

FirstWave Cloud Technology Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	FirstWave Cloud Technology Limited
ABN:	35 144 733 595
Reporting period:	For the half-year ended 31 December 2025
Previous period:	For the half-year ended 31 December 2024

2. Results for announcement to the market

				\$
Revenues from ordinary activities	down	15.9%	to	3,800,924
Gross profit	down	6.0%	to	3,600,442
Loss from ordinary activities after tax attributable to the owners of FirstWave Cloud Technology Limited	up	47.2%	to	(3,020,682)
Loss for the half-year attributable to the owners of FirstWave Cloud Technology Limited	up	47.2%	to	(3,020,682)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax increased by 47.2% to \$3,020,682 (31 December 2024: \$2,051,505). The increased loss primarily reflects lower revenue following the discontinuation of Telstra's GPA firewall product and closure of the CSX2 platform, which reduced recurring revenue, together with restructuring costs incurred during the half-year and higher financing costs.

Net cash outflows from operating activities in the period were \$1,793,199 (31 December 2024: net cash inflows of \$1,070,446) which represents a 267.5% decrease in net cash flows from operating activities.

Refer to the 'Review of operations' section of the Directors' report within the Interim Report for further commentary on the results.

3. Net tangible assets/(liabilities)

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.35)</u>	<u>(0.37)</u>

Net tangible assets/(liabilities) calculations include right-of-use assets and lease liabilities.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Foreign entities

There has been no change in foreign-owned subsidiaries to those reported for the year ended 30 June 2025. All group entities comply with International Financial Reporting Standards ('IFRS').

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and an unqualified conclusion has been issued with a paragraph addressing material uncertainty related to going concern. The review report is attached as part of the Interim Report.

8. Attachments

Details of attachments (if any):

The Interim Report of FirstWave Cloud Technology Limited for the half-year ended 31 December 2025 is attached.

9. Signed

As authorised by the Board of Directors

Roger Buckeridge

Signed _____

Date: 27 February 2026

Roger Buckeridge
Chair

FirstWave Cloud Technology Limited

ABN 35 144 733 595

Interim Report - 31 December 2025

FirstWave Cloud Technology Limited
Directors' report
31 December 2025

The directors present their report, together with the financial statements of FirstWave Cloud Technology Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled (referred to hereafter as the 'consolidated entity') at the end of, or during, the half-year ended 31 December 2025.

Directors

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

Roger Buckeridge - Non-Executive Director (appointed on 14 July 2025) and Chair (appointed on 18 July 2025)
Danny Maher – Managing Director
David Garnier - Non-Executive Director
John Grant - Non-Executive Chair (retired on 18 July 2025)

Principal activities

During the financial half-year, the principal continuing activities of the consolidated entity comprise of development and sale of network monitoring and internet security software.

Dividends

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

Review of operations

Profit or loss performance

The consolidated entity's revenue for the financial half-year was \$3,800,924 (31 December 2024: \$4,521,849) which represents a decrease of 15.9% over the prior comparative period ('PCP'). Gross profit for the financial half-year was \$3,600,442 (31 December 2024: \$3,839,414) which represents a decrease of 6.0% over the PCP. Recurring revenue represented 84.1% (31 December 2024: 96.5%) of total revenue. The reduction in revenue and gross profit relates primarily to the ongoing impact of Telstra discontinuing its GPA firewall product and the closure of its CSX2 platform, which reduced the Company's recurring revenue run-rate through customer churn and lower revenues from that channel – this process has now completed in full.

The consolidated entity's loss after income tax amounted to \$3,020,682 (31 December 2024: \$2,051,505) which represents an increased loss of 47.2%. The increased loss over the prior comparative period primarily reflects the lower revenue base, restructuring costs and financing costs. Restructuring and transformation costs incurred during the half-year (including a ~\$700,000 cash cost restructure undertaken in 1st half of the financial year 2026) are expected to deliver ongoing cash savings of approximately \$450,000 per quarter from quarter 3 of financial year 2026.

Statement of financial position

Cash and cash equivalents increased by \$95,207 to \$359,153 (30 June 2025: \$263,946). The increase came after \$1,793,199 net cash outflows from operating activities, \$882,087 outflows from investing activities and \$2,680,826, inflows from financing activities.

The net cash outflows from operating activities of \$1,793,199 compares to net cash inflow of \$1,070,446 in the PCP which represents a 267.5% decrease in net cash flows from operating activities. The cash usage was in line with expectations. The half year is normally buffered by the receipt of the Research and Development ('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 \$450,000 from R&D relating to financial year 2025 in Q3 (rather than Q2) and a further expected \$600,000-\$700,000 for the R&D related to financial year 2026 (total \$1,150,000 R&D in Q3 whereas the previous year saw \$1,160,000 in Q2 compared with \$nil in financial year 2026. Additionally, the company restructure incurred costs of \$700,000 during the half-year.

Going concern

Based on its current commitments, the consolidated entity has sufficient funds to meet its debts as and when they fall due. Accordingly, the directors have determined that the consolidated entity will continue as a going concern, as explained in note 1 to the financial statements.

Significant changes in the state of affairs

On 14 July 2025, Roger Buckeridge joined as a non-executive director and replaced departing chair, John Grant, on 18 July 2025.

On 8 September 2025, the company announced the completion of a restructure estimated to save \$1,600,000 in annualised employment costs.

FirstWave Cloud Technology Limited
Directors' report
31 December 2025

On 26 September 2025, the company announced a placement to raise \$2,850,000 before costs via the issue of 285,000,000 new fully paid ordinary shares at \$0.01 per share. Participants are to receive one unquoted option for every three shares issued (exercise price A\$0.018 per share, expiring 31 March 2027). In addition, 6,000,000 unquoted broker options on the same economic terms will be issued as part of placement fees.

Tranche 1 (issued under the company's existing capacity pursuant to ASX Listing Rule 7.1) comprises 185,683,352 shares, 61,894,451 attaching options and 6,000,000 broker options and were issued on 3 October 2025. Tranche 2 comprises 99,316,648 shares and 33,105,549 attaching options and is approved by the shareholders at the company's November 2025 EGM. Tranche 2 shares were issued on 5 December 2025.

On 14 October 2025, 60,000,000 share rights were granted to directors of the company in lieu of salary. These share rights have an exercise price of \$0.01 and expires on 13 October 2030 subject to continuing employment. The company issued the rights on 23 December 2025.

On 31 December 2025, the convertible note principal and interest has been settled by \$2,400,000 cash payment and 120,000,000 issuance of the company's ordinary shares.

On 31 December 2025, the company announced the completion of the loan facility agreement with Partners for Growth VII, L.P. ('PFG'). The total facility is a \$2,500,000 loan facility with a three-year term at a 12.5% fixed interest rate, with six months interest-only followed by principal and interest repayments over the remaining term. The loan is secured over all assets of the company and its subsidiaries. A 5-year call option is to be granted to PFG to subscribe for ordinary shares with an aggregate subscription amount of \$750,000, calculated by reference to the 5-day VWAP prior to closing, subject to exchange price of \$0.018 per share.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Matters subsequent to the end of the financial half-year

On 16 February 2026, the Company issued 5,000,000 ordinary shares at \$0.007 per share to the company's previous lender.

No other matter or circumstance has arisen since 31 December 2025 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.

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 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Roger Buckeridge
Chair



Danny Maher
Director

27 February 2026
Sydney



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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
FIRSTWAVE CLOUD TECHNOLOGY LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2025, there have been:

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

This declaration is in respect of FirstWave Cloud Technology Limited and the entities it controlled during the half year.

PKF

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'S Lindemann'.

SHAUN LINDEMANN
PARTNER

27 FEBRUARY 2026
BRISBANE

FirstWave Cloud Technology Limited

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31 December 2025

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General information

The financial statements cover FirstWave Cloud Technology Limited (referred to as the 'company' or 'parent') as a consolidated entity consisting of the company and the entities it controlled at the end of, or during, the half-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 and is incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office

C/ Automic Pty Ltd
Level 5
126-130 Phillip Street
Sydney NSW 2000

Principal place of business

Level 13
50 Cavill Ave
Surfers Paradise QLD 4217

A description of the nature of the consolidated entity's operations and its principal activities is 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 27 February 2026. The directors have the power to amend and reissue the financial statements.

FirstWave Cloud Technology Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

		Consolidated	
	Note	31 Dec 2025	31 Dec 2024
		\$	\$
Revenue			
Revenue from contracts with customers	3	3,800,924	4,521,849
Cost of sales		<u>(200,482)</u>	<u>(682,435)</u>
Gross profit		<u>3,600,442</u>	<u>3,839,414</u>
Other income	4	516,823	462,424
Interest income calculated using the effective interest method		4,259	18,273
Expenses			
Sales and marketing		(1,432,941)	(1,618,790)
Product and development		(1,567,219)	(1,533,698)
Operations and support		(533,661)	(417,257)
Corporate and administration		(2,388,254)	(2,531,518)
Transaction costs		(333,574)	-
Finance costs	5	<u>(858,422)</u>	<u>(257,635)</u>
Total expenses		<u>(7,114,071)</u>	<u>(6,358,898)</u>
Loss before income tax expense		(2,992,547)	(2,038,787)
Income tax expense		<u>(28,135)</u>	<u>(12,718)</u>
Loss after income tax expense for the half-year attributable to the owners of FirstWave Cloud Technology Limited		(3,020,682)	(2,051,505)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(221,511)</u>	<u>(17,417)</u>
Other comprehensive income for the half-year, net of tax		<u>(221,511)</u>	<u>(17,417)</u>
Total comprehensive income for the half-year attributable to the owners of FirstWave Cloud Technology Limited		<u><u>(3,242,193)</u></u>	<u><u>(2,068,922)</u></u>
		Cents	Cents
Basic loss per share	14	(0.17)	(0.12)
Diluted loss per share	14	(0.17)	(0.12)

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

FirstWave Cloud Technology Limited
Statement of financial position
As at 31 December 2025

		Consolidated	
	Note	31 Dec 2025	30 Jun 2025
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		359,153	263,946
Term deposits		-	99,369
Trade and other receivables	6	2,040,627	865,285
Contract assets		58,153	29,608
Other assets		329,453	176,687
Total current assets		<u>2,787,386</u>	<u>1,434,895</u>
Non-current assets			
Property, plant and equipment		45,982	69,749
Right-of-use assets		-	8,349
Intangible assets	7	26,561,263	26,804,177
Other assets		13,175	28,787
Total non-current assets		<u>26,620,420</u>	<u>26,911,062</u>
Total assets		<u>29,407,806</u>	<u>28,345,957</u>
Liabilities			
Current liabilities			
Trade and other payables		1,033,165	1,175,521
Contract liabilities	8	3,182,642	2,258,971
Employee benefits		762,131	949,674
Borrowings	9	583,333	2,411,905
Lease liabilities		-	11,155
Deferred research and development income		878,980	689,526
Total current liabilities		<u>6,440,251</u>	<u>7,496,752</u>
Non-current liabilities			
Contract liabilities	8	395,662	532,615
Employee benefits		97,335	155,863
Borrowings	9	1,916,667	-
Provisions		26,406	26,406
Deferred research and development income		1,320,026	1,121,623
Deferred tax		44,000	44,000
Total non-current liabilities		<u>3,800,096</u>	<u>1,880,507</u>
Total liabilities		<u>10,240,347</u>	<u>9,377,259</u>
Net assets		<u>19,167,459</u>	<u>18,968,698</u>
Equity			
Issued capital	10	134,581,896	131,085,596
Reserves	11	4,826,827	5,103,684
Accumulated losses		(120,241,264)	(117,220,582)
Total equity		<u>19,167,459</u>	<u>18,968,698</u>

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

FirstWave Cloud Technology Limited
Statement of changes in equity
For the half-year ended 31 December 2025

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	131,001,770	5,783,561	(104,572,705)	32,212,626
Loss after income tax expense for the half-year	-	-	(2,051,505)	(2,051,505)
Other comprehensive income for the half-year, net of tax	-	(17,417)	-	(17,417)
Total comprehensive income for the half-year	-	(17,417)	(2,051,505)	(2,068,922)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payment expense	-	394,183	-	394,183
Share issue on exercise of share rights, net of transaction costs	83,861	(13,262)	-	70,599
Transfer to retained earnings	-	(1,038,873)	1,038,873	-
Balance at 31 December 2024	<u>131,085,631</u>	<u>5,108,192</u>	<u>(105,585,337)</u>	<u>30,608,486</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2025	131,085,596	5,103,684	(117,220,582)	18,968,698
Loss after income tax expense for the half-year	-	-	(3,020,682)	(3,020,682)
Other comprehensive income for the half-year, net of tax	-	(221,511)	-	(221,511)
Total comprehensive income for the half-year	-	(221,511)	(3,020,682)	(3,242,193)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 10)	3,496,300	-	-	3,496,300
Share-based payment expense	-	137,425	-	137,425
Reversal of conversion rights on convertible notes	-	(192,771)	-	(192,771)
Balance at 31 December 2025	<u>134,581,896</u>	<u>4,826,827</u>	<u>(120,241,264)</u>	<u>19,167,459</u>

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

FirstWave Cloud Technology Limited
Statement of cash flows
For the half-year ended 31 December 2025

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	4,082,100	5,999,554
Payments to suppliers and employees (inclusive of GST)	(5,802,915)	(6,243,140)
Interest received	4,259	22,778
Other income	-	1,446,188
Interest and other finance costs paid	(76,643)	(154,934)
	<u>(1,793,199)</u>	<u>1,070,446</u>
Net cash (used in)/from operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	(5,312)	(2,244)
Payments for intangible assets	(876,775)	(1,001,978)
	<u>(882,087)</u>	<u>(1,004,222)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from issue of shares	2,883,621	-
Share issue transaction costs	(227,453)	-
Proceeds from borrowings	2,348,155	-
Repayment of borrowings	(2,400,000)	-
Payment of principal portion of lease liabilities	(11,155)	(65,403)
Other receipts - research and development ('R&D') advance	87,658	-
	<u>2,680,826</u>	<u>(65,403)</u>
Net cash from/(used in) financing activities		
Net increase in cash and cash equivalents	5,540	821
Cash and cash equivalents at the beginning of the financial half-year	363,315	1,678,017
Effects of exchange rate changes on cash and cash equivalents	(9,702)	-
	<u>359,153</u>	<u>1,678,838</u>
Cash and cash equivalents at the end of the financial half-year		

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

Note 1. Material accounting policy information

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity during the financial half-year ended 31 December 2025 and are not expected to have a significant impact for the full financial year ending 30 June 2026.

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

Going Concern

During the half-year ended 31 December 2025, the consolidated entity incurred a net loss after tax of \$3,020,682 (31 December 2024: \$2,051,505), generated net cash outflows from operating activities of \$1,793,199 (31 December 2024: net cash inflows of \$1,070,446) and had a net current liability of \$3,652,865 (30 June 2025: net current liability of \$6,061,857). These factors indicate the existence of a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern.

During the half-year ended 31 December 2025, the consolidated entity generated sales of \$667,600.

The loss and operating cash outflows for the half-year primarily reflect the ongoing impact of Telstra discontinuing its GPA firewall product and the closure of the CSX2 platform, which reduced recurring revenue, together with restructuring and financing costs incurred during the period. The Telstra-related revenue transition has now been completed.

During the half-year, the consolidated entity undertook a restructure involving approximately \$700,000 of cash costs. This restructure is expected to deliver ongoing cash savings of approximately \$450,000 per quarter from the third quarter of the 2026 financial year. In addition, subsequent to the reporting date, the convertible note principal and interest were settled through a combination of \$2,400,000 cash and the issue of 120,000,000 ordinary shares, removing the maturity risk associated with that instrument.

On 17 December 2025, the consolidated entity entered into a new \$2,500,000 loan facility with Partners for Growth VII, L.P. The facility has a three-year term, with an initial six-month interest-only period followed by principal and interest repayments, and provides additional liquidity to support operations and working capital requirements. The consolidated entity also completed an equity placement during the half-year raising approximately \$2,883,621 (before costs).

The consolidated entity's operating plans, including the benefits of the completed restructure, revised cost base, financing arrangements and forecast revenue, have been incorporated into cash flow forecasts covering at least 12 months from the date of this report. Based on these forecasts, and after considering the capital raising and new loan facility completed during and subsequent to the half-year, the directors are satisfied that the consolidated entity will have sufficient funds to meet its obligations as and when they fall due.

The consolidated entity has the ability to make further reductions to outlays if necessary.

Accordingly, the financial statements have been prepared on a going concern basis. No adjustments have been made to the carrying amounts of assets and liabilities that might be required should the consolidated entity be unable to continue as a going concern.

Note 2. 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 Maker ('CODM')) in assessing performance and in determining the allocation of resources.

The consolidated entity only has one reportable segment being the development and sale of internet software. As the information reported to the CODM are the results of the consolidated entity as a whole, the results of the one operating segment are as shown throughout these financial statements and are not duplicated here. Refer to note 3 for geographical information.

Note 3. Revenue

Disaggregation of revenue

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

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
CyberCision	3,095,291	2,091,331
Network monitoring	705,633	2,430,518
	<u>3,800,924</u>	<u>4,521,849</u>
<i>Geographical regions</i>		
Australia	1,051,656	2,389,689
USA and Canada	1,236,595	1,339,477
LATAM*	1,167,633	541,548
ROW**	345,040	251,135
	<u>3,800,924</u>	<u>4,521,849</u>
<i>Timing of revenue recognition</i>		
Recurring revenue (over a period of time)	3,198,291	4,363,410
Non-recurring revenue (at a point in time)	602,633	158,439
	<u>3,800,924</u>	<u>4,521,849</u>

* Latin America ('LATAM') represents revenue from customers in Mexico, Central America and South America.

** Rest of the world ('ROW') represents the revenue from customers in the rest of the world.

Note 4. Other income

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
Research and development grant income*	489,779	456,869
Other income	27,044	5,555
	<u>516,823</u>	<u>462,424</u>

* There are no unfulfilled conditions or other contingencies attached to receipt of R&D grant income.

Note 5. Expenses

	Consolidated	Consolidated
	31 Dec 2025	31 Dec 2024
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Property, plant and equipment	27,313	33,672
Right-of-use assets	8,349	50,064
Total depreciation	<u>35,662</u>	<u>83,736</u>
<i>Amortisation</i>		
Capitalised development costs	1,076,048	814,221
Customer list	34,099	34,098
Patents	9,542	10,915
Total amortisation	<u>1,119,689</u>	<u>859,234</u>
Total depreciation and amortisation	<u>1,155,351</u>	<u>942,970</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	33	2,019
Interest and finance charge on convertible note	858,389	255,616
Finance costs expensed	<u>858,422</u>	<u>257,635</u>
<i>Net foreign exchange variance</i>		
Net foreign exchange variance	<u>5,253</u>	<u>(8,297)</u>
<i>Employee benefit expenses</i>		
Employee salaries and other benefits	3,610,744	3,808,181
Defined contribution superannuation expense	281,834	289,756
Share-based payments expenses	161,425	406,182
Capitalised development costs	(870,942)	(991,315)
Total Employee benefit expenses	<u>3,183,061</u>	<u>3,512,804</u>

Note 6. Trade and other receivables

	Consolidated	Consolidated
	31 Dec 2025	30 Jun 2025
	\$	\$
<i>Current assets</i>		
Trade receivables	1,045,585	642,965
Less: Allowance for expected credit losses	(97,370)	(97,370)
	<u>948,215</u>	<u>545,595</u>
Research and development tax incentive receivable	1,824,059	963,679
Research and development tax incentive advance	(731,647)	(643,989)
	<u>1,092,412</u>	<u>319,690</u>
	<u><u>2,040,627</u></u>	<u><u>865,285</u></u>

FirstWave Cloud Technology Limited
Notes to the financial statements
31 December 2025

Note 7. Intangible assets

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
<i>Non-current assets</i>		
Goodwill - at cost	50,495,774	50,495,774
Less: Impairment	<u>(30,350,039)</u>	<u>(30,350,039)</u>
	20,145,735	20,145,735
Capitalised development costs - at cost	35,724,181	34,853,239
Less: Accumulated amortisation	<u>(22,861,791)</u>	<u>(21,785,743)</u>
Less: Impairment	<u>(7,591,178)</u>	<u>(7,591,178)</u>
	5,271,212	5,476,318
Brand name - at cost	<u>971,000</u>	<u>971,000</u>
Customer list - at cost	341,000	341,000
Less: Accumulated amortisation	<u>(212,750)</u>	<u>(178,651)</u>
	128,250	162,349
Patents - at cost	287,209	281,376
Less: Accumulated amortisation	<u>(242,143)</u>	<u>(232,601)</u>
	45,066	48,775
	<u>26,561,263</u>	<u>26,804,177</u>

Reconciliations

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

Consolidated	Goodwill \$	Capitalised development \$	Brand name \$	Customer list \$	Patents \$	Total \$
Balance at 1 July 2025	20,145,735	5,476,318	971,000	162,349	48,775	26,804,177
Additions	-	870,942	-	-	5,833	876,775
Amortisation expense	-	<u>(1,076,048)</u>	-	<u>(34,099)</u>	<u>(9,542)</u>	<u>(1,119,689)</u>
Balance at 31 December 2025	<u>20,145,735</u>	<u>5,271,212</u>	<u>971,000</u>	<u>128,250</u>	<u>45,066</u>	<u>26,561,263</u>

Note 8. Contract liabilities

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Current liabilities	3,182,642	2,258,971
Non-current liabilities	395,662	532,615
	<u>3,578,304</u>	<u>2,791,586</u>

Reconciliation

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

Opening balance	2,791,586	2,349,777
Payments received in advance	3,609,800	5,516,625
Transfer to revenue - included in the opening balance	(1,327,446)	(1,723,153)
Transfer to revenue - other balances	(1,495,636)	(3,351,663)
Closing balance	<u>3,578,304</u>	<u>2,791,586</u>

Note 9. Borrowings

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
<i>Current liabilities</i>		
Loan payable	583,333	-
Convertible notes payable	-	2,411,905
	<u>583,333</u>	<u>2,411,905</u>
<i>Non-current liabilities</i>		
Loan payable	1,916,667	-
	<u>2,500,000</u>	<u>2,411,905</u>

Convertible note

On 31 December 2025, the convertible note principal and interest has been settled by \$2,400,000 cash payment and 120,000,000 issuance of the company's ordinary shares (note 10).

Loan payable

On 31 December 2025, the company announced the completion of the loan facility agreement with Partners for Growth VII, L.P. ('PFG'). The total facility is a \$2,500,000 loan facility with a three-year term at a 12.5% fixed interest rate, with six months interest-only followed by principal and interest repayments over the remaining term. The loan is secured over all assets of the company and its subsidiaries. A 5-year call option is to be granted to PFG to subscribe for ordinary shares with an aggregate subscription amount of \$750,000, calculated by reference to the 5-day VWAP prior to closing, subject to exchange price of \$0.018 per share. The loan is subject to certain financial covenants and these are assessed at the end of each quarter. The loan will be repayable immediately if the covenants are breached. The consolidated entity is not aware of any facts or circumstances that indicate that it may have difficulty complying with the covenants within 12 months after the reporting period.

Note 9. Borrowings (continued)

Financing arrangements

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

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Total facilities		
NAB lease facility	-	300,000
Corporate credit card facility	20,000	70,000
Loan	2,500,000	-
	<u>2,520,000</u>	<u>370,000</u>
Used at the reporting date		
NAB lease facility	-	-
Corporate credit card facility	-	-
Loan	2,500,000	-
	<u>2,500,000</u>	<u>-</u>
Unused at the reporting date		
NAB lease facility	-	300,000
Corporate credit card facility	20,000	70,000
Loan	-	-
	<u>20,000</u>	<u>370,000</u>

Note 10. Issued capital

	Consolidated			
	31 Dec 2025	30 Jun 2025	31 Dec 2025	30 Jun 2025
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>2,121,880,844</u>	<u>1,713,518,682</u>	<u>134,581,896</u>	<u>131,085,596</u>

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2025	1,713,518,682	131,085,596
Issue of Tranche 1 shares ⁽ⁱ⁾	2 October 2025	185,683,352	1,856,834
Issue of shares on exercise of rights	14 October 2025	3,362,162	33,621
Issue of Tranche 2 shares ⁽ⁱⁱ⁾	5 December 2025	99,316,648	993,166
Issue of shares on settlement of convertible notes (note 9)	31 December 2025	120,000,000	840,000
Share issue transaction costs, net of tax			<u>(227,321)</u>
Balance	31 December 2025	<u>2,121,880,844</u>	<u>134,581,896</u>

⁽ⁱ⁾ The Tranche 1 placement has 61,894,451 free attaching options at an exercise price of \$0.018 per share.

⁽ⁱⁱ⁾ The Tranche 2 placement has 33,105,549 free attaching options at an exercise price of \$0.018 per share.

Note 11. Reserves

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Foreign currency reserve	58,836	280,347
Share-based payments reserve	4,767,991	4,630,566
Convertible note equity reserve	-	192,771
	<u>4,826,827</u>	<u>5,103,684</u>

Movements in reserves

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

Consolidated	Foreign currency \$	Share-based payments \$	Convertible note equity \$	Total \$
Balance at 1 July 2025	280,347	4,630,566	192,771	5,103,684
Foreign currency translation	(221,511)	-	-	(221,511)
Share-based payment expense	-	137,425	-	137,425
Reversal of conversion rights on convertible notes	-	-	(192,771)	(192,771)
	<u>58,836</u>	<u>4,767,991</u>	<u>-</u>	<u>4,826,827</u>

Note 12. Dividends

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

Note 13. Contingent liabilities

The consolidated entity has given bank guarantees as at 31 December 2025 of \$nil (30 June 2025: \$99,369) to one landlord.

The consolidated entity has a contingent liability of \$731,647 as of 31 December 2025 (30 June 2025: \$643,329) should the consolidated entity's research and development claim from ATO not be approved.

Note 14. Earnings per share

	Consolidated half-year 31 Dec 2025 \$	Consolidated half-year 31 Dec 2024 \$
Loss after income tax attributable to the owners of FirstWave Cloud Technology Limited	<u>(3,020,682)</u>	<u>(2,051,505)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,820,828,684</u>	<u>1,711,100,788</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,820,828,684</u>	<u>1,711,100,788</u>
	Cents	Cents
Basic loss per share	(0.17)	(0.12)
Diluted loss per share	(0.17)	(0.12)

Note 14. Earnings per share (continued)

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 15. Share-based payment

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

During the half-year 31 December 2025, 6,000,000 broker options or 60,000,000 share rights were granted (31 December 2024: no options and 12,436,298 share rights were granted).

The share-based payment expense for the period was \$161,425 (31 December 2025: \$406,182) of which \$24,000 (31 December 2024: \$11,999) was off-set by the employees having agreed to salary sacrifice in lieu of service rights and hence saving the entity cash costs.

Broker options

On 2 October 2025, 6,000,000 lead manager options were issued to Red Leaf Securities Pty Ltd for nil consideration. The lead manager options have an exercise price of \$0.018 and will expire 18 months from the date of issue.

Share appreciation rights

On 14 October 2025, 60,000,000 share rights were granted to directors of the company in lieu of salary. These share rights have an exercise price of \$0.01 and expires on 13 October 2030 subject to continuing employment. The company issued the rights on 23 December 2025.

Movements in share awards during the year

The following table illustrates the movements in, share awards during the current half-year.

	Number of options 31 Dec 2025
Outstanding at 1 July 2025	97,704,989
Granted	161,000,017
Exercised	(3,362,162)
Expired	<u>(4,233,331)</u>
Outstanding at 31 December 2021	<u>251,109,513</u>

For the options and rights granted during the current financial half-year, the valuation model inputs used to determine the 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
02/10/2025	01/04/2027	\$0.01	\$0.00	92.65%	-	3.65%	\$0.010
14/10/2025	13/10/2030	\$0.01	\$0.00	92.65%	-	3.65%	\$0.010

Note 16. Events after the reporting period

On 16 February 2026, the Company issued 5,000,000 ordinary shares at \$0.007 per share to the company's previous lender.

No other matter or circumstance has arisen since 31 December 2025 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.

FirstWave Cloud Technology Limited
Directors' declaration
31 December 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half-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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Roger Buckeridge

Roger Buckeridge
Chair

27 February 2026
Sydney

Danny Maher

Danny Maher
Director

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FIRSTWAVE CLOUD TECHNOLOGY LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of FirstWave Cloud Technology Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, material accounting policy information, other selected explanatory notes, and the directors' declaration of the Group, comprising the Company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of FirstWave Cloud Technology Limited is not in accordance with the *Corporations Act 2001* including:-

- (a) giving a true and fair view of the Group's financial position as at 31 December 2025, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the Company a written Auditor's Independence Declaration.



Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'S Lindemann', written over a light blue horizontal line.

SHAUN LINDEMANN
PARTNER

27 FEBRUARY 2026
BRISBANE