

FirstWave Cloud Technology Limited

ABN 35 144 733 595

Annual Report - 30 June 2026

Dear Shareholders,

On behalf of the Board, I am pleased to present FirstWave Cloud Technology Limited's results for the year ended 30 June 2026, a year in which the Company reset its cost base, strengthened its balance sheet, and made significant progress in its strategic pivot to AI-powered compliance management, with contracted revenue. It was the year FirstWave turned around. The work to reset the Company is largely done, and our focus is on growth.

FY26 was a year of two halves. The first half continued to absorb the final impact of Telstra's discontinuation of many of its security services which had a follow-on impact to our CyberCision product revenues, a process that has now completed in full. Against that backdrop, the Board and management prioritised getting the Company's cost base right: in September 2025 we completed a restructure targeting \$1.6 million in annualised savings, and in December 2025 we simplified and secured our balance sheet, settling the Company's convertible note with Fenja Capital in full and putting in place a new \$2.5 million, three-year secured loan facility with Partners for Growth VII, L.P. Together with a \$2.85 million capital raise, these steps left the Company with \$1.331 million in cash at year end, an increase of over \$1 million on the prior year, and importantly, positive net operating cash flow for the year as a whole.

The second half of the year showed the benefit of that reset. The Company delivered cash-flow-positive quarters in both Q3 and Q4, and secured significant new agreements. EBITDA for July and August 2026 was close to breakeven.

The Board does not underestimate the work still required to remove the net current asset deficiency and achieve positive net profitability, which is a priority for FY27. As this report was being finalised, the Company requested a trading halt on 30 September 2026 to undertake a capital raising to provide additional working capital, with the consent and support of our lender, Partners for Growth.

During the year, we also refreshed elements of the Board, with David Garnier being confirmed as a Non-Executive Director and my own appointment as Chair from 18 July 2025, following John Grant's retirement. I want to thank John for his contribution to FirstWave over an extended period, and thank my fellow directors, Danny Maher and David Garnier, for their work through a demanding year of restructuring and refinancing.

On behalf of the Board, I thank our shareholders for their continued support and patience, and our staff for their commitment through a period of significant change. We enter FY27 with a lower cost base, a business that generated cash in each of its last two quarters, and a strategy that is gaining commercial traction, in particular with government agencies, telcos and banks.

Yours sincerely,



Roger Buckeridge
Chair
30 September 2026

Dear Shareholders,

Two years ago FirstWave was losing more than \$20 million a year. In FY26 we cut the loss to \$2.8 million, 80% lower than FY25, and generated \$2.0 million of operating cash across the third and fourth quarters. FY26 was the year FirstWave's strategy moved from plan to execution. Twelve months ago we set out to reduce our cost base, put the Company on a sustainable funding footing, and reposition the Company for compliance management, including the first steps toward commercialising a large untapped base of free users of our Open-AudIT product, estimated at 150,000 organisations, by releasing AI-powered compliance management technologies. I am pleased to report meaningful progress on all three fronts, and to set out what more we have to do.

On cost and funding: the restructure we completed in September 2025 removed \$1.6 million of annualised costs and realigned the business into four core divisions focused on sales, product management and marketing, corporate and finance, and engineering (including R&D). Our operating cost base is now budgeted at \$8.1 million a year from October 2026, 45% below FY24. In December we settled our convertible note in full and replaced it with a \$2.5 million secured facility from Partners for Growth, having earlier closed out a \$2.85 million equity raise. As this report is finalised we are undertaking a capital raising, for which the Company requested a trading halt on 30 September 2026, to provide additional working capital as the pipeline converts, with the consent of Partners for Growth. With tighter cost discipline we delivered positive net operating cash flow for the year, the second consecutive year FirstWave has done so (and the only two years in its history) and operations were cash flow positive in each of the third and fourth quarters as new contracts converted into receipts.

On the shape of the business: the Review of Operations sets out the numbers, so I will not repeat them all here. I draw out that the business changed shape for the better. After a first half in which revenue fell 16% as the Telstra churn completed, second half revenue was 20% higher, led by the network monitoring business and Latin America. Network monitoring, our NMIS product line, grew 32% and is now 82% of our revenue. Latin America grew 66%. Gross margin rose to 95%, from 88% a year earlier. The Telstra churn that held back the first half has completed, and we are growing in the areas that we have communicated we would be.

On products: we launched Open-AudIT v6, our AI-driven compliance platform, with a free licensing tier designed to convert existing free users into paying customers. By the third quarter, Open-AudIT v6 had passed 5,991 downloads since launch, with a 6.09% commercial trial conversion rate and 194 active sales leads. We closed a major deal with Banobras around this technology and we closed several other deals. At the time of this report we have released Open-AudIT v7 into testing (including with some existing clients) and we eagerly await the impact of new commercialisation efforts within the product.

On technology: our project with CSIRO and the University of the Sunshine Coast under the Regional University Industry Collaboration programme announced in February 2026, set out to build production-ready AI models using our operational data set. It has gone extremely well. It produced a multi-agent AI system, orchestrated by large language models, that delivers automated and explainable root-cause diagnosis for network faults, and on 3 September 2026 FirstWave filed a provisional patent application with IP Australia for that system as sole owner and sole applicant. The technology is already a commercial product that we are preparing to launch. It is built into NMIS, opEvents and opCharts and runs on the telemetry our software already collects.

On revenue: the second half delivered the commercial proof points we were targeting. In May 2026, Services Australia signed a perpetual licence for our NMIS and Open-AudIT software valued at approximately \$1.85 million. In April, we signed a two-year agreement with Banobras for our newly launched compliance management software. Banobras is one of Mexico's leading development banks, and we signed the contract through our new OmniPrinter and Grupo Salinas channel, our first contract through that partnership and a strong entry point into the Latin American compliance market. We also renewed key agreements with NASA, Claro Dominican Republic and Telmex, and, after year end, extended our CyberCision Secure Internet Gateway agreement with Telstra for a further 12 months. Services Australia and Banobras together represented approximately \$2.2 million of new business secured in the fourth quarter.

I have been spending much of my time this calendar year in North America and in particular Mexico, working directly on our enterprise pipeline where we see the strongest near-term opportunities to convert our relationships into revenue growth.

We have made great progress and are committed to accelerating the business. Converting pipeline into recurring revenue remains the priority for FY27. The shape of FY26, exiting with a significantly lower cost base, a repaired balance sheet, positive operating cash flow, a network monitoring business growing at over 30% and a Latin American footprint growing even faster gives me confidence that FirstWave has laid the foundation for its next period of growth. I would like to thank our shareholders for their continued support, and the FirstWave team for the work put into the business this year.

Yours sincerely,



Danny Maher
Managing Director & Chief Executive Officer
30 September 2026

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 2026.

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:

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 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 year.

Review of operations

Financial year 2026 summary

- Positive net operating cash flow of \$784,455 for the second consecutive year (30 June 2025: \$170,563), with operating cash inflows in each of the third and fourth quarters.
- Cash and cash equivalents of \$1,331,040 at 30 June 2026, up from \$263,946.
- Network monitoring revenue up 32.4% to \$6,829,749, now 81.5% of total revenue.
- Latin American revenue up 65.9% to \$2,149,351.
- Gross margin of 95.3% (30 June 2025: 88.0%), with cost of sales down 62.4% following the exit from lower margin revenue.
- Second half revenue of \$4.58 million, 20% above the first half, including a perpetual licence with Services Australia valued at approximately \$1.85 million and a two year agreement with Banobras, one of Mexico's national development banks.
- Balance sheet restructured: convertible note settled in full, a \$2.5 million three year secured facility with Partners for Growth in place, and \$2.85 million raised in two placement tranches.
- September 2025 restructure delivering approximately \$1.6 million in annualised cost savings.
- Subsequent to year end, a provisional patent application filed with IP Australia on 3 September 2026 for FirstWave's AI driven network fault diagnosis system.

Profit or loss performance

The loss for the consolidated entity after providing for income tax amounted to \$2,806,919 (30 June 2025: \$13,977,161), a reduction of 79.9%. The reduction in the loss mostly reflects the \$10,394,976 non-cash goodwill impairment recorded in the prior year, compared with no impairment in the current year.

The loss is primarily due to the lower revenue base carried over from the period of customer churn on our CyberCision platforms driven by Telstra's discontinuation of its Gateway Protection Advanced (GPA) firewall product and the closure of their CSX2 platform, once-off restructuring costs associated with the September 2025 cost-reduction programme, and higher financing costs, principally the interest and settlement charges on the Company's convertible note with Fenja Capital prior to its repayment in December 2025, together with the establishment of the \$2.5 million loan facility with Partners for Growth VII, L.P. ('PFG') drawn in December 2025.

Revenue from ordinary activities was marginally down 4.2% to \$8,378,679 (30 June 2025: \$8,743,622). Revenue for the first half of the year fell 15.9% to \$3.8 million as the Telstra churn worked through the Company's recurring revenue base; this process completed in full during the year. Following the restructure and the revenue reductions from the Telstra CyberCision churn, the cost base was lower entering the second half of the year where the company also saw strong revenue growth supported by:

- a perpetual software licence agreement with Services Australia for FirstWave's NMIS and Open-Audit software, valued at approximately \$1.85 million (licence fees of \$1.331 million, professional services of \$0.143 million and annual support of \$0.378 million), secured in May 2026;
- a two-year compliance management software licensing agreement with Banobras, one of Mexico's national development banks, valued at approximately US\$250,000, secured in April 2026 through the OmniPrinter channel (part of the Grupo Salinas group);
- renewed licensing agreements with existing customers including NASA, Claro Dominican Republic and Telmex.

Beneath the headlines, the composition of revenue improved materially. Network monitoring revenue grew 32.4% to \$6,829,749 (30 June 2025: \$5,157,543) and represented 81.5% of total revenue. Revenue from Latin America grew 65.9% to \$2,149,351 (30 June 2025: \$1,295,562). Gross profit grew 3.8% to \$7,984,752 (30 June 2025: \$7,695,174) and gross margin improved to 95.3% (30 June 2025: 88.0%) as cost of sales fell 4.7% to \$393,927 with the Company's shift away from lower margin revenue. Revenue in the second half of the year was \$4.58 million, 20% higher than the first half.

Subsequent to year end, on 8 July 2026 the Company extended its CyberCision Secure Internet Gateway agreement with Telstra for a further 12 months from July 2026, lifting annual recurring revenue under that agreement by approximately 5% to around \$0.6 million and reaffirming FirstWave's presence in Federal Government procurement channels.

Statement of financial position

Cash and cash equivalents increased by \$1,067,094 to \$1,331,040 (30 June 2025: \$263,946). The increase was largely due to net cash inflows of \$2,850,000 from the Company's capital raising, comprising a \$2.85 million placement completed in two tranches (October and December 2025) and the \$2.5 million secured loan facility with PFG drawn down in December 2025. Proceeds from the PFG facility were used to settle in full the Company's convertible note with Fenja Capital, with the balance settled through the issue of 125,000,000 ordinary shares.

There was net cash inflow from operating activities of \$784,455 which compares to an inflow of \$170,563 in the prior comparative year. This reflects a \$1,154,214 reduction in payments to suppliers and employees, largely attributable to the completion of the September 2025 restructure, which delivered approximately \$1.6 million in annualised savings. The improvement in operating cash flow was concentrated in the second half of the year, with the Company reporting net operating cash inflows of \$1.40 million in the third quarter and \$0.605 million in the fourth quarter as new contract wins converted into cash receipts.

Liquidity

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

As at 30 June 2026, the consolidated entity recorded a net current asset deficiency of \$5,348,381 (30 June 2025: deficiency of \$6,061,857). In forming their view on the going concern basis of preparation, the directors have had regard to:

- the Company's positive net operating cash flow in the third and fourth quarters of FY26 (\$1.40 million and \$0.605 million respectively), and the positive net operating cash flow of \$297,243 for the year as a whole;
- the \$2.5 million secured loan facility with PFG, which was fully drawn during the period;
- the settlement in full of the Company's convertible note in December 2025, removing a near-term repayment obligation;
- a strong pipeline of sales opportunities;
- the annualised cost savings of approximately \$1.6 million delivered by the September 2025 restructure;
- the capital raising currently being undertaken by the Company, for which it entered a trading halt on 30 September 2026, together with the Company's demonstrated ability to raise capital, including \$2.85 million raised in FY26.

On this basis, the directors believe the consolidated entity has reasonable grounds to expect it will be able to pay its debts as and when they fall due for at least 12 months from the date of this report.

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 proposes to mitigate such risks.

Concentration and the timing of large contracts

A meaningful share of the consolidated entity's new sales pipeline comes from a small number of large opportunities and the timing of contracts of that size is difficult to predict. The consolidated entity's operating cost base is now largely covered by recurring revenue, so the timing of individual large contracts affects growth and cash flow between periods rather than the continuity of operations. The consolidated entity continues to build a pipeline that is diversified across regions and products.

Geopolitical and economic conditions in the United States

The United States is the consolidated entity's second largest market and the consolidated entity's customers include federal government and defence agencies and large enterprises. Changes in US government spending priorities, policies, procurement processes, trade and tariff policies, or broader political and economic instability could impact renewals or new contracts. The consolidated entity's US contracts are largely annual renewals of software already embedded in customers' operations, which have historically proved resilient, and the consolidated entity's growth in Latin America and Australia reduces its dependence on the US as a single market, although instability in the United States can also affect global conditions.

Pace of change in artificial intelligence

AI is changing how network management and compliance software is built, sold and priced, and the pace of that change is a risk to any software company. The Company believes it is well positioned to benefit rather than be displaced. Its software runs on customers' own premises, so it is less exposed than cloud delivered products, and it collects, organises and stores the large volumes of operational data that AI systems need – it has both a large data moat and is embedded in its customers' operational processes. The Company intends to use AI to add value to that data and to its products.

Conversion of the free Open-Audit user base

The consolidated entity's strategy for Open-Audit depends on converting a large base of free users to paid licences. There is no assurance that conversion rates will reach the levels needed to make the product a material contributor to revenue. The consolidated entity tracks downloads, trial conversion and sales leads as leading indicators and adjusts the technology, the pricing and the productisation in response to the information gleaned from the data. The consolidated entity expects paid-licence conversion to build progressively through FY27 as the FY26 cohort of trial users matures, and expects Open-Audit 7, now in testing with customers, to add commercial features aimed at converting more of that user base

Competitive market

The consolidated entity competes with larger, better resourced vendors. Competitors may release products with greater functionality, reduce prices, or make acquisitions that impact the consolidated entity. The consolidated entity competes on the depth and scalability of its network management platform, its ability to run on premise for security conscious customers, its cost to serve, and long tenure relationships with its customers.

Availability of skilled staff

The consolidated entity depends on a small team with specialist skills in network management software, AI and sales into large organisations, across Australia, Mexico and the United States. Losing key staff, or being unable to hire replacements, would affect delivery and sales. The consolidated entity uses flexible working arrangements to retain staff, and distributes knowledge across the team and has low churn in key functional roles.

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.

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 \$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.

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

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

Matters subsequent to the end of the financial year

On 8 July 2026 the Company extended its CyberCision Secure Internet Gateway agreement with Telstra for a further 12 months from July 2026, lifting annual recurring revenue under that agreement by approximately 5% to around \$0.6 million and reaffirming FirstWave's presence in Federal Government procurement channels.

On 29 September 2026, Partners For Growth ('PFG') provided a waiver of the covenant breach described in notes 1 and 16 and confirmed it does not intend to demand early repayment of the facility, subject to completion of a capital raise as outlined in note 1. The waiver is a non-adjusting event and does not affect the current classification of the debt facility at 30 June 2026.

On 30 September 2026, the consolidated entity entered into a trading halt with the ASX, associated with a planned capital raise. Further details other than as disclosed in Note 1 regarding the planned raise will not be complete or known until after the date of this report, and will be announced to the market upon resumption of trading.

No other matter or circumstance has arisen since 30 June 2026 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

Having successfully completed the restructuring and cost reductions noted in the prior period report as well as further cost reductions in the current period, the consolidated entity is focused on growing revenues faster without significant increase in costs, and to reaching cash flow neutrality.

Environmental regulation

The consolidated entity recognises the increasing importance of climate-related risks and stakeholder expectations around sustainability. The consolidated entity continues to monitor evolving regulatory developments, including climate disclosure requirements, and remains committed to operating in an environmentally responsible manner. Where possible, the consolidated entity supports initiatives that promote energy efficiency, responsible procurement, and sustainable business practices.

Sustainability reporting

AASB S1 'General Requirements for Disclosure of Sustainability-related Financial Information' provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term. AASB S2 'Climate-related Disclosures' sets out specific climate-related disclosures and will be applied from the year ending 30 June 2028.

AASB S2 applies to entities required to prepare and lodge a financial report with ASIC under Chapter 2M and are effective for annual reporting periods beginning on or after 1 January 2025 and will be gradually phased in for different entities based on size thresholds:

- Group 1 entities (meets two of the following: consolidated revenue of at least \$500million, consolidated gross assets of at least \$1 billion and at least 500 employees) are required to report in Dec 2025/June 2026.
- Group 2 entities (meets two of the following: consolidated revenue of at least \$200million, consolidated gross assets of at least \$500 million and at least 250 employees) are required to report in Dec 2027/June 2027.
- Group 3 entities (meets two of the following: consolidated revenue of at least \$50million, consolidated gross assets of at least \$25 million and at least 100 employees) are required to report in Dec 2028/June 2028.

The consolidated entity is classified as Group 3 and will be required to apply AASB S2 for the financial year ending 30 June 2028, with the related disclosures to be included in the financial report lodged with ASIC after that date in accordance with applicable filing deadlines. The consolidated entity does not currently intend to adopt these standards earlier than required, nor to apply the voluntary broader sustainability disclosures under AASB S1 ahead of the mandatory effective date.

Information on current directors

Information on the directors of the company as at 30 June 2026 and up to the date of this annual report is set out below. 'Other current directorships' quoted below 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 below are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Name:	Roger Buckeridge
Title:	Non-Executive Director (appointed on 14 July 2025) and Chair (appointed on 18 July 2025)
Qualifications:	PhD degree in Chemistry
Experience and expertise:	Dr Roger Buckeridge is a director and co-founder of Emerging Funds Management Pty Ltd. Roger has been a leading unlisted equity funds manager in the Asia Pacific region for 40 years and has been the co-founding partner and Responsible Manager under various AFSLs since 2004. One of these fund managers and responsible entities invested AU\$280 million of institutional venture capital funds in some 60 early-stage technology-based businesses, between 1997 and 2013. During his career as an investment fund manager, Roger has served on listed company boards (ASX and TSX) and provided extensive consulting services to enterprises and government. Earlier, he served 6 years as a management consultant at McKinsey & Company, in the US, Asia and Australia.
Other current directorships:	Aurora Solar Technologies Inc (TSX-V:ACU, Vancouver, BC, Canada) start August 2023; BT Imaging Pty Ltd, Sydney Australia, start March 2010; and Emerging Funds Management Pty Ltd, Sydney Australia start January 2022.
Former directorships (last 3 years):	Former directorships are Triumph Capital International Pte Ltd and Sapien Capital Partners Limited
Special responsibilities:	Chair of Remuneration & Nomination Committee, Member Audit, Risk and Compliance Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	20,000,000 share appreciation rights

Name: **Danny Maher**
Title: Managing Director
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. In 2010, Danny founded Opmantek, a developer of cloud-enabled automated enterprise network management and IT audit software. 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 and NASA. 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: 8,522,171 ordinary shares directly held
233,033 570 ordinary shares indirectly held

Interests in options: None
Interests in rights: 31,000,000 share appreciation rights and 2,926,316 service rights

Name: **David Garnier**
Title: Non-Executive Director
Qualifications: Bachelor of Commerce from Canberra University and is a qualified CPA
Experience and expertise: David has more than 30 years of experience in corporate finance, advisory and investment banking, and serves as a Director for multiple private and public companies focusing on technology and innovation. He is the founder and Chairman of New Wave Capital, a Hong Kong-based investment bank with an extensive client list across Asia and Australia.

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: 69,204 ordinary shares directly held
24,459,594 indirectly held

Interests in options: None
Interests in rights: 20,000,000 share appreciation rights

Company secretary

Emily Austin (from Automic Group) was appointed as company secretary on 11 August 2025. She has been involved with the Company for the past 3 years as a company secretary advisor. She holds a Masters in Business Law and post graduate degree in Applied Corporate Governance and Risk Management.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2026, 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	
Roger Buckeridge	9	9	1	1		2	2	
Danny Maher	9	9	1	1		2	2	
David Garnier	9	9	1	1		2	2	
John Grant (retired on 18 July 2025)	-	-	-	-		-	-	

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 information
- 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 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 FY2026. Grants of options and share rights 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 2026.

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 Annual General Meeting ('AGM')

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 person:

- Iain Bartram - Chief Financial Officer (retrenched 11 November 2025)

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

	Short-term benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	
	Cash salary and fees	Cash Bonus	Annual leave	Super-annuation	Long service leave		Equity-settled options/ rights	Total
	\$	\$	\$	\$	\$	\$	\$	\$
2026								
<i>Non-Executive Directors:</i>								
Roger Buckeridge ⁽¹⁾	57,500	-	-	-	-	-	78,356	135,856
David Garnier	60,000	-	-	-	-	-	78,356	138,356
John Grant ⁽²⁾	65,000	-	-	7,500	-	-	-	72,500
<i>Executive Director:</i>								
Danny Maher	360,000	-	17,307	30,000	14,713	-	78,356	500,376
<i>Other Key Management Personnel:</i>								
Iain Bartram ⁽³⁾	116,346	-	(13,960)	11,562	(15,669)	82,498	-	180,777
	658,846	-	3,347	49,062	(956)	82,498	235,068	1,027,865

(1) Represents remuneration from date of appointment of 14 July 2025 to 30 June 2026.

(2) Represents remuneration from 1 July 2025 to the date of retirement of 18 July 2025.

(3) Represents remuneration from 1 July 2025 to the last day of employment of 11 November 2025.

	Short-term benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	
	Cash salary and fees	Cash Bonus	Annual leave	Super-annuation	Long service leave		Equity-settled options/ rights	Total
	\$	\$	\$	\$	\$	\$	\$	\$
2025								
<i>Non-Executive Directors:</i>								
John Grant	-	-	-	16,464	-	-	168,130	184,594
	-	-	-	-	-	-	-	-
Daniel Friel ⁽²⁾	27,709	-	-	-	-	-	48,626	76,335
David Garnier ⁽¹⁾	15,000	-	-	-	-	-	-	15,000
<i>Executive Director:</i>								
Danny Maher	288,000	-	35,959	29,932	13,439	-	54,550	421,880
<i>Other Key Management Personnel:</i>								
Iain Bartram	330,000	20,000	25,385	29,932	5,817	-	28,338	439,472
Dino Davanzo ⁽³⁾	-	43,188	24,662	6,117	(1,487)	-	18,750	91,230
	660,709	63,188	86,006	82,445	17,769	-	318,394	1,228,511

- (1) Represents remuneration from the date of appointment of 31 March 2025 to 30 June 2025. David Garnier is the principal consultant in New Insights Australia Pty Ltd a boutique corporate finance advisory company who FirstWave had engaged for advisory services and paid \$45,273 in fees in 2025 separate to the \$15,000 in Director's fees that are invoiced through the same entity.
- (2) Represents remuneration from 1 July 2024 to the last date of employment of 31 March 2025.
- (3) Represents remuneration from 1 July 2024 to the last date of employment of 12 July 2024. Dino Davanzo was on annual leave for his last two weeks of employment and paid his outstanding commissions and accumulated leave balances. The long service leave provision in the accounts against Dino Davanzo was released to the profit or loss.

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

Name	Fixed remuneration		STI		LTI	
	2026	2025	2026	2025	2026	2025
Non-Executive Directors:						
Roger Buckeridge	42%	-	-	-	58%	-
David Garnier	43%	100%	-	-	57%	-
John Grant	100%	9%	-	-	-	91%
Daniel Friel	-	36%	-	-	-	64%
Executive Director						
Danny Maher	84%	87%	-	-	16%	13%
Other Key Management Personnel:						
Iain Bartram	100%	89%	-	5%	-	6%
Dino Davanzo	-	32%	-	47%	-	21%

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.

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 2026.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2026.

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
Roger Buckeridge	20,000,000	14/10/2025	13/10/2027	13/10/2030	\$0.010	\$0.010
Danny Maher	11,000,000	27/09/2022	30/06/2024	30/06/2027	\$0.050	\$0.025
Danny Maher	900,000	26/04/2024	26/04/2026	30/06/2031	\$0.000	\$0.030
Danny Maher	2,026,316	30/09/2024	30/06/2025	30/06/2030	\$0.000	\$0.026
Danny Maher	20,000,000	14/10/2025	13/10/2027	13/10/2030	\$0.010	\$0.010
David Garnier	20,000,000	14/10/2025	13/10/2027	13/10/2030	\$0.010	\$0.010

All service rights issued only had a time served criteria and did not have any performance based criteria.

Share rights granted carry no dividend or voting 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 2026 are set out below:

Name	Number of rights granted during the year 2026	Number of rights granted during the year 2025	Number of rights vested during the year 2026	Number of rights vested during the year 2025
Roger Buckeridge	20,000,000	-	-	-
Danny Maher	20,000,000	2,026,316	-	2,026,316
David Garnier	20,000,000	-	-	-

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 2026 are set out below:

Name	Value of rights granted during the year \$	Value of rights vested during the year \$	Value of rights lapsed/ forfeited during the year \$	Remuneration consisting of rights for the year %
Roger Buckeridge	200,000	-	-	58.0%
Danny Maher	200,000	-	-	16.0%
David Garnier	200,000	-	-	57.0%

Additional information

The earnings of the consolidated entity for the five years to 30 June 2026 are summarised below:

	2026 \$	2025 \$	2024 \$	2023 \$	2022 \$
Sales revenue	8,378,679	8,743,622	11,277,401	12,492,797	9,351,497
Loss after income tax	(2,806,919)	(13,977,161)	(23,040,028)	(13,448,285)	(13,455,494)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2026	2025	2024	2023	2022
Basic loss per share (cents per share)	(0.14)	(0.82)	(1.35)	(0.81)	(1.14)
Share price at financial year end (\$)	0.01	0.02	0.02	0.04	0.05

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	Disposals/other	Balance at the end of the year
Ordinary shares					
Roger Buckeridge	-	-	-	-	-
Danny Maher	252,155,741	-	-	(10,600,000)	241,555,741
David Garnier	24,528,798	-	-	-	24,528,798
John Grant*	1,997,700	-	-	(1,997,700)	-
Iain Bartram*	508,065	-	-	(508,065)	-
	<u>279,190,304</u>	<u>-</u>	<u>-</u>	<u>(13,105,765)</u>	<u>266,084,539</u>

* Other represents the shares held from the time of cessation of employment.

Option holding

There were no 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.

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>				
Roger Buckeridge	-	20,000,000	-	20,000,000
Danny Maher	13,926,316	20,000,000	-	33,926,316
David Garnier	-	20,000,000	-	20,000,000
John Grant*	15,369,983	-	(15,369,983)	-
Iain Bartram*	10,552,632	-	(10,552,632)	-
	39,848,931	60,000,000	(25,922,615)	73,926,316

* Other represents the rights held from the time of cessation of employment.

	Vested as of 30 June 2026	Vested and unexercisable	Other	Vested and exercisable balance at the end of the year
<i>Share rights holding over ordinary shares (30 June 2026)</i>				
Roger Buckeridge	-	-	-	-
Danny Maher	13,926,316	-	-	13,926,316
David Garnier	-	-	-	-
Total vested share rights over ordinary shares	13,926,316	-	-	13,926,316

Loans and other transactions with key management personnel and their related parties

There were no loans to key management personnel and their related parties as at 30 June 2026.

This concludes the remuneration report, which has been audited.

Shares under option

There were 102,216,683 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 \$0.23 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 114,130,222 unissued ordinary shares of FirstWave Cloud Technology Limited under share appreciation rights (SARs) outstanding at the date of this report. This includes 60,000,000 SARs that have an exercise price of \$0.011, 50,076,989 SARs that have an exercise price of \$0.05 and 4,053,233 SARs that have an exercise price of \$0.025. There are also 26,226,052 service rights and 4,669,885 restricted rights as of the date of this report.

Shares under warrants

There were 89,750,723 unissued ordinary shares of FirstWave Cloud Technology Limited under warrants outstanding at the date of this report. The warrants has no vesting conditions, exercisable immediately and has an expiry date of 15 April 2031.

Shares issued on the exercise of options

There were no ordinary shares of FirstWave Cloud Technology Limited issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Shares issued on the exercise of share rights

3,362,162 ordinary shares of FirstWave Cloud Technology Limited were issued on the exercise of share rights during the year ended 30 June 2026 and up to the date of this report. Share rights were exercised at an exercise price of \$nil.

Shares issued on the exercise of warrants

There were no ordinary shares of FirstWave Cloud Technology Limited issued on the exercise of warrants during the year ended 30 June 2026 and up to the date of this report.

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 for non-audit services provided during the financial year by the auditor are outlined in note 23 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 23 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 Horizon Nexus (Qld) Audit Pty Ltd

There are no officers of the company who are former partners of Horizon Nexus (Qld) Audit Pty Ltd.

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.

Horizon Nexus (Qld) Audit Pty Ltd (formally PKF Brisbane Audit) continue as auditor's.

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



Roger Buckeridge
Chair



Danny Maher
Director

30 September 2026
Sydney

**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 year ended 30 June 2026, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in cursive script that reads "Horizon Nexus Partners".

Horizon Nexus (Qld) Audit Pty Limited

A handwritten signature in cursive script that appears to read "S Lindemann".

**Shaun Lindemann
Director**

Brisbane
30 September 2026

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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 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 are:

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 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 September 2026. The directors have the power to amend and reissue the financial statements.

FirstWave Cloud Technology Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

FirstWave

	Note	Consolidated 2026 \$	2025 \$
Revenue			
Revenue from contracts with customers	4	8,378,679	8,743,622
Cost of sales	6	(393,927)	(1,048,448)
Gross profit		<u>7,984,752</u>	<u>7,695,174</u>
Other income	5	1,166,998	1,136,781
Interest income calculated using the effective interest method		7,456	21,407
Expenses			
Sales and marketing	6	(2,669,749)	(2,991,317)
Product and development	6	(2,670,546)	(2,963,679)
Operations and support	6	(767,056)	(804,340)
Corporate and administration	6	(4,216,883)	(5,125,076)
Transaction costs		(333,574)	(27,461)
Impairment of assets	11	-	(10,394,976)
Finance costs	6	(1,235,185)	(489,439)
Total expenses		<u>(11,892,993)</u>	<u>(22,796,288)</u>
Loss before income tax expense		<u>(2,733,787)</u>	<u>(13,942,926)</u>
Income tax expense	7	(73,132)	(34,235)
Loss after income tax expense for the year attributable to the owners of FirstWave Cloud Technology Limited		<u>(2,806,919)</u>	<u>(13,977,161)</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(221,511)	164,049
Other comprehensive income for the year, net of tax		<u>(221,511)</u>	<u>164,049</u>
Total comprehensive income for the year attributable to the owners of FirstWave Cloud Technology Limited		<u><u>(3,028,430)</u></u>	<u><u>(13,813,112)</u></u>
		Cents	Cents
Basic loss per share	31	(0.14)	(0.82)
Diluted loss per share	31	(0.14)	(0.82)

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

	Note	Consolidated 2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	8	1,331,040	263,946
Term deposits		-	99,369
Trade and other receivables	9	532,837	865,285
Contract assets		141,643	29,608
Other assets	10	162,077	176,687
Total current assets		<u>2,167,597</u>	<u>1,434,895</u>
Non-current assets			
Property, plant and equipment		26,313	69,749
Right-of-use assets		-	8,349
Intangibles	11	26,796,485	26,804,177
Other assets	10	6,764	28,787
Total non-current assets		<u>26,829,562</u>	<u>26,911,062</u>
Total assets		<u>28,997,159</u>	<u>28,345,957</u>
Liabilities			
Current liabilities			
Trade and other payables	12	920,547	1,175,521
Contract liabilities	13	2,630,208	2,258,971
Employee benefits	14	723,653	949,674
Borrowings	16	2,105,097	2,411,905
Derivative financial instruments	17	394,903	-
Lease liabilities		-	11,155
Deferred research and development income	15	741,570	689,526
Total current liabilities		<u>7,515,978</u>	<u>7,496,752</u>
Non-current liabilities			
Contract liabilities	13	279,869	532,615
Employee benefits	14	126,427	155,863
Provisions		26,406	26,406
Deferred research and development income	15	1,448,612	1,121,623
Deferred tax		44,000	44,000
Total non-current liabilities		<u>1,925,314</u>	<u>1,880,507</u>
Total liabilities		<u>9,441,292</u>	<u>9,377,259</u>
Net assets		<u>19,555,867</u>	<u>18,968,698</u>
Equity			
Issued capital	18	134,708,175	131,085,596
Reserves	19	4,267,740	5,103,685
Accumulated losses		<u>(119,420,048)</u>	<u>(117,220,583)</u>
Total equity		<u>19,555,867</u>	<u>18,968,698</u>

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

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Consolidated				
Balance at 1 July 2024	131,001,770	5,783,562	(104,572,706)	32,212,626
Loss after income tax expense for the year	-	-	(13,977,161)	(13,977,161)
Other comprehensive income for the year, net of tax	-	164,049	-	164,049
Total comprehensive income for the year	-	164,049	(13,977,161)	(13,813,112)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 18)	72,000	-	-	72,000
Share-based payments (note 32)	-	498,620	-	498,620
Share issue on exercise of share rights (note 18)	11,826	(13,262)	-	(1,436)
Transfer to retained earnings	-	(1,329,284)	1,329,284	-
Balance at 30 June 2025	131,085,596	5,103,685	(117,220,583)	18,968,698
Consolidated				
Balance at 1 July 2025	131,085,596	5,103,685	(117,220,583)	18,968,698
Loss after income tax expense for the year	-	-	(2,806,919)	(2,806,919)
Other comprehensive income for the year, net of tax	-	(221,511)	-	(221,511)
Total comprehensive income for the year	-	(221,511)	(2,806,919)	(3,028,430)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity (note 18)	3,532,229	-	-	3,532,229
Share-based payments (note 32)	-	301,070	-	301,070
Share issue costs	(193,700)	-	-	(193,700)
Share issue on exercise of share rights (note 18)	91,279	(91,279)	-	-
Forfeited shares	-	(607,454)	607,454	-
Reversal of conversion rights on convertible notes	192,771	(192,771)	-	-
Other adjustments	-	(24,000)	-	(24,000)
Balance at 30 June 2026	134,708,175	4,267,740	(119,420,048)	19,555,867

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

		Consolidated	
	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		9,407,013	10,258,018
Payments to suppliers and employees (inclusive of GST)		(9,660,488)	(11,301,914)
Interest received		3,172	48,020
Other income		1,110,788	1,476,697
Interest and other finance costs paid		(76,030)	(310,258)
Net cash from operating activities	30	784,455	170,563
Cash flows from investing activities			
Payments for property, plant and equipment		(5,312)	(5,543)
Payments for intangibles		(1,967,204)	(2,091,718)
Net cash used in investing activities		(1,972,516)	(2,097,261)
Cash flows from financing activities			
Proceeds from issue of shares		2,850,000	-
Share issue transaction costs		(193,245)	-
Proceeds from borrowings		2,348,155	-
Repayment of borrowings		(2,400,000)	-
Interest on borrowings		(190,208)	-
Repayment of lease liabilities	30	(130,805)	(130,702)
Other receipts - research and development ('R&D') advance		21,280	643,329
Net cash from financing activities		2,305,177	512,627
Net increase/(decrease) in cash and cash equivalents		1,117,116	(1,414,071)
Cash and cash equivalents at the beginning of the financial year		263,946	1,678,017
Effects of exchange rate changes on cash and cash equivalents		(50,022)	-
Cash and cash equivalents at the end of the financial year	8	1,331,040	263,946
Net cash used in operating activities		784,455	170,563
Transaction cost payments (inclusive of GST)		-	127,834
Net cash used in operating activities before transaction costs (inclusive of GST)		784,455	298,397

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

Note 1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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.

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

Going concern

For the year ended 30 June 2026, the consolidated entity incurred a loss after tax of \$2,806,919 (2025: \$13,977,161, including an impairment assets of \$10,394,976). The consolidated entity net cash inflows provided by operating activities of \$784,455 (2025: outflows of \$170,563). As at 30 June 2026, the consolidated entity has recorded a net current asset deficiency of \$5,348,381 (2025: deficiency of \$6,061,857) and cash and cash equivalents of \$1,331,040 (2025: \$263,946). The deficiency includes borrowings of \$2,105,097, classified as current because of the covenant breach described below, and contract liabilities of \$2,630,208, which will be settled through delivering services rather than paying cash.

The Directors have prepared the financial report on a going concern basis. This basis assumes the consolidated entity will continue normal business activities, realise its assets and settle its liabilities in the ordinary course of business. In reaching this view, the Directors have reviewed cash flow forecasts covering at least 12 months from the date of this report and have considered the following:

- **Capital raising:** The consolidated entity is conducting a capital raise of \$1.0m–\$1.5m, expected to complete in early October 2026. As at the date of this report, the Company has entered into a trading halt with the ASX in relation to this.
- **Track record of raising funds:** The consolidated entity raised \$2.68m from issuing shares during the year.
- **Operating cash flows:** The consolidated entity had net operating cash inflows of \$1.40m in Q3 and \$0.61m in Q4 FY26, reflecting the result of recent contract wins and cost savings resulting from a restructure which commenced in September 2025.
- **Sales:** The consolidated entity has a pipeline of sales opportunities and has recently converted sales. These include licence and subscription agreements with Banobras Bank and Services Australia (announced to the ASX on 22 April 2026 and 14 May 2026) and, after year end, extension of agreements with customers via Telstra (announced on 8 July 2026).
- **Secured loan facility:** In December 2025 the consolidated entity entered into a three-year secured loan facility of \$2.50m (before facility costs) with Partners For Growth ('PFG') and used it to settle a convertible note liability. During the year the consolidated entity breached a covenant under the facility, so the loan has been classified as a current liability at 30 June 2026. The lender provided a waiver of the breach post balance date, and confirmed in writing that it does not intend to demand early repayment, subject to completion of the capital raise in progress. Based on approved budgets and forecasts, the Directors expect the Group to comply with the facility's covenants currently in place, and expect the facility to remain available for at least 12 months from the date of this report. The covenants in place are subject to a review in October 2026, and if the updated covenants are materially in line with existing covenants, the Directors believe the consolidated entity will be able to comply with covenants.

The Directors believe there are reasonable grounds to expect the consolidated entity to be able to pay its debts as and when they fall due. However, if the capital raise is not completed as planned, forecast cash flows are not achieved, or the lender demands repayment, there is a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern. The consolidated entity may therefore be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities, that might be necessary if the consolidated entity does not continue as a going concern.

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') Accounting Standards 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.

Note 1. Material accounting policy information (continued)

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 29.

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 2026 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.

Note 1. Material accounting policy information (continued)

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.

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.

License revenue relating to perpetual licenses is recognised at a point in time.

Professional services revenue (non-recurring revenue)

Professional services are recognised on a milestone basis as per agreed terms and conditions in customer contracts and at least to the extent of recoverable costs incurred to date.

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 assurance 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 cost and are credited to other income over the expected useful life of the asset on a straight line basis.

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.

Note 1. Material accounting policy information (continued)

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 right at the end of the reporting period 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.

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.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

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.

Note 1. Material accounting policy information (continued)

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.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders' equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Finance costs

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

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 or share rights, that are provided to employees in exchange for the rendering of services.

Note 1. Material accounting policy information (continued)

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.

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 2026. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements'. The implementation of this standard will introduce new categories in the statement of profit or loss and will require additional disclosures about management-defined performance measures ('MPMs'). The full impact of this standard is still being considered and will first apply to the consolidated entity for the financial year ending 30 June 2028.

AASB 2024-2 Amendments to the Classification and Measurement of Financial Instruments

AASB 2024-2 is applicable for annual reporting periods beginning from 1 January 2026, with early adoption permitted. This standard makes amendments to AASB 9 'Financial Instruments' and AASB 7 'Financial Instruments: Disclosures' to clarify how the contractual cash flows from financial assets should be assessed in determining how they should be classified.

AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11

AASB 2024-3 is applicable for annual reporting periods beginning from 1 January 2026, with early adoption permitted. This standard makes amendments to various standards including AASB 7 'Financial Instruments: Disclosures', AASB 9 'Financial Instruments' and AASB 10 'Consolidated Financial Statements' to clarify existing requirements.

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 32 for information regarding key assumptions.

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 allocated goodwill to an individual cash generating unit (CGU) and other intangible assets (e.g. capitalized software development costs) have been allocated to each CGU identified. Impairment testing has been performed for each CGU (not at the group level) using the value in use method.

Valuation of derivatives

The consolidated entity entered into an agreement for a finance facility which included the granting of a tranche of warrants. The assessment of fair value required the use of a binomial option pricing model which includes assumptions and estimates.

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.

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 Managing Director (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 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. Refer to note 4 for geographical information. Whilst two cash-generating units have been identified for the purpose of internal impairment assessments at balance date, this level of information has not been compiled and provided internally to the CODM during the year.

Major customers

During the year ended 30 June 2026, there were two major external customers (2025: one customer) where revenue exceeded 10% of the consolidated revenue.

Note 4. Revenue from contracts with customers

Disaggregation of revenue

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

	Consolidated	
	2026	2025
	\$	\$
<i>Major service lines</i>		
CyberCision	1,548,930	3,586,079
Network monitoring	6,829,749	5,157,543
	<u>8,378,679</u>	<u>8,743,622</u>
<i>Geographical regions</i>		
Australia	3,358,254	4,155,433
USA and Canada	2,317,120	2,662,921
LATAM*	2,149,351	1,295,562
ROW**	553,954	629,706
	<u>8,378,679</u>	<u>8,743,622</u>
<i>Timing of revenue recognition</i>		
Recurring revenue (over a period of time)	6,411,343	8,376,255
Non-recurring revenue (at a point in time)	1,967,336	367,367
	<u>8,378,679</u>	<u>8,743,622</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 5. Other income

	Consolidated 2026	2025
	\$	\$
Research and development ('R&D') grant income*	1,137,565	1,120,197
Other income	29,433	16,584
Other income	1,166,998	1,136,781

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

Note 6. Expenses

	Consolidated 2026	2025
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of licenses	393,927	1,048,448
<i>Depreciation</i>		
Total depreciation	45,455	160,915
<i>Amortisation</i>		
Capitalised development costs	2,011,907	1,666,862
Customer list	68,197	68,196
Patents	18,465	20,820
Total amortisation	2,098,569	1,755,878
Total depreciation and amortisation	2,144,024	1,916,793
<i>Impairment</i>		
Goodwill	-	10,394,976
<i>Sales and marketing</i>		
Employee benefit expense	2,392,185	2,563,558
Travel and accommodation	105,312	117,386
Bad debts	(93,792)	99,597
Entertainment - FBT	124,179	38,780
Promotion/advertising	141,865	171,996
Total sales and marketing	2,669,749	2,991,317
<i>Product and development</i>		
Employee benefit expense	494,318	1,059,887
Depreciation and amortisation	2,150,082	1,827,281
Telecommunication Charges	23,509	56,628
Repairs & Maintenance	2,638	19,883
Total product and development	2,670,547	2,963,679
<i>Corporate and administration</i>		
Employee benefit expense	1,904,352	2,152,711
Payroll tax	244,075	247,873
Accounting and audit fees	218,938	224,502
Subscriptions and software	918,111	1,064,697
Commissions	208,742	269,348
Insurance	241,826	415,871
Corporate advisors	198,694	295,543
Other expenses	288,144	454,532
Total corporate and administration	4,222,882	5,125,077

Note 6. Expenses (continued)

	Consolidated 2026 \$	2025 \$
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	388,647	-
Interest and finance charges paid/payable on lease liabilities	33	2,892
Interest and finance charge on convertible note	846,505	486,547
Finance costs expensed	1,235,185	489,439
<i>Net foreign exchange loss(gain)</i>		
Net foreign exchange loss/(gain)	104,971	9,964
<i>Operations and support</i>		
Employee benefit expense	767,056	804,340
Total operations and support	767,056	804,340
<i>Employee benefit expenses</i>		
Employee salaries and other benefits	6,784,809	7,539,867
Defined contribution superannuation expense	556,792	597,545
Share-based payments expenses	301,069	546,309
Total employee benefit expenses	7,642,670	8,683,721

Note 7. Income tax

	Consolidated 2026 \$	2025 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(2,733,787)	(13,942,926)
Tax at the statutory tax rate of 25%	(683,447)	(3,485,732)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	524,570	438,585
Entertainment expenses	31,045	9,695
Expense incurred in deriving non-accessible non-exempt income	106,391	90,594
Impairment of assets	-	2,598,744
Non-deductible research and development incentive expenditure	699,408	415,831
Debt forgiveness	-	336,236
Development costs	(521,190)	(525,806)
Non assessable income	(443,321)	(347,114)
Non-refundable withholding taxes	73,132	-
Interest expense	308,788	-
Share-based payment expense	75,267	-
Sundry items	(33,641)	(55,394)
	137,002	(524,361)
Difference in overseas tax rates	1,699	(111,415)
Tax losses not recognised (including reversal of previously recognised tax losses)	(47,038)	536,763
Current year temporary differences not recognised	-	132,564
Under provision from prior period	(18,531)	684
Income tax expense	73,132	34,235

	Consolidated 2026 \$	2025 \$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	53,087,667	54,395,669
Potential tax benefit at statutory tax rates	13,271,917	13,598,917

Note 7. Income tax (continued)

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 2026	2025
	\$	\$
Cash at bank	1,331,040	263,946

Note 9. Trade and other receivables

	Consolidated 2026	2025
	\$	\$
Trade receivables	112,215	642,965
Less: Allowance for expected credit losses	(3,578)	(97,370)
	108,637	545,595
Research and development tax incentive receivable	424,200	319,690
	532,837	865,285

Allowance for expected credit losses

The consolidated entity has recognised a reversal of \$93,792 (2025: loss of \$99,597) in profit or loss in respect of the expected credit loss for the year ended 30 June 2026.

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

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2026	2025	2026	2025	2026	2025
	%	%	\$	\$	\$	\$
Consolidated						
Not overdue	3.00%	3.00%	85,759	450,169	2,573	13,505
0 to 3 months overdue	2.95%	2.95%	25,977	73,288	766	2,162
6 to 12 months overdue	50.00%	50.00%	479	5,593	239	2,797
Special provision	-	70.00%	-	113,915	-	78,906
			112,215	642,965	3,578	97,370

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

	Consolidated 2026	2025
	\$	\$
Opening balance	97,370	77,370
Additional provisions recognised/(reversal of provision)	(93,792)	119,597
Receivables written off during the year as uncollectable	-	(99,597)
Closing balance	3,578	97,370

Note 10. Other assets

	Consolidated 2026 \$	2025 \$
<i>Current assets</i>		
Prepayments	124,877	169,487
Security deposits	37,200	7,200
	<u>162,077</u>	<u>176,687</u>
<i>Non-current assets</i>		
Prepayments	6,764	28,787
	<u>168,841</u>	<u>205,474</u>

Note 11. Intangibles

	Consolidated 2026 \$	2025 \$
Goodwill - at cost	50,495,774	50,495,774
Less: Impairment	(30,350,039)	(30,350,039)
	<u>20,145,735</u>	<u>20,145,735</u>
Capitalised development costs - at cost	36,937,998	34,853,239
Less: Accumulated amortisation	(23,797,649)	(21,785,743)
Less: Impairment	(7,591,178)	(7,591,178)
	<u>5,549,171</u>	<u>5,476,318</u>
Brand name - at cost	971,000	971,000
Customer list - at cost	341,000	341,000
Less: Accumulated amortisation	(246,848)	(178,651)
	<u>94,152</u>	<u>162,349</u>
Patents - at cost	287,494	281,376
Less: Accumulated amortisation	(251,067)	(232,601)
	<u>36,427</u>	<u>48,775</u>
	<u>26,796,485</u>	<u>26,804,177</u>

Reconciliations

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

	Goodwill \$	Capitalised development \$	Brand name \$	Customer list \$	Patents \$	Total \$
Consolidated						
Balance at 1 July 2024	30,540,711	5,039,955	971,000	230,545	51,631	36,833,842
Additions	-	2,103,225	-	-	17,964	2,121,189
Impairment expense	(10,394,976)	-	-	-	-	(10,394,976)
Amortisation expense	-	(1,666,862)	-	(68,196)	(20,820)	(1,755,878)
Balance at 30 June 2025	20,145,735	5,476,318	971,000	162,349	48,775	26,804,177
Additions	-	2,084,760	-	-	6,117	2,090,877
Amortisation expense	-	(2,011,907)	-	(68,197)	(18,465)	(2,098,569)
Balance at 30 June 2026	<u>20,145,735</u>	<u>5,549,171</u>	<u>971,000</u>	<u>94,152</u>	<u>36,427</u>	<u>26,796,485</u>

Impairment tests for goodwill and all other intangibles

The consolidated entity tests whether goodwill and other intangible assets have incurred any impairment in accordance with the consolidated entity's accounting policies.

The recoverable amounts of assets and the Cash Generating Unit ('CGU') are determined using the value-in-use methodology.

Note 11. Intangibles (continued)

a) Cash Generating Units ('CGUs')

For the purpose of impairment testing, intangibles have been allocated to two CGUs (CyberCision and Network Monitoring). A summary of the carrying value of goodwill and other intangible assets as at 30 June 2026 is detailed below :

	CyberCision	Network Monitoring
	\$	\$
Goodwill	-	20,145,735
Others Intangibles	691,573	5,691,225
	<u>691,573</u>	<u>25,836,960</u>

b) Impairment testing and key assumptions

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from the other assets or groups of assets (CGUs).

As of 30 June 2026, the directors have assessed the fair value having regard to a value in use approach and based on the recoverable amount calculation with the assumptions outlined below, have determined an impairment charge of \$nil (2025: \$10,394,976) in relation to the Network Monitoring CGU. No impairment was noted in relation to the CyberCision CGU (2025: \$nil).

The practice of the consolidated entity is not to provide business forecasts as they require a range of assumptions with multiple variables that it believes are too difficult to make and ultimately can be as misleading as they might be informative. Consequently, the following significant judgements and key assumptions should only be read in the context of forecasts so far as they relate to the value in use calculations:

	CyberCision	Network Monitoring
Forecast period	5 years	5 years
Discount rate (pre-tax)	15.25%	15.25%
Terminal growth rate	3%	3%
Revenue Growth rate	FY27 forecast to have flat revenue in the current financial year. After this, organic growth is forecast from the new AWS partnership. The growth rates in later years are conservative starting at 12% in FY28 and reducing down to the terminal rate of 3% by FY32.	FY26 shifted focus and resources into the identified compliance software market, it is anticipated revenue growth rates of 35-45% can be achieved, before declining post initial scaling to the terminal growth rate of 3%.
Operating costs / overheads	Operating costs 25-30% down in FY27 compared to current financial year in line with the Telstra reductions and then to grow in line with inflation, other than COGS that will grow in line with revenue.	Operating costs remain flat FY27 and FY28 compared to current financial year and then to grow in line with inflation and other than some increased support costs, resources not to grow as a result of revenue growth.
Cashflow forecast	Cash flow calculations to use cash flow projections based on the financial forecast approved by management covering a 5-year period.	Cash flow calculations to use cash flow projections based on the financial forecast approved by management covering a 5-year period.

Sensitivity to changes in assumptions

For the CyberCision CGU there is sufficient headroom that the discount rate would need to be increased by over 25% before the asset became impaired. Looking at the growth assumptions, there would need to be a 25% drop in the growth from the AWS partnership for the asset to need to be impaired, assuming other costs savings or growth options could not be found to remedy the underperformance.

For the networking monitoring CGU, there were no impairment outcomes identified when applying sensitivity analysis to reasonably expected changes to parameters in the model.

Note 12. Trade and other payables

	Consolidated	
	2026	2025
	\$	\$
<i>Current liabilities</i>		
Trade payables	187,176	508,448
Accrued expenses	733,371	667,073
	<u>920,547</u>	<u>1,175,521</u>

Note 13. Contract liabilities

	Consolidated	
	2026	2025
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	2,630,208	2,258,971
<i>Non-current liabilities</i>		
Contract liabilities	279,869	532,615
	<u>2,910,077</u>	<u>2,791,586</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	
	2026	2025
Opening balance	2,791,586	2,349,777
Payments received in advance	5,606,722	5,516,625
Transfer to revenue - included in the opening balance	(2,211,688)	(1,723,153)
Transfer to revenue - other balances	(3,276,543)	(3,351,663)
Closing balance	<u>2,910,077</u>	<u>2,791,586</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 \$2,910,077 as at 30 June 2026 (\$2,791,586 as at 30 June 2025) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2026	2025
	\$	\$
Within 12 months	2,630,208	2,258,971
12 to 24 months	279,869	532,615
	<u>2,910,077</u>	<u>2,791,586</u>

Note 14. Employee benefits

	Consolidated 2026 \$	2025 \$
<i>Current liabilities</i>		
Annual leave	465,796	645,649
Long service leave	257,857	304,025
	<u>723,653</u>	<u>949,674</u>
<i>Non-current liabilities</i>		
Long service leave	126,427	155,863
	<u>850,080</u>	<u>1,105,537</u>

Note 15. Deferred research and development income

	Consolidated 2026 \$	2025 \$
<i>Current liabilities</i>		
Deferred research and development income	741,570	689,526
<i>Non-current liabilities</i>		
Deferred research and development income	1,448,612	1,121,623
	<u>2,190,182</u>	<u>1,811,149</u>

Note 16. Borrowings

	Consolidated 2026 \$	2025 \$
<i>Current liabilities</i>		
Loan payable	2,105,097	-
Convertible notes payable	-	2,411,905
	<u>2,105,097</u>	<u>2,411,905</u>

Convertible notes payable

During 30 June 2026 financial year, the convertible note principal and interest has been settled by \$2,400,000 cash payment and 125,000,000 issuance of the company's ordinary shares (note 18).

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 has been 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. As outlined in note 1, to the financial statements, there was a breach of covenants under the facility during the year and as outlined in note 33, a waiver letter was obtained from the lender (post balance date) in relation to the known and reported breaches of covenants. Further, note 1 discloses the assumptions made by Directors in assessing the ability of the consolidated entity to comply with covenants under the facility within 12 months after the reporting date.

The debt host contract (loan payable) has been measured at amortised cost and the derivative component as of 30 June 2026 of \$394,903 has been measured at fair value through the profit and loss. Subsequent changes in fair value of the derivative liability component will be presented in profit or loss as gain or loss on fair value movements on embedded derivatives. As the conversion price is variable, the derivative component has been classified as a financial liability as presented in note 17.

Refer to note 21 for further information on financial instruments.

Note 16. Borrowings (continued)

Financing arrangements

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

	Consolidated 2026 \$	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	20,000	70,000
Loan	2,500,000	-
	<u>2,520,000</u>	<u>70,000</u>
Unused at the reporting date		
NAB lease facility	-	300,000
Corporate credit card facility	-	-
Loan	-	-
	<u>-</u>	<u>300,000</u>

Note 17. Derivative financial instruments

	Consolidated 2026 \$	2025 \$
<i>Current liabilities</i>		
Derivative financial instrument	394,903	-

The derivative component of the loan refers to the 89,750,723 warrants issued as part of the loan payable and were issued on 15 April 2026. The warrants have no vesting conditions, exercisable immediately and has an expiry date of 15 April 2031. On initial recognition of the loan payable on 15 April 2026, a derivative financial instrument of \$394,903 was recognised at fair value of \$0.0044 per warrant.

Refer to note 21 for further information on financial instruments.

Refer to note 22 for further information on fair value measurement.

Note 18. Issued capital

	2026 Shares	Consolidated 2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid	2,126,880,844	1,713,518,682	134,708,175	131,085,596

Movements in ordinary share capital

Details	Date	Shares	Share price	\$
Balance	1 July 2024	1,710,019,362		131,001,770
Issue of shares to suppliers in lieu of cash	31 October 2024	3,000,000	\$0.030	72,000
Issue of shares on conversion of rights	06 December 2024	499,320	\$0.020	13,262
Share issue transaction costs, net of tax				(1,436)
Balance	30 June 2025	1,713,518,682		131,085,596
Issue of Tranche 1 shares (i)	2 October 2025	185,683,352	\$0.010	1,856,834
Issue of shares on exercise of rights	14 October 2025	3,362,162	\$0.027	91,279
Issue of Tranche 2 shares (ii)	5 December 2025	99,316,648	\$0.010	993,166
Issue of shares on settlement of convertible notes (note 16)	31 December 2025	120,000,000	\$0.007	840,000
Issue of shares on settlement of convertible notes (note 16)	16 February 2026	5,000,000	\$0.007	35,000
Share issue transaction costs, net of tax				(193,700)
Balance	30 June 2026	2,126,880,844		134,708,175

- (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.

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 in managing its 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.

Note 19. Reserves

	2026 \$	Consolidated 2025 \$
Foreign currency reserve	58,836	280,347
Share-based payments reserve	4,208,904	4,630,567
Convertible note equity reserve	-	192,771
	4,267,740	5,103,685

Note 19. Reserves (continued)

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:

	Foreign currency reserve \$	Share-based payments \$	Convertible note equity \$	Total \$
Consolidated				
Balance at 1 July 2024	116,298	5,474,493	192,771	5,783,562
Foreign currency translation	164,049	-	-	164,049
Share-based payment expense	-	498,620	-	498,620
Transfer to issued capital	-	(13,262)	-	(13,262)
Transfer to retained earnings	-	(1,329,284)	-	(1,329,284)
Balance at 30 June 2025	280,347	4,630,567	192,771	5,103,685
Foreign currency translation	(221,511)	-	-	(221,511)
Share-based payment expense	-	301,070	-	301,070
Transfer to issued capital	-	(91,279)	-	(91,279)
Forfeited shares	-	(607,454)	-	(607,454)
Reversal of conversion rights on convertible notes	-	-	(192,771)	(192,771)
Other adjustments	-	(24,000)	-	(24,000)
Balance at 30 June 2026	58,836	4,208,904	-	4,267,740

Note 20. Dividends

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

Note 21. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial, market, credit and liquidity risks. 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 and foreign exchange risks 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 through the Managing Director on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity is not exposed to any significant foreign currency risk as its offshore revenues and expenses act as a natural arbitrage.

Price risk

The consolidated entity is not exposed to any significant price risk noting however that the pricing of its products are subject to competitive pressure.

Note 21. Financial instruments (continued)

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 (2025: 50) basis points would have a favourable/adverse effect on the loss before tax of \$6,655 (2025: \$4,855) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts. The fluctuations are within reasonable ranges for interest rates on average cash balances would not have a material impact on the Group.

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 2026 owed the consolidated entity \$nil (nil% of trade receivables) (2025: \$262,862 (41% of trade receivables)). This balance was within its terms of trade and no impairment was made as at 30 June 2026 and 30 June 2025. 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/capital raising 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 2026	2025
	\$	\$
NAB lease facility	-	300,000

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.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2026						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	187,176	-	-	-	187,176
<i>Interest-bearing - fixed rate</i>						
Loan payable (including derivative component)	12.50%	2,500,000	-	-	-	2,500,000
Total non-derivatives		2,687,176	-	-	-	2,687,176

Note 21. Financial instruments (continued)

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2025						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	508,448	-	-	-	508,448
<i>Interest-bearing - fixed rate</i>						
Convertible notes payable	12.00%	2,500,000	-	-	-	2,500,000
Lease liability	3.50%	11,155	-	-	-	11,155
Total non-derivatives		3,019,603	-	-	-	3,019,603

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

Note 22. 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.

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$
Consolidated - 2026			
<i>Liabilities</i>			
Derivative financial instruments	-	394,903	-
Total liabilities	-	394,903	-

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Level 2 assets and liabilities

Movements in level 2 assets and liabilities during the current and previous financial year are set out below:

Consolidated	\$
Balance at 1 July 2024	-
Balance at 30 June 2025	-
Additions	394,903
Balance at 30 June 2026	394,903

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Horizon Nexus (Qld) Audit Pty Ltd, the auditor of the company:

	Consolidated 2026 \$	2025 \$
<i>Audit services - Horizon Nexus (Qld) Audit Pty Ltd (2025: formally PKF Brisbane Audit)</i>		
Audit or review of the financial statements	134,000	127,500
<i>Other services - Horizon Nexus (Qld) Audit Pty Ltd (2025: formally PKF Brisbane Audit)</i>		
Taxation services	19,500	19,710
	<u>153,500</u>	<u>147,210</u>

Note 24. Contingent liabilities

The consolidated entity has given bank guarantees as at 30 June 2026 of \$nil (2025: \$99,369) to various landlords.

The consolidated entity has a contingent liability of \$826,544 (2025: \$643,329) should the consolidated entity's research and development claim from ATO not be approved.

Note 25. Commitments

The consolidated entity had no commitments as at 30 June 2026 and 30 June 2025.

Note 26. 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 2026 \$	2025 \$
Short-term employee benefits	662,193	809,903
Post-employment benefits	49,062	82,445
Long-term benefits	(956)	17,769
Termination benefits	82,498	-
Share-based payments	235,068	318,394
	<u>1,027,865</u>	<u>1,228,511</u>

Note 27. 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 2026 %	2025 %
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%
FirstWave Share Rights Pty Ltd	Australia	100%	100%
Opmantek Ltd	Australia	100%	100%
Opmantek Software Pty Ltd	Australia	100%	100%

Note 28. Related party transactions

Parent entity

FirstWave Cloud Technology Limited is the parent entity.

Note 28. Related party transactions (continued)

Subsidiaries

Interests in subsidiaries are set out in note 27.

Key management personnel

Disclosures relating to key management personnel are set out in note 26.

Transactions with related parties

David Garnier, who joined the board as a non-executive director on 31 March 2025 is the principal consultancy in a boutique corporate finance advisory firm New Insights Australia Pty Ltd that has been providing services to the company for a period of time. In the FY25 financial year New Insights invoiced a total of \$60,273 to the company, of which \$15,000 related to director's fees and \$45,273 related to advisory fees. There were no other transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There was one invoice outstanding for New Insights at 30 June 2025 for \$5,500 inclusive of GST that has been paid subsequent to the year end. There were no other 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 29. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2026 \$	2025 \$
Loss after income tax	(1,409,419)	(18,039,004)
Total comprehensive income	(1,409,419)	(18,039,004)

Statement of financial position

	Parent	
	2026 \$	2025 \$
Total current assets	-	24,000
Total assets	17,172,735	17,344,972
Total current liabilities	2,500,000	-
Total liabilities	2,544,000	2,279,724
Equity		
Issued capital	132,041,482	131,085,596
Share-based payments reserve	4,208,903	4,630,566
Convertible note equity reserve	-	192,771
Accumulated losses	(121,621,650)	(120,843,685)
Total equity	14,628,735	15,065,248

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 2026 and 30 June 2025.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Note 29. Parent entity information (continued)

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Material accounting policy information

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 30. Cash flow information

Reconciliation of loss after income tax to net cash from operating activities

	Consolidated	
	2026	2025
	\$	\$
Loss after income tax expense for the year	(2,806,919)	(13,977,161)
Adjustments for:		
Depreciation and amortisation	2,144,024	1,916,793
Impairment expense	-	10,394,976
Share-based payments - employees	301,069	546,309
Interest and other finance costs	830,744	-
Other non-cash adjustments	-	339,114
Change in operating assets and liabilities:		
Decrease in trade and other receivables	810,035	691,441
(Increase)/decrease in contract assets	(112,035)	225,622
Decrease in prepayments	36,633	324,197
Decrease in other operating assets	-	34,407
Decrease in trade and other payables	(282,130)	(562,568)
Increase in contract liabilities	118,491	441,809
Decrease in employee benefits	(255,457)	(10,272)
Decrease in other operating liabilities	-	(194,104)
Net cash from operating activities	<u>784,455</u>	<u>170,563</u>

Non-cash investing and financing activities

	Consolidated	
	2026	2025
	\$	\$
Shares issued to suppliers in lieu of cash	-	72,000
Shares issued on conversion of rights	91,279	13,262
	<u>91,279</u>	<u>85,262</u>

Changes in liabilities arising from financing activities

	Lease liability
	\$
Consolidated	
Balance at 1 July 2024	141,857
Net cash used in financing activities	(130,702)
Balance at 30 June 2025	11,155
Net cash used in financing activities	(130,805)
Other changes	119,650
Balance at 30 June 2026	<u>-</u>

Note 31. Earnings per share

	Consolidated 2026 \$	Consolidated 2025 \$
Loss after income tax attributable to the owners of FirstWave Cloud Technology Limited	(2,806,919)	(13,977,161)
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	1,972,567,714	1,712,299,798
Weighted average number of ordinary shares used in calculating diluted loss per share	1,972,567,714	1,712,299,798
	Cents	Cents
Basic loss per share	(0.14)	(0.82)
Diluted loss per share	(0.14)	(0.82)

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

Note 32. 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 has 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 6,000,000 broker options and 60,000,000 share rights were granted (2025: no options and 12,436,298 share rights). The share-based payment expense for the year was \$301,070 (2025: \$498,620), out of which \$nil (2025: \$145,755) was offset by the directors and staff agreeing to salary sacrifice in lieu of service rights and hence saving the consolidated entity cash costs.

During the financial year, \$235,068 share appreciation rights (SARs) (2025: \$nil) and \$nil service rights (2025: \$298,471) were granted.

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 2026	Number 30 June 2025
Movement in share options including share rights		
Balance at the beginning of the year	96,704,989	96,176,678
Share rights granted during the year	66,000,000	12,436,298
Forfeited during the year	(4,449,998)	(1,642,619)
Exercised during the year	(3,362,162)	(499,320)
Expired during the year	-	(9,766,048)
Balance at the end of the year	154,892,829	96,704,989

9,866,670 options and 145,026,159 share rights were vested and exercisable as at 30 June 2026 (2025: 8,316,668 options and 88,388,321 share rights).

The weighted average exercise share price of the share options including share rights during the financial year was \$0.03 (2025: \$0.018).

The weighted average remaining contractual life of options and share rights outstanding at the end of the financial year was 3.47 years (2025: 3.72 years).

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 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.

Note 32. Share-based payments (continued)

During the year 30 June 2025, 12,436,298 service rights were issued to various executives and senior management in return for salary sacrifice commitments or in lieu of salary rises and to replace short term cash incentives. These share rights were valued at \$0.024 at the time of grant and vested on 30 June 2025 subject continuing employment. At 30 June 2025 611,053 of these share rights were forfeited as the employees left the company.

There were no other share rights granted to KMP's during the year.

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

For the options and share 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	Number of rights granted
02/10/2025	01/04/2027	\$0.010	\$0.000	92.65%	-	3.65%	\$0.010	6,000,000
14/10/2025	13/10/2023	\$0.010	\$0.000	92.65%	-	3.65%	\$0.010	60,000,000

Note 33. Events after the reporting period

On 8 July 2026 the Company extended its CyberCision Secure Internet Gateway agreement with Telstra for a further 12 months from July 2026, lifting annual recurring revenue under that agreement by approximately 5% to around \$0.6 million and reaffirming FirstWave's presence in Federal Government procurement channels.

On 29 September 2026, Partners For Growth ('PFG') provided a waiver of the covenant breach described in notes 1 and 16 and confirmed it does not intend to demand early repayment of the facility, subject to completion of a capital raise as outlined in note 1. The waiver is a non-adjusting event and does not affect the current classification of the debt facility at 30 June 2026.

On 30 September 2026, the consolidated entity entered into a trading halt with the ASX, associated with a planned capital raise. Further details other than as disclosed in Note 1 regarding the planned raise will not be complete or known until after the date of this report, and will be announced to the market upon resumption of trading.

No other matter or circumstance has arisen since 30 June 2026 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.

Parent entity

Entity name	Type of entity	% of share capital held	Country of incorporation	Australian resident or foreign resident	Foreign tax jurisdiction(s) of foreign residents
FirstWave Cloud Technology Limited	Body Corporate	n/a	Australia	Australian	n/a

Controlled entities

Entity name	Type of entity	% of share capital held	Country of incorporation	Australian resident or foreign resident	Foreign tax jurisdiction(s) of foreign residents
FirstWave Technology Pty Ltd	Body Corporate	100	Australia	Australian	n/a
FirstWave Global Pty Ltd	Body Corporate	100	Australia	Australian	n/a
FirstWave Share Rights Pty Ltd	Trustee of a Trust	100	Australia	Australian	n/a
FirstWave Cloud Technology Inc.	Body Corporate	100	The United States of America	Dual ⁽¹⁾	The United States of America / Australia
Opmantek Ltd	Body Corporate	100	Australia	Australian	n/a
Opmantek Software Pty Ltd	Body Corporate	100	Australia	Australian	n/a

(1) As of 30 June 2026, based on the interpretations required for the purpose of the making a consolidated entity disclosure statement in accordance with Section 295(3A) of the Corporations Act, these subsidiaries had Australia as an additional tax residency to their country of incorporation.

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A) (vi) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency: The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency: The consolidated entity has applied current legislation and judicial precedent in the determination of foreign tax residency.

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 Accounting 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 correct view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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



Roger Buckeridge
Chair



Danny Maher
Director

30 September 2026
Sydney

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

Report on the Financial Report

Opinion

We have audited the accompanying 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 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the financial report of FirstWave Cloud Technology Limited 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 2026 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 \$2,806,919 for the year ended 30 June 2026, and recorded a net current asset deficiency of \$5,348,381 as at balance date. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicated 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

1. Carrying value and impairment of goodwill and other intangible assets

Why significant

As at 30 June 2026 the Group has recognised goodwill of \$20.15m and other intangible assets of \$6.66m as disclosed in Note 11.

An annual impairment assessment is required under AASB 136 Impairment of Assets. This assessment is conducted on the relevant assets at the level of the lowest identifiable cash generating units (CGU), which for the Group represents the operating business which it controls.

The directors prepared a discounted cashflow model to perform impairment assessments for each CGU. The key assumptions within this model included, but was not limited to:

- Revenue growth rate;
- Terminal growth rate; and
- Discount rate.

Carrying value and impairment of goodwill and other intangible assets is a key audit matter due to 1) significant judgements are required in the impairment assessment by management about the anticipated future results of the CGUs, and the wider economies in which they operate; 2) there was a high degree of estimation, complexity and uncertainty in developing key assumptions for the cash flow models.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Assessing the appropriateness of the Group's designation of CGU's based on the nature and operation of the Group's businesses;
- Assessing management's process of compiling and preparing the cash flow forecasts, including the review and board approval of the source forecast information and key assumptions;
- Evaluating the key assumptions used in management's recoverable amount analysis, including:
 - assessing the basis for management's forecast revenue, cash flows and terminal value growth rate assumptions, including comparison to market and industry information, and consideration of historical growth trends and support for future forecast growth and cost savings;
 - evaluating the discount rate used by management for reasonableness and undertaking sensitivity analysis on the impairment model using varied discount rates, growth projections within reasonable foreseeable ranges and comparing these to the carrying value of the net assets of each CGU.
- Assessing the appropriateness of the disclosures in Notes 1 and 11.

2. Capitalisation of product development costs

Why significant

As at 30 June 2026 the carrying value of capitalised product development costs was \$5.55m (30 June 2025: \$5.48m, net of accumulated amortization) as outlined in Note 11.

During the year, the group capitalised \$2.08m of costs relating to product development. These intangible assets are being amortised over their finite life of five years.

AASB 138 Intangible Assets sets out the specific requirements to be met to capitalise development costs. Intangible assets should be amortised over their useful lives in accordance with AASB 138.

The capitalisation of product development costs is a key audit matter due to the material nature of costs capitalised, and the subjectivity and management judgement applied in assessing whether costs meet the development phase criteria described in AASB 138.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- 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 to obtain 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
- Reviewing the disclosures in Notes 1 and 11 to the financial statements relating to intangible assets.

Other Information

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 2026, 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 accordingly 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:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 has 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/Home.aspx>. This description forms part of our auditor's report.]

Report on the Remuneration Report

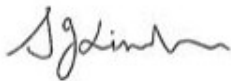
We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of FirstWave Cloud Technology Limited for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in cursive script that reads "Horizon Nexus Partners".

HORIZON NEXUS (QLD) AUDIT PTY LIMITED

A handwritten signature in cursive script that appears to read "S Lindemann".

SHAUN LINDEMANN
DIRECTOR

BRISBANE
30 September 2026

The shareholder information set out below is applicable as at 22 September 2026.

Distribution of equitable securities

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

	Number of holders	Ordinary shares % of total shares issued	Number of shares issued
1 to 1,000	105	-	5,913
1,001 to 5,000	20	-	61,241
5,001 to 10,000	40	0.02	329,177
10,001 to 100,000	654	1.43	30,434,320
100,001 and over	877	98.55	2,096,050,193
	1,696	100.00	2,126,880,844
Holding less than a marketable parcel	625	0.07	14,661,356

Equity security holders

Twenty largest quoted equity security holders

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

	Number held	Ordinary shares % of total shares issued
DANNY MAHER	241,555,741	11.36
NETWEALTH INVESTMENTS LIMITED	88,867,471	4.18
ERIC HAROLD GREENWOOD	51,566,002	2.42
INDIGENOUS CAPITAL LIMITED	42,583,090	2.00
SAISEI NETWORKS INC	40,571,428	1.91
SEALEX PTY LTD	29,988,424	1.41
ROGER ALLEN AND MAGGIE GRAY PTY LIMITED	29,258,196	1.38
MR RICHARD CHARLES NEMES & MS JOSEFA FERNANDEZ	29,190,000	1.37
INU SANGYO PTY LTD	28,789,750	1.35
BRUXNER PACIFIC PTY LTD	28,103,497	1.32
MR RICHARD JOHN MACPHILLAMY	26,136,448	1.23
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT)	24,939,356	1.17
NEW INSIGHTS AUSTRALIA PTY LTD	24,459,594	1.15
CDO INVESTMENTS PTY LTD	24,000,000	1.13
PATAGORANG SUPERANNUATION PTY LTD	22,732,786	1.07
JWB PROPERTIES PTY LTD	21,430,932	1.01
SANSPET PTY LTD	20,010,870	0.94
BRUXNER PACIFIC PTY LTD	20,000,000	0.94
BNP PARIBAS NOMINEES PTY LTD (HUB24 CUSTODIAL SERV LTD)	17,487,486	0.82
MR SCOTT LIDGETT & MRS KATHERINE LIDGETT	17,470,147	0.82
	829,141,218	38.98

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares	102,216,683	140
Share rights over ordinary shares	145,026,159	51

Substantial holders

Substantial holders in the company are set out below:

	Number held	Ordinary shares % of total shares issued
Daniel Maher	241,555,741	11.36

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.

Directors	Roger Buckeridge - Non-Executive Chair Danny Maher - Managing Director David Garnier - Non-Executive Director
Company secretary	Emily Austin
Registered office	c/o Automic Pty Ltd Level 5, 126 Philip Street Sydney NSW 2000 Australia Tel: 1300 288 664
Share register	Automic Registry Services Level 5, 126 Philip Street Sydney NSW 2000 Australia Tel: 1300 288 664
Auditor	Horizon Nexus (Qld) Audit Pty Ltd Level 2, 66 Eagle Street Brisbane, QLD 4000
Stock exchange listing	FirstWave Cloud Technology Limited shares are listed on the Australian Securities Exchange (ASX code: FCT)
Website	http://www.firstwave.com
Corporate Governance Statement	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. 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://www.firstwavecloud.com/shareholder-centre.