%	46,670	160,036	17,163	29,751
Over 12 months overdue	-	89.12%	-	48,534	-	43,254
Special provision	100.00%	100.00%	218,880	104,051	218,880	104,051
			<u>1,691,107</u>	<u>1,553,923</u>	<u>260,123</u>	<u>210,224</u>

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2022 \$	2021 \$
Opening balance	210,224	95,934
Additional provisions recognised	667,906	156,741
Receivables written off during the year as uncollectable	(618,007)	(42,451)
Closing balance	<u>260,123</u>	<u>210,224</u>

Note 10. Other assets

	Consolidated	
	2022 \$	2021 \$
<i>Current assets</i>		
Prepayments	605,900	1,106,520
Security deposits	33,181	33,181
	<u>639,081</u>	<u>1,139,701</u>

Note 11. Property, plant and equipment

	Consolidated	
	2022 \$	2021 \$
Leasehold improvements – at cost	685,863	680,827
Less: Accumulated depreciation	(574,202)	(612,020)
	<u>111,661</u>	<u>68,807</u>
Computer equipment – at cost	565,443	505,529
Less: Accumulated depreciation	(536,729)	(451,247)
	<u>28,714</u>	<u>54,282</u>
Computer platform – at cost	259,871	245,475
Less: Accumulated depreciation	(244,638)	(242,358)
	<u>15,233</u>	<u>3,117</u>
Website – at cost	12,286	-
Less: Accumulated depreciation	(410)	-
	<u>11,876</u>	<u>-</u>
	<u>167,484</u>	<u>126,206</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements \$	Computer equipment \$	Computer platform \$	Website \$	Total \$
Balance at 1 July 2020	158,248	66,345	4,335	-	228,928
Additions	33,317	34,950	1,539	-	69,806
Depreciation expense	(122,758)	(47,013)	(2,757)	-	(172,528)
Balance at 30 June 2021	68,807	54,282	3,117	-	126,206
Additions	87,533	19,855	14,396	12,286	134,070
Additions through business combinations (note 33)	20,806	-	-	-	20,806
Disposals	(18,939)	(2,028)	-	-	(20,967)
Depreciation expense	(46,546)	(43,395)	(2,280)	(410)	(92,631)
Balance at 30 June 2022	111,661	28,714	15,233	11,876	167,484

Note 12. Property, plant and equipment

	Consolidated	
	2022 \$	2021 \$
<i>Non-current assets</i>		
Right-of-use assets – office premises	1,022,455	1,268,277
Less: Accumulated depreciation	(713,725)	(646,128)
	308,730	622,149

The consolidated entity has leased office premises under operating leases expiring in two to four years, with in certain instances options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Office premises \$
Balance at 1 July 2020	382,165
Additions	663,016
Exchange differences	(6,308)
Other changes – adjustments to lease make-good provisions	(47,649)
Depreciation expense	(369,075)
Balance at 30 June 2021	622,149
Disposals	(110,669)
Depreciation expense	(202,750)
Balance at 30 June 2022	308,730

For other AASB 16 lease-related disclosures refer to the following:

- note 6 for details of interest on lease liabilities and other lease expenses;
- note 18 for details of lease liabilities at the beginning and end of the reporting period;
- note 24 for the maturity analysis of lease liabilities; and
- statement of cash flows for repayment of lease liabilities.

Note 13. Intangibles

	Consolidated	
	2022 \$	2021 \$
Goodwill – at cost	49,493,774	-
Capitalised development costs – at cost	26,248,860	21,170,160
Less: Accumulated amortisation	(15,091,772)	(15,091,772)
	11,157,088	9,346,067
Brand name – at cost	971,000	-
Customer list – at cost	165,000	-
Less: Accumulated amortisation	(6,875)	-
	158,125	-
Patents – at cost	212,805	202,479
Less: Accumulated amortisation	(162,651)	(135,241)
	50,154	67,238
Information systems – at cost	90,000	90,000
Less: Accumulated impairment	(90,000)	-
	-	90,000
	61,830,141	9,503,305

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$	Capitalised development \$	Brand name \$	Customer list \$	Patents \$	Information systems \$	Total \$
Balance at 1 July 2020	-	6,520,680	-	-	56,839	90,000	6,667,519
Additions	-	4,939,021	-	-	23,921	-	4,962,942
Amortisation expense	-	(2,113,634)	-	-	(13,522)	-	(2,127,156)
Balance at 30 June 2021	-	9,346,067	-	-	67,238	90,000	9,503,305
Additions	-	3,429,257	-	-	10,326	-	3,439,583
Additions through business combinations (note 33)	49,493,774	1,661,000	971,000	165,000	-	-	52,290,774
Amortisation expense	-	(3,279,236)	-	(6,875)	(27,410)	-	(3,313,521)
Impairment expense	-	-	-	-	-	(90,000)	(90,000)
Balance at 30 June 2022	49,493,774	11,157,088	971,000	158,125	158,125	-	61,830,141

Impairment tests for goodwill and all other intangibles

Goodwill acquired through business combinations has been allocated to and is tested at the level of their respective cash generating units ('CGUs'), or, where appropriate, Groups of CGUs, for impairment testing.

For the purpose of impairment testing of goodwill and other intangible assets, management has assessed that goodwill cannot be allocated on a non-arbitrary basis to individual CGUs, and should be allocated to a single group of CGUs. This group comprises the Cloud Content Security Platform, Network Management Information System and Open-Audit.

This allocation has been undertaken on the basis that management monitors the performance of the business at a corporate level, with management reporting reflecting individual revenue from product lines and consolidated expenses. Expenses are not able to be disaggregated into specific product lines.

While cash inflows are nominally independent, actual independent net benefits are not monitored. Therefore, net benefits are measured at the group of CGUs rather than the individual products.

Goodwill was therefore tested for impairment by aggregating the CGUs identified above. The combined CGUs are not larger than an operating segment.

The recoverable amount of the group of cash-generating units has been determined by measuring the fair value less cost of disposal ('FVLCD') of the group of CGUs. This was calculated with reference to the market capitalisation of the Company on the Australian Stock Exchange (ASX: FCT) as a measure of fair value that maximises observable inputs and minimises the use of unobservable inputs.

As at 30 June 2022, the Group's market capitalisation value of \$78,130,634, when adjusted for estimated costs of disposal of 5%, was greater than the carrying amount of the net assets of the Group of \$65,157,473. The FVLCD is therefore \$9,066,629 higher than the carrying amount of the Group and that indicates no impairment exists as at 30 June 2022.

Sensitivity to changes in assumptions

Management has considered sensitivity to changes in assumptions by looking at the movement in the Group's ASX share price over the last 12 months. At the lowest point, the share price was \$0.044, equalling a market capitalisation value of \$73,143,573. This is greater than the carrying value by \$7,986,100.

Assuming costs of disposal of 5% of total consideration received, the market capitalisation would need to decline a further 6.2% from the lowest share price of \$0.044 in order for the group of cash-generating units' recoverable amount to be equal to its carrying amount. Management do not consider this to be a reasonably possible scenario given that the business has recently completed the integration of Opmantek Limited as at 30 June 22 and can now expect synergy benefits to be realised in full from FY23 onwards.

Note 14. Trade and other payables

	Consolidated	
	2022 \$	2021 \$
<i>Current liabilities</i>		
Trade payables	1,124,190	1,028,096
Accrued expenses	2,793,723	3,020,645
Other payables	-	210,247
	<u>3,917,913</u>	<u>4,258,988</u>

Refer to note 24 for further information on financial instruments.

Note 15. Contract liabilities

	Consolidated	
	2022 \$	2021 \$
<i>Current liabilities</i>		
Contract liabilities	3,060,533	901,819
<i>Non-current liabilities</i>		
Contract liabilities	153,782	121,231
	<u>3,214,315</u>	<u>1,023,050</u>

Reconciliation

The contract liabilities relate to sales of term-based contracts that have been prepaid and hence the entity is obligated to provide the services agreed under the contract. Reconciliation of the contract liabilities (current and non-current) during the current financial year are set out below:

	Consolidated	
	2022 \$	2021 \$
Opening balance	1,023,050	3,639,390
Payments received in advance	959,040	1,639,893
Additions through business combination (note 33)	2,631,918	-
Transfer to revenue – included in the opening balance	(901,819)	(3,309,329)
Transfer to revenue – other balances	(497,874)	(946,904)
Closing balance	<u>3,214,315</u>	<u>1,023,050</u>

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$3,214,315 as at 30 June 2022 (\$1,023,050 as at 30 June 2021) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2022 \$	2021 \$
Within 12 months	3,060,533	901,819
12 to 24 months	153,782	121,231
	<u>3,214,315</u>	<u>1,023,050</u>

Note 16. Employee benefits

	Consolidated	
	2022 \$	2021 \$
<i>Current liabilities</i>		
Annual leave	1,064,686	1,020,264
Long service leave	345,863	246,275
	<u>1,410,549</u>	<u>1,266,539</u>
<i>Non-current liabilities</i>		
Long service leave	108,860	155,445
	<u>1,519,409</u>	<u>1,421,984</u>

Note 17. Provisions

	Consolidated	
	2022 \$	2021 \$
<i>Non-current liabilities</i>		
Lease make-good	26,406	105,000

Lease make-good

The provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Lease make-good \$
Consolidated – 2022	
Carrying amount at the start of the year	105,000
Amounts used	<u>(78,594)</u>
Carrying amount at the end of the year	<u>26,406</u>

Note 18. Lease liabilities

	Consolidated	
	2022 \$	2021 \$
<i>Current liabilities</i>		
Lease liability	107,145	176,758
<i>Non-current liabilities</i>		
Lease liability	260,426	456,230
	<u>367,571</u>	<u>632,988</u>

Note 19. Deferred research and development income

	Consolidated	
	2022 \$	2021 \$
<i>Current liabilities</i>		
Deferred research and development income	945,979	832,128
<i>Non-current liabilities</i>		
Deferred research and development income	1,590,156	1,739,171
	<u>2,536,135</u>	<u>2,571,299</u>

Note 20. Borrowings

National Australia Bank ('NAB') lease facility

The consolidated entity has an asset leasing facility for \$300,000 with NAB. The facility is available on a revolving basis with repayment terms ranging from 1 to 3 years from the draw-down date.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2022 \$	2021 \$
Total facilities		
NAB lease facility	300,000	300,000
Corporate credit card facility	70,000	70,000
AMEX credit card facility	-	208,000
	<u>370,000</u>	<u>578,000</u>
Used at the reporting date		
NAB lease facility	-	-
Corporate credit card facility	-	-
AMEX credit card facility	-	207,876
	<u>-</u>	<u>207,876</u>
Unused at the reporting date		
NAB lease facility	300,000	300,000
Corporate credit card facility	70,000	70,000
AMEX credit card facility	-	124
	<u>370,000</u>	<u>370,124</u>

Note 21. Issued capital

	Consolidated			
	2022 Shares	2021 Shares	2022 \$	2021 \$
Ordinary shares – fully paid	<u>1,662,353,921</u>	<u>747,390,339</u>	<u>128,426,284</u>	<u>63,760,506</u>

Movements in ordinary share capital

Details	Date	Shares		\$
Balance	1 July 2020	647,625,092		54,667,525
Issue of shares on exercise of options	17 September 2020	989,650	\$0.000	109,851
Issue of shares on exercise of options	15 October 2020	4,900,767	\$0.000	543,985
Issue of shares on exercise of options	23 November 2020	4,110,242	\$0.000	456,237
Issue of shares on exercise of rights	25 November 2020	2,939,185	\$0.000	308,614
Issue of shares on exercise of options	24 December 2020	668,318	\$0.000	74,183
Issue of shares on exercise of options	10 February 2021	377,368	\$0.000	41,888
Issue of shares on exercise of rights	10 February 2021	2,894,149	\$0.000	303,886
Issue of shares on exercise of options	11 March 2021	3,094,568	\$0.000	343,497
Issue of shares from placement	6 May 2021	66,666,667	\$0.000	6,000,000
Issue of shares on exercise of options	6 May 2021	333,654	\$0.000	37,036
Issue of shares from placement	7 June 2021	4,911,158	\$0.000	442,004
Issue of shares on exercise of rights	7 June 2021	1,361,445	\$0.000	142,952
Issue of shares from placement	3 June 2021	4,413,430	\$0.000	414,862
Share issue transaction costs, net of tax		-	\$0.000	(348,029)
Issue of shares on exercise of options	30 June 2021	237,060	\$0.000	26,314
Issue of shares on exercise of rights	6 May 2021	1,867,586	\$0.000	195,701
Balance	30 June 2021	747,390,339		63,760,506
Issue of shares on exercise of options	16 July 2021	418,751	\$0.110	46,482
Issue of shares on exercise of rights	19 July 2021	960,000	\$0.110	100,800
Issue of shares on exercise of rights	2 August 2021	4,178,060	\$0.110	438,696
Issue of shares on exercise of rights	2 August 2021	27,588	\$0.140	3,807
Issue of shares on exercise of options	2 August 2021	6,155,118	\$0.110	683,218
Issue of shares on exercise of options	19 August 2021	8,714,504	\$0.110	967,310
Issue of shares on exercise of rights	6 September 2021	1,130,432	\$0.110	118,695
Issue of shares on exercise of rights	6 September 2021	55,176	\$0.140	7,614
Issue of shares on exercise of rights	6 September 2021	367,340	\$0.070	24,612
Issue of shares from placement	7 December 2021	40,000,000	\$0.070	2,800,000
Issue of shares on exercise of rights	7 December 2021	508,065	\$0.120	60,460
Issue of shares from entitlement offer	21 December 2021	99,398,468	\$0.070	6,957,893
Issue of shares on exercise of rights	24 December 2021	111,358	\$0.110	11,693
Issue of shares on exercise of rights	24 December 2021	55,679	\$0.120	6,626
Issue of shares on exercise of rights	24 December 2021	59,556	\$0.130	7,498
Issue of shares – business combination (note 33)	17 January 2022	691,265,824	\$0.068	49,079,874
Issue of shares from placement	20 January 2022	60,000,000	\$0.070	4,200,000
Issue of shares on exercise of rights	14 April 2022	1,374,481	\$0.110	144,321
Issue of shares on exercise of rights	14 April 2022	48,279	\$0.140	6,662
Issue of shares on exercise of rights	14 April 2022	134,903	\$0.070	9,039
Share issue transaction costs, net of tax		-	\$0.000	(1,009,522)
Balance	30 June 2022	1,662,353,921		128,426,284

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern while balancing its ability to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity will raise capital to support its growth strategy and to fund value adding projects that it deems necessary to maintain and enhance shareholder value. Any funds raised will be utilized in adherence with the governance principles underlying the consolidated entity's capital management policy under the authority of the board.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

Note 22. Reserves

	Consolidated	
	2022 \$	2021 \$
Foreign currency reserve	97,789	(2,165)
Share-based payments reserve	5,638,340	7,613,365
	<u>5,736,129</u>	<u>7,611,200</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency reserve \$	Share-based payments \$	Total \$
Balance at 1 July 2020	(6,345)	6,392,924	6,386,579
Foreign currency translation	4,180	-	4,180
Share-based payment expense	-	3,078,902	3,078,902
Transfer to issued capital	-	(1,848,563)	(1,848,563)
Transfer to retained earnings	-	(9,898)	(9,898)
Balance at 30 June 2021	(2,165)	7,613,365	7,611,200
Foreign currency translation	99,954	-	99,954
Share-based payment expense	-	860,004	860,004
Transfer to issued capital	-	(1,873,113)	(1,873,113)
Transfer to retained earnings	-	(961,916)	(961,916)
Balance at 30 June 2022	97,789	5,638,340	5,736,129

Note 23. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 24. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and foreign exchange risk and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity is not exposed to any significant foreign currency risk.

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity's main interest rate risk arises from cash at bank. Bank balance at variable rates expose the consolidated entity to interest rate risk.

An official increase/decrease in interest rates of 50 (2021: 50) basis points would have a favourable/adverse effect on the loss before tax of \$52,043 (2021: \$49,809) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

The consolidated entity has a credit risk exposure with one major customer, which as at 30 June 2022 owed the consolidated entity

\$544,256 (32% of trade receivables) (2021: \$433,717 (28% of trade receivables)). Despite the impact that the Coronavirus (COVID-19) pandemic has had on this major Australian retailer, this balance was within its terms of trade and no impairment was made as at 30 June 2022 and 30 June 2021. There are no guarantees against this receivable, but management closely monitors the receivable balance on a monthly basis and is in regular contact with this customer to mitigate risk.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	
	2022 \$	2021 \$
NAB lease facility	300,000	70,000
Corporate credit card facility	70,000	70,000
AMEX credit card facility	-	124
	<u>370,000</u>	<u>370,124</u>

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 2022	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	1,124,190	-	-	-	1,124,190
Other payables	-	-	-	-	-	-
<i>Interest-bearing – fixed rate</i>						
Lease liability	3.50%	107,145	118,568	141,857	-	367,570
Total non-derivatives		1,231,335	118,568	141,857	-	1,491,760

Consolidated – 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	1,028,096	-	-	-	1,028,096
Other payables	-	210,247	-	-	-	210,247
<i>Interest-bearing – fixed rate</i>						
Lease liability	3.50%	176,758	217,236	238,994	-	632,988
Total non-derivatives		1,415,101	217,236	238,994	-	1,871,331

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 25. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payable approximate their fair values due to their short term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the company:

	Consolidated	
	2022 \$	2021 \$
<i>Audit services – Grant Thornton</i>		
Audit or review of the financial statements	227,601	131,480
<i>Other services – Grant Thornton</i>		
Taxation services	40,000	22,798
	<u>267,601</u>	<u>154,278</u>

Note 27. Contingent liabilities

The consolidated entity has given bank guarantees as at 30 June 2022 of \$133,776 (2021: \$133,776) to various landlords.

Note 28. Commitments

The consolidated entity had no commitments as at 30 June 2022 and 30 June 2021.

Note 29. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2022 \$	2021 \$
Short-term employee benefits	1,406,490	1,247,138
Post-employment benefits	105,790	77,683
Long-term benefits	15,285	15,461
Termination benefits	149,357	-
Share-based payments	702,905	1,529,896
	<u>2,379,827</u>	<u>2,870,178</u>

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022 %	2021 %
FirstWave Technology Pty Ltd	Australia	100%	100%
FirstWave Global Pty Ltd	Australia	100%	100%
FirstWave Cloud Technology Inc.	The United States of America	100%	100%
FirstWave Cloud Technology (Singapore) Pte Ltd	Singapore	100%	100%
FirstWave Share Rights Pty Ltd	Australia	100%	100%
Opmantek Ltd	Australia	100%	-
Opmantek Software Pty Ltd	Australia	100%	-

Note 31. Related party transactions

Parent entity

FirstWave Cloud Technology Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 30.

Key management personnel

Disclosures relating to key management personnel are set out in note 29.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2022 \$	2021 \$
Other income:		
Interest received from key management personnel	-	1,662

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 32. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2022	2021
	\$	\$
Loss after income tax	(46,861,042)	(11,631,006)
Total comprehensive income	(46,861,042)	(11,631,006)

Statement of financial position

	Parent	
	2022	2021
	\$	\$
Total current assets	126,949	678,019
Total assets	65,300,008	49,473,554
Total current liabilities	142,535	145,792
Total liabilities	142,535	145,792
Equity		
Issued capital	128,426,284	63,760,506
Share-based payments reserve	5,638,340	7,613,365
Accumulated losses	(68,907,151)	(22,046,109)
Total equity	65,157,473	49,327,762

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 33. Business combinations

On 14 January 2022, the company completed the acquisition of Opmantek Ltd ('Opmantek') upon the acceptance of Opmantek's shareholders of the offer to acquire 100% of the issued capital of Opmantek by the issuance of 691,265,824 new shares of the company for a total consideration of \$49,079,874. The acquisition was undertaken as a 100% scrip for scrip acquisition. As part of the transaction 675,700,387 shares were subject to voluntary escrow. 202,010,388 shares will be released from escrow on release of the FY22 Appendix 4E, 202,010,361 shares will be released from escrow on release of the FY23 Appendix 4D, 135,839,820 shares will be released from escrow on release of the FY23 Appendix 4E and the remaining 135,839,818 shares will be released from escrow on release of the FY24 Appendix 4D. The remaining 15,565,437 shares, that were not subject to escrow, were sold on the open market as they represented shares held by foreign shareholders who under the terms of the transaction were paid in cash to avoid compliance restrictions around issuing shares to overseas parties.

Opmantek is a fast-growing provider of enterprise-grade network management, automation and IT audit software to Managed Service Providers ('MSP') and medium to large businesses worldwide. Opmantek was acquired to bring substantial operation, financial and strategic benefits to the consolidated entity including product expansion, new global channels, access to the US market and a strengthened leadership team. The acquired business contributed revenues of \$1,999,207 from 14 January 2022 to 30 June 2022. If the acquisition occurred on 1 July 2021, the full year contributions would have been revenues of \$4,381,006. The values identified in relation to the acquisition of Opmantek are final as at 30 June 2022.

The profit or loss before tax of the acquired business from the date of acquisition and for the year are not disclosed. The contribution of the acquired entity to the results of the consolidated entity cannot be quantified due to shared cost of the combined businesses after the business combination.

The assets and liabilities recognised as a result of the acquisition were based on fair value. The purchased assets identified as intangibles were brand names, capitalised development software, and customer list. The brand names and software were fair valued using the "Relief from Royalty" approach which considers the market royalty rate that would have had been paid to utilise the assets if they were not owned by the company considering Opmantek Ltd's forecast revenues. The customer list was valued using the Multi period excess earnings method ('MEEM') which looks to estimate the present value of the benefits anticipated from ownership of the intangible asset in excess of the ongoing required investment in the intangible asset.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	958,938
Trade and other receivables	2,576,475
GST receivable	255,699
Other assets	49,355
Property, plant and equipment	20,806
Capitalised development cost	1,661,000
Brand name	971,000
Customer list	165,000
Trade and other payables	(1,403,947)
Contract liabilities	(2,631,918)
Employee benefits	(254,172)
Other liabilities	(2,782,136)
Net liabilities assumed	(413,900)
Goodwill*	49,493,774
Acquisition-date fair value of the total consideration transferred	<u>49,079,874</u>
Representing:	
FirstWave Cloud Technology Limited shares issued to vendor**	<u>49,079,874</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	49,079,874
Less: cash and cash equivalents	(958,938)
Less: shares issued by company as part of consideration	(49,079,874)
Net cash received	<u>(958,938)</u>

* The goodwill is attributable to the expected synergies of the combined business.

** The fair value of the 691,265,824 shares issued as part of the consideration paid for Opmantek Ltd was based on the published closing share price on 14 January 2022 of \$0.071 per share.

Note 34. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2022 \$	2021 \$
Loss after income tax expense for the year	(13,455,494)	(10,812,108)
Adjustments for:		
Depreciation and amortisation	3,608,902	2,668,759
Impairment expense – information systems	90,000	-
Share-based payments – employees	860,004	3,078,902
Other non-cash adjustments	8,645	(335,986)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(239,052)	(1,014,393)
Decrease/(increase) in contract assets	384,280	(100,045)
Decrease in prepayments	500,620	184,414
Increase in other operating assets	(1,408,509)	(1,275,017)
Increase/(decrease) in trade and other payables	(341,075)	1,191,111
Increase/(decrease) in contract liabilities	2,191,265	(2,616,340)
Increase in employee benefits	97,425	329,403
Increase/(decrease) in other operating liabilities	(300,582)	654,627
Net cash used in operating activities	(8,003,571)	(8,046,673)

Non-cash investing and financing activities

	Consolidated	
	2022 \$	2021 \$
Additions to the right-of-use assets	-	663,016
Shares issued in relation to business combinations	49,079,874	-
Shares issued for non-cash consideration	2,637,532	2,242,081
	51,717,406	2,905,097

Changes in liabilities arising from financing activities

Consolidated	Lease liability \$
Balance at 1 July 2020	464,271
Net cash used in financing activities	(499,220)
Acquisition of leases	663,016
Other changes	4,921
Balance at 30 June 2021	632,988
Net cash used in financing activities	(188,493)
Other changes	(76,924)
Balance at 30 June 2022	367,571

Note 35. Earnings per share

	Consolidated	
	2022 \$	2021 \$
Loss after income tax attributable to the owners of FirstWave Cloud Technology Limited	(13,455,494)	(10,812,108)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,181,688,234	669,990,763
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,181,688,234	669,990,763
	Cents	Cents
Basic earnings per share	(1.14)	(1.61)
Diluted earnings per share	(1.14)	(1.61)

Options and rights have been excluded in the weighted average number of shares used to calculate diluted earnings per share as they were anti-dilutive.

Note 36. Share-based payments

The consolidated entity has a share option plan and a share rights plan to incentivise certain employees and key management personnel ('KMP'). Shareholders approved the Rights Plan at an Extraordinary General Meeting held on 29 July 2020. The Board have the discretion to invite employees to apply for share rights, which have been designed to deliver long term variable remuneration opportunities, which has a service based vesting condition, that assist in aligning the interests of the employees, with shareholders of the company.

During the financial year no options and 16,585,111 share rights were granted (2021: no options and 4,308,845 share rights). The share-based payment expense for the year was \$860,004 (2021: \$3,078,902), out of which \$538,539 (2021: \$1,160,422) was offset by the employees agreeing to salary sacrifice in lieu of service rights and hence saving the consolidated entity cash costs.

Movements in share awards during the year

The following table illustrates the number of awards and weighted average exercise prices ('WAEP') of, and movements in, share awards during the current and previous year:

	Number 30 June 2022	Number 30 June 2021	WAEP 30 June 2022	WAEP 30 June 2021
Movement in share options including share rights				
Balance at the beginning of the year	76,426,895	100,142,768	\$0.190	\$0.150
Share rights granted during the year	16,585,111	4,308,845	\$0.000	\$0.000
Forfeited during the year	-	(640,726)	\$0.000	\$0.000
Exercised during the year	(24,299,290)	(23,773,992)	\$0.031	\$0.031
Expired during the year	(9,159,999)	(3,610,000)	\$0.000	\$0.000
Balance at the end of the year	<u>59,552,717</u>	<u>76,426,895</u>		

21,116,000 options and 24,933,813 share rights were vested and exercisable as at 30 June 2022 (2021: 40,281,036 options and 25,684,014 share rights).

The weighted average share price of the company during the financial year was \$0.07 (2021: \$0.12).

The weighted average remaining contractual life of options and share rights outstanding at the end of the financial year was 6.17 years (2021: 5.80 years).

Share rights

During the year 1,088,415 restricted rights were issued to key personnel in lieu of cash bonuses with nil exercise price and expiry 30 June 2027 and 9,277,165 share appreciation rights (SARs) were issued to Iain Bartram in three tranches 2,796,610, 3,113,208 and 3,367,347 at exercise prices of \$0.18, \$0.27 and \$0.36 respectively vesting over 3 years from 1 July 2021 to 30 June 2024 and expiring 30 June 2027.

There were also 6,219,531 share rights granted in lieu of salary and fees. 484,950 were granted to Paul MacRae and 1,003,345 to John Grant in lieu of directors fees expiring 30 June 2035, and 4,292,506 to Craig Nelson in lieu of salary and commission with nil exercise price and expiring 30 June 2027. 438,730 were granted to Ray Kiley in lieu of Director's fees and are subject to shareholder approval which will be sought at the company's upcoming AGM.

All share rights issued are only subject to service conditions for vesting.

For the service rights and restricted service rights granted during the current financial year, the valuation model inputs used to determine their fair value at the grant date are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
				%		%	
03/09/2021	02/09/2024	\$0.070	\$0.00	72.00%	-	0.02%	\$0.067
11/11/2021	30/06/2027	\$0.090	\$0.18	92.00%	-	0.10%	\$0.057
11/11/2021	30/06/2027	\$0.090	\$0.27	92.00%	-	0.10%	\$0.051
11/11/2021	30/06/2027	\$0.090	\$0.36	92.00%	-	0.10%	\$0.046
22/12/2021	22/12/2024	\$0.070	\$0.00	99.00%	-	0.10%	\$0.068
04/03/2022	30/06/2035	\$0.106	\$0.00	126.13%	-	0.09%	\$0.106
07/03/2022	30/06/2027	\$0.060	\$0.00	81.80%	-	1.81%	\$0.059
08/04/2022	30/06/2027	\$0.080	\$0.00	79.20%	-	2.77%	\$0.076

Note 37. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Directors' declaration

30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



John Grant
Chairman



Ray Kiley
Director

30 August 2022
Sydney

Independent auditor's report to the members of Firstwave Cloud Technology Limited



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Independent Auditor's Report

To the Members of Firstwave Cloud Technology Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Firstwave Cloud Technology Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of \$13,455,494 and net cash outflows from operating activities of \$8,003,571 during the year ended 30 June 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Capitalisation of product development costs - Note 13</p> <p>Capitalised product development costs had a net carrying value of \$11,157,088 at 30 June 2022.</p> <p>During the year, the Group capitalised \$3,429,257 of costs related to product development (excluding additions through business combinations). These intangible assets are being amortised over their finite life of 5 years.</p> <p>AASB 138 <i>Intangible Assets</i> sets out the specific requirements to be met to capitalise development costs. Intangible assets should be amortised over their useful economic lives in accordance with AASB 138.</p> <p>This area is a key audit matter due to the subjectivity and management judgement applied in assessing whether costs meet the development phase criteria described in AASB 138.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Assessing the Group's accounting policy in respect of product development costs for compliance with AASB 138; Evaluating management's assessment of each project for compliance with the recognition criteria set out in AASB 138, including discussing project plans with management and project leaders to develop an understanding of the nature and feasibility of key projects; Testing a sample of costs capitalised by tracing to underlying support, including timesheets, employment contracts, payroll reports, and invoices from external suppliers and assessing whether the expenditure was attributable to the development of the assets; Assessing the reasonableness of the useful lives attributed to capitalised development costs and whether amortisation expense was recorded based upon the assigned useful lives; and <p>Assessing the adequacy of the disclosures relating to intangible assets in the financial statements.</p>
<p>Impairment of Intangible assets – Note 13</p> <p>AASB 136: <i>Impairment of Assets</i> requires entities to perform an annual impairment test on goodwill and all intangible assets with an indefinite useful life. In principle, an asset is impaired when an entity cannot recover the carrying value of that asset on the balance sheet, either through its use or sale.</p> <p>The business has changed significantly from the previous year-end, with the acquisition and integration of the Ommantek businesses during this financial year. As a result of the business combination, goodwill has</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Obtaining management's assessment of impairment indicators under AASB 136 and reviewing for reasonableness; Assessing management's determination of the Group's CGUs based on our understanding of how management monitors the entity's operations and makes decisions about groups of assets that generate independent cash inflows;

been recognised. Management has identified that the goodwill is allocated to the group of cash-generating units (CGUs) based on management's monitoring activities.

A fair value less cost of disposal approach has been adopted to assess determine whether the assets are impaired.

Due to the significant judgements in applying the fair value less cost of disposal approach, this has been identified as a key audit matter.

- Assessing the mathematical accuracy of the fair value less cost of disposal approach used by management to calculate the recoverable value;
- Reviewing the ASX stock price up to date of the audit report;
- Consulting with our internal specialists to ensure key judgements were compliant with both the Australian auditing and accounting standards; and
- Assessing the adequacy of disclosures in the financial report.

Acquisition accounting - Note 33

On 14 January 2022, the Group acquired all the shares in Opmantek Ltd ('Opmantek') and its controlled entity. The purchase consideration of \$49,079,874 was settled by the issuance of 691,265,824 new shares in the Company.

When an acquisition meets the definition of a business combination, AASB 3 *Business Combinations* requires management to exercise judgement to determine the fair value of the purchase consideration, the fair value of acquired assets and liabilities, and the allocation of purchase consideration to separately identifiable intangible assets and goodwill. The Group has engaged an independent expert to assist them in determining the appropriate asset values.

This area is a key audit matter due to the size of the acquisition and its materiality to the Group, the level of judgement required in evaluating the Group's purchase price allocation, including the assessment of identifiable intangible assets arising from the acquisition.

Our procedures included, amongst others:

- Obtaining an understanding of the transaction from the purchase price allocation report and management's paper on the acquisition;
- Assessing whether the acquisition met the definition of a business in accordance with AASB 3;
- Assessing management's determination of the fair value of both the purchase consideration and the fair value of assets and liabilities acquired;
- Tracing the fair value of net assets acquired at the acquisition date to supporting schedules and testing a sample of items by agreeing to supporting documentation;
- Evaluating the competence, capability and objectivity of the management's expert and performing a detailed review of their reports to understand the scope of their engagement and any limitations in the report;
- With the assistance of our valuation experts:
 - Assessing the identification of intangible assets acquired, including brand names, software and customer relationships, and the valuation methodologies used by management's expert to value these assets;
 - Testing the mathematical accuracy of the cash flow models;
 - Assessing the accuracy of the underlying data, including agreeing key inputs to supporting documentation;
 - Challenging the associated underlying forecast cash flows for the software and customer assets intangible asset valuations and comparing key assumptions to historical results;

- Evaluating discount rates used by assessing the cost of capital applied in each valuation by comparing them to market data and industry research; and
 - Testing the Group's accounting for the transactions, including checking the mathematical accuracy of the calculations and associated journal entries; and
- Assessing the adequacy of related disclosures in the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 13 to 23 of the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Firstwave Cloud Technology Limited, for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

R J Isbell

R J Isbell
Partner – Audit & Assurance
Sydney, 30 August 2022

Shareholder information

30 June 2022

The shareholder information set out below is applicable as at 12 October 2022.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	1,630	0.00%
1,001 to 5,000	197	0.04%
5,001 to 10,000	232	0.11%
10,001 to 100,000	907	2.28%
100,001 and over	894	97.57%
	3,860	100.00%
Holding less than a marketable parcel	2,000	0.11

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
NATIONAL NOMINEES LIMITED	236,244,895	14.21%
SUPER FLI PTY LTD <SUPER FLI SUPERFUND A/C>	201,233,570	12.11%
ERIC HAROLD GREENWOOD	58,284,274	3.51%
DANIEL PATRICK MAHER <TRUST FLI A/C>	50,922,171	3.06%
ANNA WILKINSON <ANNA WILKINSON FAM A/C>	29,086,831	1.75%
INU SANGYO PTY LTD	28,789,750	1.73%
SINCLAIR INTERNETWORKING SERVICES PTY LIMITED <PACK INVESTMENT A/C>	28,278,444	1.70%
NEW INSIGHTS AUSTRALIA PTY LTD	24,459,594	1.47%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,791,995	1.25%
TIMOTHY FRANKLIN <THE GROWTH PARTNERS A/C>	19,523,897	1.17%
MR SCOTT LIDGETT & MRS KATHERINE LIDGETT <LIDGETT SUPER FUND A/C>	17,470,147	1.05%
MR DAVID ROTHWELL	16,892,501	1.02%
MR GREGORY VYTAS MAREN & MRS GERALDINE MARGARET MACLEAN MAREN <MAREN SUPER FUND A/C>	16,316,718	0.98%
INDIGENOUS CAPITAL LIMITED	13,789,796	0.83%
ROGER ALLEN AND MAGGIE GRAY PTY LIMITED	13,789,796	0.83%
RPA PROPERTIES PTY LTD	13,394,875	0.81%
BRUXNER PACIFIC PTY LTD	12,244,576	0.74%
KEEVA SPEYER	11,400,741	0.69%
PATAGORANG SUPERANNUATION PTY LTD <ROGER ALLEN SUPER FUND A/C>	10,714,286	0.64%
TRANSTEMPO PTY LTD <TRANSTEMPO SHAREHOLDING A/C>	10,573,347	0.64%
	834,202,204	50.18%

Unquoted equity securities

	Number on issue
Options over ordinary shares	22,766,000
Share rights over ordinary shares	62,870,822

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
DANIEL MAHER	252,155,741	15.75
PERENNIAL VALUE MANAGEMENT LIMITED (PVM)	236,810,448	14.25

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

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Corporate directory

30 June 2022

Directors	John Grant – Chairman
	Paul MacRae – Non-Executive Director
	Euh (David) Hwang – Non-Executive Director
	Danny Maher – Managing Director
	Ray Kiley – Non-Executive Director
Company secretary	Iain Bartram
Registered office	Level 14, 132 Arthur Street
	North Sydney, NSW 2060
	Australia
	Tel: +61 (02) 9409 7000
Share register	Automatic Registry Services
	Level 5, 126 Philip Street
	Sydney NSW 2000
	Australia
	Tel: 1300 288 664
Auditor	Grant Thornton Audit Pty Ltd.
	Level 17, 383 Kent Street
	Sydney, NSW 2000
Stock exchange listing	FirstWave Cloud Technology Limited shares are listed on the Australian Securities Exchange (ASX code: FCT)
Website	www.firstwave.com
Corporate Governance Statement	<p>The directors and management are committed to conducting the business of FirstWave Cloud Technology Limited in an ethical manner and in accordance with the highest standards of corporate governance. FirstWave Cloud Technology Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.</p> <p>The consolidated entity's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement and Corporate Governance Compliance Manual can be found on the company's website at https://firstwave.com/investor/.</p>

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FirstWave

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