



30 January 2026

## ASX ANNOUNCEMENT

### **Compliance Statement**

*This Quarterly Activities Report and accompanying Appendix 4C have been prepared in accordance with ASX Listing Rule 4.7B.*

*Unless otherwise stated, all amounts are denominated in Australian dollars.*

## ACTIVITY REPORT AND APPENDIX 4C FOR THE QUARTER ENDED 31 DECEMBER 2025

Global cybersecurity and network management company, FirstWave Cloud Technology Limited (ASX:FCT) (**FirstWave** or **Company**), provides its Activity Report and Appendix 4C for the second quarter of FY26 ended 31 December 2025.

### **Business Update**

Q2 was focused on a restructure, a capital raise and a pivot of the company to AI powered compliance management with a primary goal of monetising the significant base of organisations using FirstWave's free Open-AudIT product.

#### Q2 Summary:

- Successful capital raise of \$2.66m net of costs
- Operational restructure (cash cost of \$500K, producing cash savings of \$450k per quarter)
- The Company had \$2.5m of receivables at the end of the quarter which should all be received in the upcoming quarter (\$600K already received)
- Established \$2.5m Loan Facility with Partners for Growth. Cash received 17<sup>th</sup> of December 2025.
- Full repayment of Formue Nord \$2.5m convertible note plus interest
- Key renewals of NASA, Claro DR and Telmex with increased revenues
- Release of the first version of Open-AudIT with AI powered compliance management functions
- Continued development of the relationship with AWS and Ingram/Micro
- Further restructuring to align resources with current revenues and growth opportunities
- CEO to locate in North America for February and March to assess and accelerate sales opportunities
- R&D tax rebate not received in Q2 of this year due to restructuring to leverage the R&D advance facility, which along with associated restructuring costs, is the primary difference with the prior year – additional R&D funds of circa \$450k plus a further \$700k related to FY26 to be received in Q3 (total \$1.15m – prior year \$0m)

Pleasingly, the Company is expecting another operationally cash-flow positive quarter in Q3.

### **Outlook**

The Company is pursuing its path of AI powered compliance management leading the way to monetise the significant base of organisations using FirstWave's Open-AudIT product.

The \$2.66m (net of costs) capital raise provides sufficient funding to pursue the Company's goals and fund the company for the foreseeable future.

The board is excited by the outlook and comments that key new initiatives are tracking favourably.

## Appendix 4C Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

FirstWave Cloud Technology Limited [FCT:ASX]

**ABN**

35 144 733 595

**Quarter ended ("current quarter")**

31 December 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	891	4,082
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(297)	(859)
(c) advertising and marketing	(60)	(85)
(d) leased assets	-	-
(e) staff costs	(1,898)	(3,534)
(f) administration and corporate costs	(539)	(1,019)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	(1)
1.5 Interest and other costs of finance paid	(2)	(80)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	3	(1,710)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,903)</b>	<b>196</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(5)	(5)
(d) investments	-	-
(e) intellectual property	(407)	(814)
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'00 0</b>	<b>Year to date (3 months) \$A'000</b>
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(413)</b>	<b>(819)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,666	2,657
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	2,348	2,348
3.6	Repayment of borrowings	(2,400)	(2,400)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other		
	Repayment of lease liabilities	(33)	(65)
	Advance on R&D offset grant	39	88
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,620</b>	<b>2,627</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	53	265
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,900)	(1,706)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(413)	(819)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,620	2,627
4.5	Effect of movement in exchange rates on cash held	(2)	(8)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>359</b>	<b>359</b>

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	359	265
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>359</b>	<b>265</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	(95)
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	732	732
7.3 Other (please specify)	2,500	2,500
<b>7.4 Total financing facilities</b>	<b>3,232</b>	<b>3,232</b>

**7.5 Unused financing facilities available at quarter end** NIL

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.2 FirstWave engages in R&D expenditure that qualifies for a refundable tax offset from the ATO. Get Advance (Finance Innovations Management Pty Ltd) is an organisation that provides access to R&D offset tax rebates in advance of the qualifying entities lodging their annual tax return. Get Advance has charged FCT an application fee of 1% and 1.375% per month in charges against all amounts drawn. These fees are capitalised against the advance and repaid from the ATO rebate received post lodgement of FCT's FY25 tax return.

7.3 FirstWave has entered into a \$2.5m Loan facility with Partners For Growth. The \$2.5m funding attracts an interest rate of 12% per annum, with the interest payable monthly in arrears. This is a 3 year facility with a loan maturity date of 17 December 2027.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,903)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	359
8.3 Unused finance facilities available at quarter end (Item 7.5)	0
8.4 Total available funding (Item 8.2 + Item 8.3)	359
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>0.18</b>
<i>Note: If the entity has reported positive net operating cash flows in item 1.9, answer 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: The Company's cash is cyclical. Q2 cash usage was in line with expectations. Q3 is expected to be cash positive.

Q2 was a quarter of restructuring and capital raising, notably:

The Company raised \$2.66m (net of costs) in the quarter which is not accounted for in **8.5**.

The Company restructured (incurring \$500k of restructuring costs in the quarter) which will deliver approximately \$450k per quarter of ongoing operational savings (i.e. a net \$950k variance between Q2 and Q3 and future quarters). The restructuring costs are accounted for in **8.1** whereas the savings are not accounted for in **8.5**.

The Q2 quarter is normally buffered by the receipt of the R&D rebate from the government. The Company has altered this structure such that it now leverages an R&D advance facility which will see an expected \$450k from R&D relating to FY25 in Q3 (rather than Q2) and a further expected \$700k for the R&D related to FY26 (total \$1.15m R&D in Q3 whereas the previous year saw \$1.16m in Q2 compared with \$0 in FY26).

R&D comparison cash receipts FY25 and FY26:

- FY25 Q2: \$1.16m (actual)
- FY25 Q3: \$0m
- FY 26 Q2: \$0m
- FY 26 Q3: \$1.15m (estimate)

The Company has many customer contract renewals in Q2 which provide cash in Q3. Key contract renewals of NASA, Claro DR and Telmex with increased revenues formed a significant part of the quarter with \$1.5m of receivables (all to be received in Q3).

In total with the R&D tax rebate and receivables there is \$2.65m of cash flowing in to Q3 in addition to activities that take place in Q3.

The company has sufficient capital for the foreseeable future.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company raised capital and restructured its finance facilities in Q2. No further action is needed.

**Quarterly cash flow report for entities subject to Listing Rule 4.7B**

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. Refer to **8.6.1**

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2026

Authorised by: the Board

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
6. This Quarterly Activities Report and Appendix 4C have been prepared in accordance with ASX listing Rule 4.7B