FirstWave Cloud Technology Limited

ABN 35 144 733 595

Appendix 4E and financial statements - 30 June 2024

FirstWave Cloud Technology Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	FirstWave Cloud Technology Limited
ABN:	35 144 733 595
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

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2. Results for announcement to the market

			2024 $
Revenues from ordinary activities	down	9.7% to	11,277,401
Gross profit	down	8.7% to	8,798,398
Loss from ordinary activities after tax attributable to the owners of FirstWave Cloud Technology Limited	up	71.3% to	(23,040,028)
Loss for the year attributable to the owners of FirstWave Cloud Technology Limited	up	71.3% to	(23,040,028)

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

Comments
The loss for the consolidated entity after providing for income tax amounted to $23,040,028 (30 June 2023: $13,448,285).

The reduction in revenue and gross profit relates primarily to matters already disclosed with the market which include some significant non-recurring revenues in the prior comparative period, and churn of a number of contracts with Telstra.

The loss for the year of $23,040,028 (30 June 2023: $13,448,285) was after an impairment of intangible assets of $19,955,063 (30 June 2023: $7,591,178). The loss excluding the impairment was $3,084,965 (30 June 2023: $5,857,107 loss). There is a 47.3% improvement of $2,772,143 in the loss excluding the impairment expense.

The improvement against the prior financial year loss is attributed to the improved focus on the entity's most profitable products in its most productive geographies and disciplined cost rationalisation.

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

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3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.27)	(0.04)

Net tangible assets calculations excludes right-of-use assets and lease liabilities.

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4. Control gained over entities

Not applicable.

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5. Foreign entities

Details of origin of accounting standards used in compiling the report:

All group entities comply with International Financial Reporting Standards ('IFRS').

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6. Nomination of directors

The Company advises that its 2024 Annual General Meeting will be held at Level 14, 132 Arthur Street, North Sydney NSW 2060 and as a virtual meeting, at 10:00 am on Wednesday, 30 October 2024. In accordance with the Company's constitution and ASX Listing Rule 3.13.1, notice is provided that the closing date for receipt of nominations of persons to be considered for election as a director at the AGM must be received at the Company's registered office no later than 5.00pm (Melbourne time) on Wednesday, 11 September 2024. Further details relating to the meeting and how shareholders may participate will be advised in the Notice of Meeting, which will be made available to all shareholders and lodged with the ASX during September 2024.

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7. Audit qualification or review

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

The financial statements have been audited and an unmodified opinion has been issued.

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8. Attachments

Details of attachments (if any):

The financial statements of FirstWave Cloud Technology Limited for the year ended 30 June 2024 is attached.

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9. Signed

As authorised by the Board of Directors

Signed ___________________________ Date: 29 August 2024

John Grant
Chair

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 2024.

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

John Grant - Non-Executive Chair
Danny Maher - Managing Director
Daniel Friel - Non-Executive Director (appointed on 23 April 2024)
Ray Kiley - Non-Executive Director (retired on 23 April 2024)
Paul MacRae - Non-Executive Director (retired on 23 November 2023)
Euh (David) Hwang - Non-Executive Director (retired on 23 November 2023)

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
The loss for the consolidated entity after providing for income tax amounted to $23,040,028 (30 June 2023: $13,448,285).

The loss for the year of $23,040,028 (30 June 2023: $13,448,285) was after an impairment of intangible assets of $19,955,063 (30 June 2023: $7,591,178). The loss excluding the impairment was $3,084,965 (30 June 2023: $5,857,107 loss). There is a 47.3% improvement of $2,772,143 in the loss excluding the impairment expense.

The improvement against the prior financial year loss is attributed to the improved focus on the entity's most profitable products in its most productive geographies and disciplined cost rationalisation.

On 19 September 2023, FirstWave acquired 100% of the assets of network automation software company Saisei Networks Inc. (www.saisei.com). FirstWave issued 40,571,428 new shares to Saisei as payment for the assets of the business. The transaction included $200,000 in cash receivables.

Saisei's software is a carrier-grade solution and provides network managers in telecommunications and enterprise (private network) customers with the ability to dynamically apply network controls based on pre-configured rule sets together with machine learning. This delivers a highly-automated solution that increases network capability while reducing operational expenditure.

The transaction was undertaken for benefits to FirstWave, including:

- Expanding the company's IP through the acquisition of Saisei's IP and patents;
- Improving and expanding the functionality of the company's NMIS network management offering;
- Bringing over 50 new clients and adding approximately $AUD1 million to FirstWave's annual revenue, 75% of which is derived from USA, Canada and Latin America;
- Offsetting transaction costs and increasing the company's cash reserves in total by approximately $200,000;
- Delivering 6 new software engineers focussed exclusively on enhancing the company's IP; and
- Expanding the company's technical management.

John Harper, Saisei CTO, joined FirstWave to support a successful merger of intellectual property and solutions post-acquisition, and the business moving forward.

With increasing opportunity for its network monitoring platform, the Company undertook a detailed review of its investment priorities during the period. This resulted in:
- Repurposing its investment to where the Company sees its short to mid-term opportunities;
- Making 11 positions redundant; and
- Delivering annual savings of approximately $1.5 million without significant impact on its existing customers.

Across the year the company also made several management restructures in line with both short term and long term strategic objectives and cost optimisation. The major elements were:

- Iain Bartram was appointed to the position of Chief Operating Officer for an interim period, adding responsibility for customer support and software development to his existing role as Chief Financial Officer and Company Secretary; Mr Bartram has now returned to his role of CFO subsequent to other restructures being finalised
- Focusing the company´s CEO, Danny Maher, as much as possible, on sales and marketing, and the company's strategic goals;
- The Company's Chief Revenue Officer (CRO), Dino Davanzo, departed the business post the financial year end with the CEO picking up the global responsibility for sales with each territory manager reporting directly to him, along with marketing, customer support, product development and finance and;
- After leading FirstWave's software development activities since the Company's formation, the company's Chief Technology Officer (CTO), Simon Ryan, departed the business in December 2023 with Deepthi Bushani taking up responsibility for product development reporting directly to the CEO.

Following the organisational restructures, the added focus to converting the Company's strong pipeline to revenue saw several transactions close and several other opportunities move closer to completion. Significant amongst those that closed in the period were:

- Extension of the Company's NMIS agreement with the US Space Agency, NASA.
- Extension of the Company's NMIS agreement with Mexico's largest telecommunications group, Telmex.
- Securing the first sale of our technology as part of our reseller engagement with Telmex. Telmex has utilised a range of FirstWave products since 2011. Under the newly expanded relationship, Telmex has become a reseller of FirstWave's industry-leading Network Management Information System (NMIS) platform by bundling the software with its network sales. This first successful sale was to a Mexican government client and the contract will deliver approximately A$1 million in revenue to FirstWave over the next three years with a minimum of A$400,000 in cash this financial year. The Company has since completed the implementation at the client and expects that over time, having proven the success of this sale and the use of NMIS as a point of differentiation when bundled with Telmex's network offerings, more opportunities will follow.

Other key aspects of the company's performance in the year included:

- Release v5.0 of the Company's Open AudIT software – FirstWave's most popular commerical open-source product and most recently awarded 'world's best agent-less Discovery Tools for IT Asset Management' by Comparitech. The V5.0 release is the most significant update to Open-AudIT in over three years. Open-AudIT is one of the world's leading IT audit platforms, with over 130,000 organisations using the software to scan their network intelligently and store the configurations of the discovered devices. The upgrade will allow FirstWave to add new features much faster and further cement Open-AudIT's position as the number one tool in the market.
- Supporting the continued investment in sales, the company raised additional finance through a convertible note that provided $2.375 million net of fees on very favourable terms:
  - -Conversion price of 3.6 cents and interest repayments of ~$25k/month commencing in March 2024
  - -Repayment due August 2025 (no early payment penalties)
  - -Establishes relationship with high-quality capital partner Formue Nord A/S.
- Renegotiation of the Telstra Product & Services Agreement (PSA) to:
  - -Extend it by 15-months (until July 2025)
  - -Underpin several strategic initiatives
  - -Provide a mix of variable and fixed income streams.
- Extending and uplifting revenue by ~20% the Company's largest end customer contract for CyberCision under the Telstra PSA to an ISM compliant platform as the forerunner to the new all-of-government platform with Telstra
- Formal confirmation by Telstra of the end of service date as 30 June 2024 for GPA firewall security and 30 September 2024 for CSX2 cloud infrastructure platform. This is anticipated to impact FY25 from Q1 as follows:
  - -GPA - $770K reduction in ARR resulting in $440K reduction in Annualised Recurring Gross Profit (ARGP)
  - -CSX2 - $1.2m reduction in ARR and no reduction in ARGP as CSX2 revenue is a recharge of platform costs i.e. zero margin.
- With delays in converting the pipeline of sales opportunities, several executives travelled for extended periods to USA and LATAM to assess and accelerate sales processes.
- New US based Director Daniel Friel joined the FirstWave Board.

Financial review

Profit or loss performance
FirstWave's revenue for the year was $11,277,401 (2023: $12,492,797), which represents a decrease of 9.7% over the prior comparative period ('PCP'). The reduction in revenue and gross profit relates primarily to matters already disclosed to the market which include some significant non-recurring revenues in the prior comparative period, and churn of a number of contracts with Telstra.

Statement of financial position
Cash and cash equivalents decreased by $3,929,402 which was largely due to net cash outflows of $2,784,499 relating to further investment into FirstWave's technology platform, and $3,466,714 to support operating activities. Net cash used in operating activities was higher than PCP by $1,711,233 (97%). This increase in operating cash outflow is primarily due to once-off revenues in FY23 for NMIS9 upgrades and end of life product revenues at Telstra not repeated in FY24 totalling $1,458,896, and redundancy costs of $696,060 in FY24 when there were none in FY23. Cash receipts from customers were $11,644,871 (2023: $13,257,939).

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

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

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

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

Cybersecurity and Information technology ('IT') infrastructure
Management has directed substantial effort into ensuring that the risk and security controls safeguarding the consolidated entity continue to meet best practice and meet the high assurance requirements demanded by our partners and our ISO 27001 certified Information Security Management System ('ISMS'). The consolidated entity has extended its proactive monitoring of trends and vulnerabilities, utilising subscriptions to Threat Intelligence services, the Australian Cyber Security Centre, as well as regular internal vulnerability assessments, external penetration testing, security awareness training, Phishing simulation tests and (desktop based) BCP/DR tests. The robust ISO certified ISMS, resilient systems, continuous review and testing and high level of staff security awareness all contribute to safeguard and protect the company’s people, systems and data.

A significant failure in the operation of any of the company’s products and the subsequent impact on our customers' business operations
Management has directed substantial effort and investment into ensuring the operational success and efficiency of all its products and services. This risk is managed by maintaining a highly experienced and forward-looking development team to ensure the operational success and efficiency for our current and future products. Customers have the opportunity to evaluate the software prior to entering into a commercial relationship, reducing the instances of the solutions not meeting their needs.

The availability of skilled staff and expertise, which can impact on revenue and costs
The consolidated entity operates in a highly competitive market for skilled staff and expertise. The business has invested significant time and effort into hiring and training staff and forming strategic relationships with advisors that have the relevant expertise in network monitoring and internet security software. The executive considers that it has managed this risk as well as it is able and the company is well positioned to take advantage of the opportunities available to it in its main markets of USA, LATAM and Australia.

Significant changes in the state of affairs
On 19 September 2023, the company acquired 100% of the assets of Saisei Networks Inc. ('Saisei'). FirstWave issued 40,571,428 new shares to Saisei as payment for the assets of the business. Saisei is an innovative and established provider of patented network automation technology in North America. It was acquired to expand and improve the consolidated entity's intellectual property ('IP') and patents and accelerate growth of the consolidated entity in its key target market of North American telecommunications providers. The effective date of the transaction was 1 September 2023.

On 22 February 2024, the company entered into a loan agreement with Formue Nord Fund and issued convertible notes for an amount of $2,500,000.

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
No matter or circumstance has arisen since 30 June 2024 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 is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on current directors

Information on the directors of the company as at 30 June 2024 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:	**John Grant**
Title:	Non-Executive Director and Chair
Qualifications:	John has a degree in Engineering with Honours
Experience and expertise:	John has an extensive career spanning technology, engineering and construction, and sports administration. He has held leadership positions including Managing Director and CEO of ASX listed technology company, Data#3 Limited, and inaugural Chair of the Australian Rugby League Commission. He has also chaired or been a member of various industry and government advisory groups and industry associations.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration and Nomination Committee and member of the Audit, Risk and Compliance Committee
Interests in shares:	3,995,400 ordinary shares directly held
Interests in options:	1,400,000 options over ordinary shares
Interests in rights:	11,769,983 service rights, of which 4,000,000 service rights had been approved by the Board and are subject to shareholder approval at the FY24 AGM, and 3,600,000 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:	50,922,171 ordinary shares directly held 201,233 570 ordinary shares indirectly held
Interests in options:	None
Interests in rights:	11,900,000 share appreciation rights and 900,000 service rights which had been approved by the directors are subject to shareholder approval at the FY24 AGM

Name:	**Daniel Friel**
Title:	Non-Executive Director (appointed on 23 April 2024)
Qualifications:	Daniel has a BS, Economics and ABD, Economic
Experience and expertise:	Daniel, with over 25 years in the financial sector, founded Bank of America's Strategic Alliances and Investments group to identify and adopt innovative technologies. As President of Banc of America Technology Investments and Ecommerce Holdings, he oversaw investments in over 40 tech companies, including notable exits like Signio (acquired by VeriSign), Shopping.com (now owned by eBay), and Archipelago (merged with NYSE). Previously, he was SVP and Director of Financial and Economic Analysis at Bank of America and taught economics at North Carolina State University. Daniel has also advised several technology firms, including DxEcosystems, 6fusion, and Virtual StrongBox.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None
Interests in rights:	4,053,233 share appreciation rights which had been approved by the directors are subject to shareholder approval at the FY24 AGM

Company secretary
Iain Bartram studied at Cambridge University and holds a Master's degree in Computer and Management Science and a post graduate diploma in Design and Manufacturing. Iain went on to train as an accountant with PwC in London where he qualified as Chartered Accountant. He was appointed as company secretary on 9 November 2020. Iain has over 20 years' experience as a strategic CFO with international experience in high growth, listed and unlisted technology businesses.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Remuneration and Nomination Committee		Audit, Risk and Compliance Committee	
	Attended	Held	Attended	Held	Attended	Held
John Grant	19	19	3	3	4	4
Danny Maher	18	19	2	3	-	4
Daniel Friel*	1	5	-	3	-	4
Ray Kiley**	14	19	1	3	4	4
Paul MacRae***	6	19	2	3	-	4
Euh (David) Hwang****	7	19	-	3	2	4

* Appointed on 23 April 2024 and was unable to attend the board meetings for six weeks post joining in April due to a medical procedure.
** Retired on 23 April 2024
*** Retired on 23 November 2023
**** Retired on 23 November 2023.

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

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

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

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

The consolidated entity's remuneration framework aims to attract, motivate, reward and retain high performing and high-quality personnel, and consists of a level of fixed remuneration that is market competitive and appropriate in recognition of the role and the candidate's experience, and a level of variable remuneration that aligns with sustained increase in shareholder value and 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 FY2024. 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 2024.

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 persons:
- Simon Ryan - Chief Technology Officer (redundant on 15 December 2023)
- Iain Bartram - Chief Financial Officer
- Dino Davanzo - Chief Revenue Officer

To assist the entity with managing cash reserves, Ray Kiley and John Grant agreed to receive Service Rights in lieu of cash payments for their Directors' fees for the calendar year 2024. In this regard, on the 17 April 2024 John Grant was issued 4,000,000 Service Rights vesting 31 December 2024 and an expiry of 16 April 2031. Ray Kiley resigned from the board on 23 April 2024 and hence his unpaid fees for calendar year 2024 only relate to his service from 1 Jan 2024 to 23 April 2024. Therefore Ray's service rights issued on 17 April 2024 vested immediately on 23 April 2024 and has an expiry date of 16 April 2031. The granting of these share rights is subject to shareholder approval at the upcoming AGM. As at the date of this report, there is no reason to believe that these share rights would not be approved.

For achievement against targets in H1 FY24, directors approved 900,000 Service Rights to be issued to Danny Maher on 26 April 2024 with no further vesting conditions and an expiry date of 30 June 2031. The granting of these share rights is subject to shareholder approval at the upcoming AGM. As at the date of this report, there is no reason to believe that these share rights would not be approved.

Daniel Friel joined the board on 23 April 2024. It has been agreed that Daniel will receive USD $2,000 per month in cash and an annual allocation of Share Appreciation Rights (SARs) with an approximate value of AUD $60,000. In this regard, directors approved 4,053,233 share appreciation rights ('SARs') with an exercise price of $0.025 to Daniel Friel on 23 April 2024 which will vest on 22 April 2025 and expire 22 April 2029. The granting of these share rights is subject to shareholder approval at the upcoming AGM. As at the date of this report, there is no reason to believe that these share rights would not be approved.

There were no other share rights issued to KMP's during the year and hence the above resulted in 4,053,233 Share Appreciation Rights and 5,423,989 Service Rights, totalling 9,477,222 share-rights being granted to KMPs during the year ended 30 June 2024. The granting of these securities is subject to shareholder approval at the upcoming AGM.

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	
2024	Cash salary and fees $	Cash Bonus $	Annual leave $	Super-annuation $	Long service leave $	$	Equity-settled options/ rights $	Total $
Non-Executive Directors:								
John Grant	60,000	-	-	9,900	-	-	77,400	147,300
Paul MacRae(1)	24,167	-	-	2,658	-	-	6,300	33,125
Euh (David) Hwang(2)	20,000	-	-	2,200	-	-	6,300	28,500
Ray Kiley(3)	29,000	-	-	11,201	-	-	25,506	65,707
Daniel Friel(4)	12,227	-	-	-	-	-	11,333	23,560
Executive Director:								
Danny Maher	324,000	45,000	48,971	27,399	11,574	-	155,500	612,444
Other Key Management Personnel:								
Simon Ryan(5)	162,936	-	77,388	13,699	97,384	81,921	17,158	450,486
Iain Bartram	330,000	-	-	27,399	4,547	-	118,750	480,696
Dino Davanzo	260,000	43,188	22,127	27,399	1,289	-	39,000	393,003
	1,222,330	88,188	148,486	121,855	114,794	81,921	457,247	2,234,821

(1) Represents remuneration from 1 July 2023 to the last date of employment of 23 November 2023.
(2) Represents remuneration from 1 July 2023 to the last date of employment of 23 November 2023.
(3) Represents remuneration from 1 July 2023 to the last date of employment of 23 April 2024.
(4) Represents remuneration from the date of appointment of 23 April 2023 to 30 June 2024.
(5) Represents remuneration from 1 July 2023 to the last date of employment of 15 December 2023.

	Short-term benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	
2023	Cash salary and fees $	Cash Bonus $	Annual leave $	Super-annuation $	Long service leave $	$	Equity-settled options/ rights $	Total $
Non-Executive Directors:								
John Grant	120,000	-	-	12,600	-	-	52,600	185,200
Paul MacRae	58,000	-	-	6,090	-	-	26,300	90,390
Euh (David) Hwang	48,000	-	-	4,200	-	-	26,300	78,500
Ray Kiley	58,000	-	-	6,090	-	-	26,300	90,390
Executive Director:								
Danny Maher	360,000	90,000	7,615	25,292	6,725	-	137,500	627,132
Other Key Management Personnel:								
Simon Ryan	355,000	-	1,365	25,292	6,836	-	37,500	425,993
Iain Bartram	330,000	-	3,173	25,292	3,186	-	118,750	480,401
Dino Davanzo*	172,349	28,976	12,986	17,095	198	-	29,250	260,854
Craig Nelson**	33,075	26,408	35,181	23,324	-	59,617	-	177,605
	1,534,424	145,384	60,320	145,275	16,945	59,617	454,500	2,416,465

* Represents remuneration from the date of appointment of 2 November 2022 to 30 June 2023.
** Represents remuneration from 1 July 2022 to the last date of employment of 23 September 2022.

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

	Fixed remuneration		STI		LTI	
Name	2024	2023	2024	2023	2024	2023
Non-Executive Directors:						
John Grant	47%	72%	-	-	53%	28%
Paul MacRae	81%	71%	-	-	19%	29%
Euh (David) Hwang	78%	66%	-	-	22%	34%
Ray Kiley	61%	71%	-	-	39%	29%
Daniel Friel	52%	-	-	-	48%	-
Executive Director						
Danny Maher	67%	64%	7%	14%	26%	22%
Other Key Management Personnel:						
Simon Ryan	96%	91%	-	-	4%	9%
Iain Bartram	75%	75%	-	-	25%	25%
Dino Davanzo	79%	78%	11%	11%	10%	11%
Craig Nelson	-	85%	-	15%	-	-

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 2024.

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

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per share right at grant date
John Grant	1,400,000	20/11/2019	01/07/2022	30/06/2025	$0.547	$0.093

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

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

Name	Number of options granted during the year 2024	Number of options granted during the year 2023	Number of options vested during the year 2024	Number of options vested during the year 2023
John Grant	-	-	-	1,400,000

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
John Grant	-	-	2,800,000	-

No options granted or exercised during the year 30 June 2024.

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
John Grant	1,200,000	27/09/2022	30/06/2024	30/06/2027	$0.050	$0.025
John Grant	1,200,000	27/09/2022	30/06/2025	30/06/2028	$0.050	$0.031
John Grant	4,000,000	17/04/2024*	31/12/2024	16/04/2031	$0.000	$0.025
Paul MacRae	300,000	27/09/2022	30/06/2024	30/06/2027	$0.050	$0.025
Euh (David) Hwang	300,000	27/09/2022	30/06/2024	30/06/2027	$0.050	$0.025
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*	30/06/2024	16/04/2031	$0.000	$0.020
Ray Kiley	475,000	27/09/2022	30/06/2024	30/06/2027	$0.050	$0.025
Ray Kiley	523,989	17/04/2024*	23/04/2024	16/04/2031	$0.000	$0.031
Daniel Friel	4,053,233	23/04/2024*	22/04/2025	22/04/2029	$0.250	$0.015
Iain Bartram	9,500,000	27/09/2022	30/06/2024	30/06/2027	$0.050	$0.025
Simon Ryan*	3,000,000	27/09/2022	30/06/2024	30/06/2027	$0.050	$0.025
Dino Davanzo	3,000,000	01/10/2022	30/09/2024	30/06/2027	$0.050	$0.026

* Simon Ryan’s last date of employment was 15 December 2023 and hence was no longer a KMP from that date. 813,698 SARs was forfeited in FY24 on a pro-rata basis.

All service rights issued in FY22, FY 23 and FY24 only had a time served criteria and did not have any performance based criteria.

Share rights granted carry no dividend or voting rights.

*These share rights had been approved by the directors in April 2024 and are subject to shareholder approval at the FY24 AGM.

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 2024 are set out below:

Name	Number of rights granted during the year 2024	Number of rights granted during the year 2023	Number of rights vested during the year 2024	Number of rights vested during the year 2023
John Grant	4,000,000	3,600,000	1,200,000	1,200,000
Paul MacRae	-	1,800,000	300,000	600,000
Euh (David) Hwang	-	1,800,000	300,000	600,000
Ray Kiley	523,989	1,800,000	998,989	600,000
Daniel Friel	4,053,233	-	-	-
Danny Maher	900,000	11,000,000	11,900,000	-
Simon Ryan	-	3,000,000	2,186,302	-
Iain Bartram	-	9,500,000	9,500,000	2,575,739
Dino Davanzo	-	3,000,000	-	-

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 2024 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 %
John Grant	100,000	30,000	-	53.0%
Paul MacRae	-	7,500	(26,100)	19.0%
Euh (David) Hwang	-	7,500	(26,100)	22.0%
Ray Kiley	13,100	24,975	(21,725)	39.0%
Daniel Friel	60,000	-	-	48.0%
Danny Maher	18,000	293,000	-	26.0%
Simon Ryan	-	54,658	(20,342)	4.0%
Iain Bartram	-	237,500	(150,798)	25.0%
Dino Davanzo	-	-	-	10.0%

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Purchased during the year	Other	Balance at the end of the year
Ordinary shares					
John Grant	3,995,400	-	-	-	3,995,400
Paul MacRae*	3,682,084	-	-	(3,682,084)	-
Ray Kiley**	1,044,762	-	-	(1,044,762)	-
Daniel Friel	-	-	-	-	-
Danny Maher	252,155,741	-	-	-	252,155,741
Simon Ryan***	4,392,140	-	-	(4,392,140)	-
Iain Bartram	508,065	-	-	-	508,065
	265,778,192	-	-	(9,118,986)	256,659,206

* Paul MacRae's last date of employment was 23 November 2023 and hence was no longer a KMP from that date.

** Ray Kiley's last date of employment was 23 April 2024 and hence was no longer a KMP from that date.

*** Simon Ryan's last date of employment was 15 December 2023 and hence was no longer a KMP from that date.

Option holding

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

	Balance at the start of the year	Granted	Lapsed	Other	Balance at the end of the year
Options over ordinary shares					
John Grant	4,200,000	-	(2,800,000)	-	1,400,000
	4,200,000	-	(2,800,000)	-	1,400,000

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:

Share rights over ordinary shares	Balance at the start of the year	Granted	Expired/ forfeited/ other	Balance at the end of the year
John Grant	11,369,983	4,000,000	-	15,369,983
Paul MacRae*	4,325,690	-	(4,325,690)	-
Euh (David) Hwang**	1,800,000	-	(1,800,000)	-
Ray Kiley***	2,238,730	523,989	(2,762,719)	-
Daniel Friel	-	4,053,233	-	4,053,233
Danny Maher	11,000,000	900,000	-	11,900,000
Simon Ryan****	7,433,802	-	(7,433,802)	-
Iain Bartram	12,075,739	-	(1,575,739)	10,500,000
Dino Davanzo	3,000,000	-	-	3,000,000
	53,243,944	9,477,222	(17,897,950)	44,823,216

Share rights holding over ordinary shares (30 June 2024)	Vested and exercisable	Vested and unexercisable	Other	Vested and exercisable balance at the end of the year
John Grant	10,169,983	-	-	10,169,983
Paul MacRae*	3,425,690	-	(3,425,690)	-
Euh (David) Hwang**	900,000	-	(900,000)	-
Ray Kiley***	1,598,989	-	(1,598,989)	-
Danny Maher	11,900,000	-	-	11,900,000
Simon Ryan****	6,620,104	-	(6,620,104)	-
Iain Bartram	10,500,000	-	-	10,500,000
Total vested share rights over ordinary shares	45,114,766	-	(12,544,783)	32,569,983

* Paul MacRae's last date of employment was 23 November 2023 and hence he was no longer a KMP from that date.
** Euh (David) Hwang's last date of employment was 23 November 2023 and hence he was no longer a KMP from that date.
*** Ray Kiley's last date of employment was 23 April 2024 and hence he was no longer a KMP from that date.
**** Simon Ryan's last date of employment was 15 December 2023 and hence he was no longer a KMP from that date.

Loans to key management personnel and their related parties
There was no loans to key management personnel and their related parties as at 30 June 2024.

This concludes the remuneration report, which has been audited.

Shares under option
There were 17,782,667 unissued ordinary shares of FirstWave Cloud Technology Limited under option outstanding at the date of this report. The options are exercisable at a weighted average exercise price of $0.42 per option.

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

Shares under share rights
There were 78,394,011 unissued ordinary shares of FirstWave Cloud Technology Limited under share rights outstanding at the date of this report. This includes 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. These SARs are subject to shareholder approval at the FY24 AGM The remaining 24,263,789 share rights have no exercise price and 5,423,989 of these share rights are subject to shareholder approval at the FY24 AGM.

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 2024 and up to the date of this report.

Shares issued on the exercise of share rights
6,601,051 ordinary shares of FirstWave Cloud Technology Limited were issued on the exercise of share rights during the year ended 30 June 2024 and up to the date of this report. Share rights were exercised at an exercise price of $nil.

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

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

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

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

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

Non-audit services
Details of the amounts paid or payable for non-audit services provided during the financial year by the auditor are outlined in note 22 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 22 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 PKF Brisbane Audit
There are no officers of the company who are former partners of PKF Brisbane Audit.

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

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

On behalf of the directors

John Grant	Danny Maher
Chair	Director

29 August 2024
Sydney

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, 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.

PKF

PKF BRISBANE AUDIT

SHAUN LINDEMANN
PARTNER

BRISBANE
29 AUGUST 2024

General information

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

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2024. The directors have the power to amend and reissue the financial statements.

FirstWave Cloud Technology Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Revenue			
Revenue from contracts with customers	4	11,277,401	12,492,797
Cost of sales	6	(2,479,003)	(2,857,863)
Gross profit		8,798,398	9,634,934
Other income	5	2,383,009	2,518,465
Interest income calculated using the effective interest method		69,030	136,901
Expenses			
Sales and marketing		(4,580,017)	(4,594,096)
Product and development		(2,471,255)	(5,268,699)
Operations and support		(977,917)	(1,485,475)
Corporate and administration		(5,894,859)	(6,670,909)
Transaction costs		(236,627)	(99,113)
Impairment of assets	11	(19,955,063)	(7,591,178)
Finance costs	6	(170,986)	(11,167)
Total expenses		(34,286,724)	(25,720,637)
Loss before income tax expense		(23,036,287)	(13,430,337)
Income tax expense	7	(3,741)	(17,948)
Loss after income tax expense for the year attributable to the owners of FirstWave Cloud Technology Limited		(23,040,028)	(13,448,285)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(891)	19,400
Other comprehensive income for the year, net of tax		(891)	19,400
Total comprehensive income for the year attributable to the owners of FirstWave Cloud Technology Limited		(23,040,919)	(13,428,885)
		Cents	Cents
Basic loss per share	31	(1.35)	(0.81)
Diluted loss per share	31	(1.35)	(0.81)

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

FirstWave Cloud Technology Limited
Statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Assets			
Current assets			
Cash and cash equivalents	8	1,678,017	5,607,419
Term deposits		133,776	133,776
Trade and other receivables	9	2,200,055	3,190,429
Contract assets		255,230	142,440
Other assets	10	496,445	742,640
Total current assets		4,763,523	9,816,704
Non-current assets			
Property, plant and equipment		130,165	109,992
Right-of-use assets		108,476	208,603
Intangibles	11	36,833,842	53,194,363
Other assets	10	33,226	-
Total non-current assets		37,105,709	53,512,958
Total assets		41,869,232	63,329,662
Liabilities			
Current liabilities			
Trade and other payables	12	1,737,780	2,862,039
Contract liabilities	13	1,948,484	3,214,285
Employee benefits	14	921,147	1,392,125
Lease liabilities		130,702	118,569
Deferred research and development income	15	793,353	880,057
Total current liabilities		5,531,466	8,467,075
Non-current liabilities			
Contract liabilities	13	401,293	730,679
Borrowings	16	2,235,724	-
Employee benefits	14	194,662	163,960
Provisions		26,406	26,406
Lease liabilities		11,155	141,857
Deferred research and development income	15	1,211,900	1,369,579
Deferred tax		44,000	-
Total non-current liabilities		4,125,140	2,432,481
Total liabilities		9,656,606	10,899,556
Net assets		32,212,626	52,430,106
Equity			
Issued capital	17	131,001,770	128,474,750
Reserves	18	5,783,561	5,911,076
Accumulated losses		(104,572,705)	(81,955,720)
Total equity		32,212,626	52,430,106

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

FirstWave Cloud Technology Limited
Statement of changes in equity
For the year ended 30 June 2024

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2022	128,426,284	5,736,129	(69,004,940)	65,157,473
Loss after income tax expense for the year	-	-	(13,448,285)	(13,448,285)
Other comprehensive income for the year, net of tax	-	19,400	-	19,400
Total comprehensive income for the year	-	19,400	(13,448,285)	(13,428,885)
Transactions with owners in their capacity as owners:				
Share-based payments (note 32)	-	704,813	-	704,813
Lapsed and forfeited share-based payment expense	-	(497,505)	497,505	-
Share issue on exercise of share rights (note 17)	48,466	(51,761)	-	(3,295)
Balance at 30 June 2023	128,474,750	5,911,076	(81,955,720)	52,430,106

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2023	128,474,750	5,911,076	(81,955,720)	52,430,106
Loss after income tax expense for the year	-	-	(23,040,028)	(23,040,028)
Other comprehensive income for the year, net of tax	-	(891)	-	(891)
Total comprehensive income for the year	-	(891)	(23,040,028)	(23,040,919)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 17)	1,997,000	-	-	1,997,000
Convertible note option	-	192,771	-	192,771
Share-based payment expense (note 32)	-	645,576	-	645,576
Share issue on exercise of share rights (note 17)	530,020	(541,928)	-	(11,908)
Lapsed and forfeited share-based payment expense	-	(423,042)	423,042	-
Balance at 30 June 2024	131,001,770	5,783,562	(104,572,706)	32,212,626

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

FirstWave Cloud Technology Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		11,644,871	13,257,939
Payments to suppliers and employees (inclusive of GST)		(16,054,329)	(16,553,154)
Transaction cost payments (inclusive of GST)		(127,834)	(40,756)
Interest received		65,423	95,684
Other income		1,005,155	1,484,806
Net cash used in operating activities	30	(3,466,714)	(1,755,481)
Cash flows from investing activities			
Payments for property, plant and equipment		(77,919)	(5,386)
Payments for intangibles		(2,784,499)	(2,909,358)
Receipts from the acquisition of Saisei	29	200,000	-
Net cash used in investing activities		(2,662,418)	(2,914,744)
Cash flows from financing activities			
Share issue transaction costs		(11,908)	(2,127)
Proceeds from borrowings		2,500,000	-
Repayment of borrowings		(32,557)	-
Transaction costs related to loans and borrowings		(125,000)	-
Repayment of lease liabilities	30	(130,805)	(128,818)
Net cash from/(used in) financing activities		2,199,730	(130,945)
Net decrease in cash and cash equivalents		(3,929,402)	(4,801,170)
Cash and cash equivalents at the beginning of the financial year		5,607,419	10,408,589
Cash and cash equivalents at the end of the financial year	8	1,678,017	5,607,419
Net cash used in operating activities		(3,466,714)	(1,755,481)
Transaction cost payments (inclusive of GST)		127,834	40,756
Net cash used in operating activities before transaction costs (inclusive of GST)		(3,338,880)	(1,714,725)

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

Note 1. Material accounting policies

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.

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

Going concern
During the year ended 30 June 2024, the consolidated entity incurred an operating loss of $3,084,965 which together with an impairment of assets of $19,955,063 resulted in a net loss after tax of $23,040,028 (2023 : operating loss of $5,857,107 which together with an impairment of assets of $7,591,178 resulted in a net loss after tax of $13,448,285) and net cash outflows used in operating activities of $3,466,714 (2023: $1,755,481). This increase in operating cash outflow is primarily due to once-off revenues in FY23 for NMIS9 upgrades and end of life product revenues at Telstra not repeated in FY24 totalling $1,458,896, and redundancy costs of $696,060 in FY24 when there were none in FY23. As at 30 June 2024, the Group has recorded a net current asset deficiency of $767,943 (2023: surplus $1,349,629).

In considering whether the consolidated entity can remain as a going concern moving forward, the directors note the following:

- The consolidated entity has reported operational improvement and reducing “normalised” cash usage in quarterly activity reports over the last 2 years and is continuing to focus on minimising its cash usage;
- The consolidated entity needs approximately $1,000,000 in net new sales in FY25 (i.e. sales in excess of churn beyond that already disclosed and accounted for from Telstra discontinuing GPA and closing its CSX2 platform) to cover operating costs. The Directors believe there is a high likelihood that sales growth will exceed this conservative scenario and extend the cash runway into the FY26 financial year
- The convertible note, unless renegotiated or converted earlier by the lender, is due for repayment on 22nd August 2025. If it were to be repaid rather than renegotiated or converted, an additional approximately $2,500,000 in net new sales or other revenues would be required within the next 12 months from the date of signing this report (within the ‘relevant period’);
- The consolidated entity has the ability to make further reductions to outlays if necessary
- The consolidated entity has the ability to sell business assets to acquirers who are appropriately resourced to monetise the value in these assets and hence value them accordingly; and
- The consolidated entity has the ability and option to raise funds through the capital markets, noting that the likely price per share upon raising, and hence the quantum of funds required to be raised is unknown at this time.

In light of these considerations, the directors have prepared the financial statements of the consolidated entity on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

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

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

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

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 28.

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 2024 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'.

Note 1. Material accounting policies (continued)

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.

Government grants

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

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.

Note 1. Material accounting policies (continued)

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

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

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

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

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

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

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

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

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

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.

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.

Note 1. Material accounting policies (continued)

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

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

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

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

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

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

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

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.

Note 1. Material accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 1. Material accounting policies (continued)

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.

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.

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

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

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

Goodwill and other indefinite life intangible assets
Management has 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.

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 2. Critical accounting judgements, estimates and assumptions (continued)

Business combinations
As discussed in note 1, business combinations are initially accounted for on a provisional basis, the amounts disclosed for the year ended 30 June 2024 are final. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity's operating segments are based on the internal reports that are reviewed and used by the 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 2024, there was one major external customer (2023: one customer) where revenue exceeded 10% of the consolidated revenue. Total revenue from the customer for the year ended 30 June 2024 amounted to $4,898,156 (2023: $6,455,424).

Note 4. Revenue from contracts with customers

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

	Consolidated	
	2024 $	2023 $
Major service lines		
CyberCision	5,548,163	7,175,804
Network monitoring	5,729,238	5,316,993
	11,277,401	12,492,797
Geographical regions		
Australia	5,862,973	7,486,923
USA and Canada	3,272,930	2,772,199
LATAM*	1,433,580	1,653,222
ROW**	707,918	580,453
	11,277,401	12,492,797
Timing of revenue recognition		
Recurring revenue (over a period of time)	10,620,211	11,169,980
Non-recurring revenue (at a point in time)***	657,190	1,322,817
	11,277,401	12,492,797

* 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.
*** During the previous financial period there were a number of LATAM customers who upgraded to NMIS 9 by purchasing new perpetuity licences that caused the non-recurring revenue to be significantly higher than in the current period. The recurring revenue in LATAM in the current year was $1,321,596 (2023: $1,060,363) a 24.6% increase of $261,233.

Note 5. Other income

	Consolidated 2024 $	Consolidated 2023 $
Research and development ('R&D') grant income*	1,771,513	897,714
Settlement of liability for no consideration	606,103	1,596,018
Other income	5,393	24,733
Other income	2,383,009	2,518,465

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

Note 6. Expenses

	Consolidated 2024 $	Consolidated 2023 $
Loss before income tax includes the following specific expenses:		
Cost of sales		
Cost of licenses	2,479,003	2,857,863
Depreciation		
Total depreciation	169,619	152,607
Amortisation		
Capitalised development costs	1,109,514	3,917,595
Customer list	62,330	41,250
Patents	25,923	23,208
Total amortisation	1,197,767	3,982,053
Total depreciation and amortisation	1,367,386	4,134,660
Impairment		
Capitalised development costs	-	7,591,178
Goodwill	19,955,063	-
Total impairment	19,955,063	7,591,178
Finance costs		
Interest and finance charges paid/payable on lease liabilities	7,235	11,167
Interest and finance charge on convertible note	163,751	-
Finance costs expensed	170,986	11,167
Net foreign exchange variance		
Net foreign exchange variance	42,217	(11,578)
Employee benefit expenses		
Employee salaries and other benefits*	10,032,709	10,561,645
Defined contribution superannuation expense	752,157	745,510
Share-based payments expenses	568,569	704,813
Total employee benefit expenses	11,353,435	12,011,968

* Includes a salary sacrifice amount of $77,007 (2023: $nil). Share rights have been granted for cash forgone.

Note 7. Income tax

	Consolidated 2024 $	Consolidated 2023 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(23,036,287)	(13,430,337)
Tax at the statutory tax rate of 25%	(5,759,072)	(3,357,584)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	283,882	980,266
Entertainment expenses	439	2,251
Expense incurred in deriving non-accessible non-exempt income	73,855	-
Impairment of assets	4,988,766	1,897,794
Non-deductible research and development incentive expenditure	662,601	491,109
Development costs	(669,358)	(727,180)
Deferred income	(442,878)	(230,347)
	(861,765)	(943,691)
Tax losses not recognised (including reversal of previously recognised tax losses)	725,083	650,498
Current year temporary differences not recognised	136,682	293,193
Under provision from prior period	3,741	17,948
Income tax expense	3,741	17,948

	Consolidated 2024 $	Consolidated 2023 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	50,603,888	48,253,453
Potential tax benefit at statutory tax rates	12,650,972	12,063,363

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 2024 $	Consolidated 2023 $
Cash at bank	1,678,017	5,607,419

Note 9. Trade and other receivables

	Consolidated 2024 $	Consolidated 2023 $
Trade receivables	887,951	2,496,008
Less: Allowance for expected credit losses	(77,370)	(160,109)
	810,581	2,335,899
Research and development tax incentive receivable	1,375,909	854,530
Other receivables	13,565	-
	2,200,055	3,190,429

Allowance for expected credit losses
The consolidated entity has recognised a loss of $6,971 (2023: $33,084) in profit or loss in respect of impairment of receivables for the year ended 30 June 2024.

Note 9. Trade and other receivables (continued)

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	
	2024	2023	2024	2023	2024	2023
Consolidated	%	%	$	$	$	$
Not overdue	3.00%	3.00%	749,827	2,311,416	22,494	69,342
0 to 3 months overdue	2.95%	5.90%	39,055	91,809	1,172	5,421
3 to 6 months overdue	-	15.00%	-	5,427	-	814
6 to 12 months overdue	50.00%	47.66%	47	5,396	24	2,572
Special provision	54.21%	100.00%	99,022	81,960	53,680	81,960
			887,951	2,496,008	77,370	160,109

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

	Consolidated	
	2024	2023
	$	$
Opening balance	160,109	260,123
Additional provisions recognised	(21,633)	33,084
Receivables written off during the year as uncollectable	(61,106)	(133,098)
Closing balance	77,370	160,109

Note 10. Other assets

	Consolidated	
	2024	2023
	$	$
Current assets		
Prepayments	489,245	709,459
Security deposits	7,200	33,181
	496,445	742,640
Non-current assets		
Prepayments	33,226	-
	529,671	742,640

Note 11. Intangibles

	Consolidated 2024 $	Consolidated 2023 $
Goodwill - at cost	50,495,774	49,493,774
Less: Impairment	(19,955,063)	-
	30,540,711	49,493,774
Capitalised development costs - at cost	32,750,014	29,157,582
Less: Accumulated amortisation	(20,118,881)	(19,009,367)
Less: Impairment	(7,591,178)	(7,591,178)
	5,039,955	2,557,037
Brand name - at cost	971,000	971,000
Customer list - at cost	341,000	165,000
Less: Accumulated amortisation	(110,455)	(48,125)
	230,545	116,875
Patents - at cost	263,413	241,536
Less: Accumulated amortisation	(211,782)	(185,859)
	51,631	55,677
	36,833,842	53,194,363

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

Consolidated	Goodwill $	Capitalised development $	Brand name $	Customer list $	Patents $	Total $
Balance at 1 July 2022	49,493,774	11,157,088	971,000	158,125	50,154	61,830,141
Additions	-	2,908,722	-	-	28,731	2,937,453
Impairment expense	-	(7,591,178)	-	-	-	(7,591,178)
Amortisation expense	-	(3,917,595)	-	(41,250)	(23,208)	(3,982,053)
Balance at 30 June 2023	49,493,774	2,557,037	971,000	116,875	55,677	53,194,363
Additions	-	2,677,432	-	-	21,877	2,699,309
Additions through business combinations (note 29)	1,002,000	915,000	-	176,000	-	2,093,000
Impairment expense	(19,955,063)	-	-	-	-	(19,955,063)
Amortisation expense	-	(1,109,514)	-	(62,330)	(25,923)	(1,197,767)
Balance at 30 June 2024	30,540,711	5,039,955	971,000	230,545	51,631	36,833,842

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)' were previously determined using a fair value less costs to sell using a market-based approach. During the period, the directors reassessed the use of fair value using the market-based approach and deemed that a value-in-use method is more appropriate.

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 2024 is detailed below :

	CyberCision $	Network Monitoring $
Goodwill	-	30,540,711
Others Intangibles	2,430,272	3,862,859
	2,430,272	34,403,570

Note 11. Intangibles (continued)

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).

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 $19,955,063 in relation to the Network Monitoring CGU. No impairment was noted in relation to the CyberCision CGU. The recoverable value of the two CGUs has been measured at $34,525,770. The impairment has been recognised as a result of lower than anticipated sales of the Network Monitoring products.

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)	16%	16%
Terminal growth rate	3%	3%
Revenue Growth rate	FY25 forecast to have lower revenue than current financial year due to the removal of zero margin recharge between Telstra and the company and the end of life of Telstra's GPA Firewall product. After this initial reduction an organic growth rate of 5% per annum has been applied over the next 4 years.	Organic growth rate per annum over a 5 year period of 5-18%
Operating costs / overheads	Operating costs 30-40% down in FY25 and FY26 compared to current financial year and then to grow in line with inflation and other than COGS and some increased support costs, resources not to grow as a result of revenue growth.	Operating costs 20-25% down in FY25 and FY26 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 the discount rate would have to increase by 1.0% before the intangible asset would need to be impaired, with all other assumptions remaining constant.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment charge for the Monitoring CGU's goodwill.

Note 12. Trade and other payables

	Consolidated	
	2024	2023
	$	$
Current liabilities		
Trade payables	836,972	1,194,598
Accrued expenses	816,728	1,590,500
GST payable	84,080	76,941
	1,737,780	2,862,039

Refer to note 20 for further information on financial instruments.

Note 13. Contract liabilities

	Consolidated	
	2024	2023
	$	$
Current liabilities		
Contract liabilities	1,948,484	3,214,285
Non-current liabilities		
Contract liabilities	401,293	730,679
	2,349,777	3,944,964

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	
	2024	2023
Opening balance	3,944,964	3,214,315
Payments received in advance	4,144,858	7,286,857
Additions through business combination	200,000	-
Transfer to revenue - included in the opening balance	(3,089,358)	(2,528,092)
Transfer to revenue - other balances	(2,850,687)	(4,028,116)
Closing balance	2,349,777	3,944,964

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 $2,349,777 as at 30 June 2024 ($3,944,964 as at 30 June 2023) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2024	2023
	$	$
Within 12 months	1,948,484	3,214,285
12 to 24 months	401,293	730,679
	2,349,777	3,944,964

Note 14. Employee benefits

	Consolidated	
	2024	2023
	$	$
Current liabilities		
Annual leave	712,981	1,038,067
Long service leave	208,166	354,058
	921,147	1,392,125
Non-current liabilities		
Long service leave	194,662	163,960
	1,115,809	1,556,085

Note 15. Deferred research and development income

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Deferred research and development income	793,353	880,057
Non-current liabilities		
Deferred research and development income	1,211,900	1,369,579
	2,005,253	2,249,636

Note 16. Borrowings

	Consolidated 2024 $	Consolidated 2023 $
Non-current liabilities		
Convertible notes payable	2,235,724	-

Convertible notes payable
On 22 February 2024, the company entered into a loan agreement with Formue Nord Fund and issued convertible notes for an amount of AU$2,500,000. The conversion price is fixed at $0.036 which is a 28.6% premium to the 21 February 2024 closing share price of $0.028 at the time of signing the loan agreement. The convertible notes will have a maturity date of 18 months from the issue date unless previously redeemed or converted into shares. There is an establishment fee of 5% payable to Formue Nord Fund. The interest rate margin will be 8% per annum over the +3 month BBSW from the last day of the previous quarter(currently 4.55%). The interest is payable quarterly in arrears on each interest payment date. Each convertible note entitles the noteholder to one share (subject to any adjustment for bonus shares, rights issues and capital reconstructions), or the cash equivalent (at the election of the company). Any convertible note not converted by the maturity date must be redeemed by the company at the issue price on the maturity date. The company has the option to redeem the convertible notes at any time prior to the maturity date without penalty. The convertible notes are unsecured debt obligation of the company and ranks equally with other ordinary unsecured creditors of the company in relation to repayment of principal and interest.

Refer to note 20 for further information on financial instruments.

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

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

	Consolidated 2024 $	Consolidated 2023 $
Total facilities		
NAB lease facility	300,000	300,000
Corporate credit card facility	70,000	70,000
	370,000	370,000
Used at the reporting date		
NAB lease facility	-	-
Corporate credit card facility	-	-
	-	-
Unused at the reporting date		
NAB lease facility	300,000	300,000
Corporate credit card facility	70,000	70,000
	370,000	370,000

Note 17. Issued capital

	Consolidated			
	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	1,710,019,362	1,662,846,883	131,001,770	128,474,750

Movements in ordinary share capital

Details	Date	Shares	Share price	$
Balance	1 July 2022	1,662,353,921		128,426,284
Issue of shares on exercise of rights	13 December 2022	426,667	$0.110	44,800
Issue of shares on conversion of rights	13 December 2022	66,295	$0.110	6,961
Share issue transaction costs, net of tax				(3,295)
Balance	30 June 2023	1,662,846,883		128,474,750
Issue of shares on business combination	21 September 2023	40,571,428	$0.050	1,997,000
Issue of shares on conversion of rights	18 October 2023	286,123	$0.070	19,456
Issue of shares on conversion of rights	18 October 2023	4,292,506	$0.080	326,230
Issue of shares on conversion of rights	18 October 2023	1,386,664	$0.110	145,600
Issue of shares on conversion of rights	18 October 2023	128,058	$0.120	15,239
Issue of shares on conversion of rights	18 October 2023	68,970	$0.140	9,518
Issue of shares on conversion of rights	06 May 2024	438,730	$0.060	25,885
Share issue transaction costs, net of tax				(11,908)
Balance	30 June 2024	1,710,019,362		131,001,770

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.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

Note 18. Reserves

	Consolidated	
	2024 $	2023 $
Foreign currency reserve	116,298	117,189
Share-based payments reserve	5,474,492	5,793,887
Convertible note equity reserve	192,771	-
	5,783,561	5,911,076

Note 18. 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.

Convertible note equity reserve
This reserve is used to recognise the equity portion of the convertible notes issued.

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

Consolidated	Foreign currency reserve $	Share-based payments $	Convertible note equity $	Total $
Balance at 1 July 2022	97,789	5,638,340	-	5,736,129
Foreign currency translation	19,400	-	-	19,400
Share-based payment expense	-	704,813	-	704,813
Transfer to issued capital	-	(51,761)	-	(51,761)
Transfer to retained earnings	-	(497,505)	-	(497,505)
Balance at 30 June 2023	117,189	5,793,887	-	5,911,076
Foreign currency translation	(891)	-	-	(891)
Convertible note option	-	-	192,771	192,771
Share-based payment expense	-	645,575	-	645,575
Transfer to issued capital	-	(541,928)	-	(541,928)
Transfer to retained earnings	-	(423,042)	-	(423,042)
Balance at 30 June 2024	116,298	5,474,492	192,771	5,783,561

Note 19. Dividends

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

Note 20. 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 20. 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 (2023: 50) basis points would have a favourable/adverse effect on the loss before tax of $15,425 (2023: $29,196) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

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

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

The consolidated entity has a credit risk exposure with one major customer, which as at 30 June 2024 owed the consolidated entity $430,975 (49% of trade receivables) (2023: $1,245,883 (50% of trade receivables)). This balance was within its terms of trade and no impairment was made as at 30 June 2024 and 30 June 2023. 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	
	2024 $	2023 $
NAB lease facility	300,000	300,000
Corporate credit card facility	70,000	70,000
	370,000	370,000

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.

Consolidated - 2024	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	836,972	-	-	-	836,972
Interest-bearing - fixed rate						
Convertible notes payable	-	-	2,500,000	-	-	2,500,000
Lease liability	3.50%	130,702	11,155	-	-	141,857
Total non-derivatives		967,674	2,511,155	-	-	3,478,829

Note 20. Financial instruments (continued)

Consolidated - 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,194,598	-	-	-	1,194,598
Interest-bearing - fixed rate						
Lease liability	3.50%	118,569	130,703	11,155	-	260,427
Total non-derivatives		1,313,167	130,703	11,155	-	1,455,025

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

Note 21. Fair value measurement

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

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PKF Brisbane Audit, the auditor of the company:

	Consolidated 2024 $	Consolidated 2023 $
Audit services - PKF Brisbane Audit		
Audit or review of the financial statements	122,300	121,500
Other services - PKF Brisbane		
Taxation services	12,800	12,000
	135,100	133,500

Note 23. Contingent liabilities

The consolidated entity has given bank guarantees as at 30 June 2024 of $133,776 (2023: $133,776) to various landlords.

Note 24. Commitments

The consolidated entity had no commitments as at 30 June 2024 and 30 June 2023.

Note 25. 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 2024 $	Consolidated 2023 $
Short-term employee benefits	1,459,004	1,740,128
Post-employment benefits	121,855	145,275
Long-term benefits	114,794	16,945
Termination benefits	81,921	59,617
Share-based payments	457,247	454,500
	2,234,821	2,416,465

Note 26. 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 2024 %	Ownership interest 2023 %
FirstWave Technology Pty Ltd	Australia	100%	100%
FirstWave Global Pty Ltd	Australia	100%	100%
FirstWave Cloud Technology Inc.	The United States of America	100%	100%
FirstWave Cloud Technology (Singapore) Pte Ltd	Singapore	100%	100%
FirstWave Share Rights Pty Ltd	Australia	100%	100%
Opmantek Ltd	Australia	100%	100%
Opmantek Software Pty Ltd	Australia	100%	100%

Note 27. Related party transactions

Parent entity
FirstWave Cloud Technology Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 26.

Key management personnel
Disclosures relating to key management personnel are set out in note 25.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

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

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

Note 28. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2024 $	Parent 2023 $
Loss after income tax	(28,787,272)	(6,728,566)
Total comprehensive income	(28,787,272)	(6,728,566)

Note 28. Parent entity information (continued)

Statement of financial position

	Parent 2024 $	Parent 2023 $
Total current assets	-	206,907
Total assets	34,525,769	58,623,124
Total current liabilities	-	(9,796)
Total liabilities	2,279,724	(9,796)
Equity		
Issued capital	131,001,770	128,474,750
Share-based payments reserve	5,474,492	5,793,887
Convertible note equity reserve	192,771	-
Accumulated losses	(104,422,988)	(75,635,717)
Total equity	32,246,045	58,632,920

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 2024 and 30 June 2023.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

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 29. Business combinations

On 19 September 2023, the company acquired 100% of the net assets of Saisei Networks Inc. ('Saisei'). FirstWave issued 40,571,428 new shares to Saisei for the net assets of the business for a total consideration of $1,997,000. The effective date of the transaction is 1 September 2023. Saisei is an innovative and established provider of patented network automation technology in North America. It was acquired to expand the consolidated entity's intellectual property ('IP') and accelerate growth of the consolidated entity in its key target market of North American telecommunications providers. The transaction has been accounted for as a business combination. The acquired business contributed revenues of $778,116 from 1 September 2023 to 30 June 2024. If the acquisition occurred on 1 July 2023, the full year contributions would have been revenues of $934,251. The values identified in relation to the acquisition of the assets of Saisei are final as at 30 June 2024. The profit or loss before tax of the acquired business from the date of acquisition and for the year are not disclosed. The contribution of the acquired business to the results of the consolidated entity cannot be quantified due to shared costs of the combined businesses after the business combination.

Note 29. Business combinations (continued)

Details of the acquisition are as follows:

	Fair value $
Other receivables	200,000
Accrued revenue	20,000
Capitalised development cost	915,000
Customer list	176,000
Contract liabilities	(200,000)
Deferred tax liability	(44,000)
Employee benefits	(72,000)
Net assets acquired	995,000
Goodwill*	1,002,000
Acquisition-date fair value of the total consideration transferred	1,997,000
Representing:	
FirstWave Cloud Technology Limited shares issued to vendor	1,997,000
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	1,997,000
Less: shares issued by company as part of consideration	(1,997,000)
Net cash used	-

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

Note 30. Cash flow information

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

	Consolidated 2024 $	Consolidated 2023 $
Loss after income tax expense for the year	(23,040,028)	(13,448,285)
Adjustments for:		
Depreciation and amortisation	1,367,386	4,134,660
Impairment expense	19,955,063	7,591,178
Share-based payments - employees	568,569	704,813
Other non-cash adjustments	(37,375)	22,208
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	990,374	(107,424)
(Increase)/decrease in contract assets	(112,790)	25,977
Decrease/(increase) in prepayments	220,213	(103,559)
Decrease in other operating assets	25,981	-
Decrease in trade and other payables	(1,124,262)	(1,055,875)
(Decrease)/Increase in contract liabilities	(1,595,187)	730,649
(Decrease)/Increase in employee benefits	(440,276)	36,676
Decrease in other operating liabilities	(244,382)	(286,499)
Net cash used in operating activities	(3,466,714)	(1,755,481)

Note 30. Cash flow information (continued)

Non-cash investing and financing activities

	Consolidated 2024 $	Consolidated 2023 $
Shares issued in relation to business combinations	1,997,000	-
Shares issued for non-cash consideration	541,928	51,761
	2,538,928	51,761

Changes in liabilities arising from financing activities

Consolidated	Lease liability $
Balance at 1 July 2022	367,571
Net cash used in financing activities	(128,818)
Other changes	21,672
Balance at 30 June 2023	260,425
Net cash used in financing activities	(130,805)
Other changes	12,237
Balance at 30 June 2024	141,857

Note 31. Earnings per share

	Consolidated 2024 $	Consolidated 2023 $
Loss after income tax attributable to the owners of FirstWave Cloud Technology Limited	(23,040,028)	(13,448,285)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic loss per share	1,707,794,498	1,662,621,336
Weighted average number of ordinary shares used in calculating diluted loss per share	1,707,794,498	1,662,621,336
	Cents	**Cents**
Basic loss per share	(1.35)	(0.81)
Diluted loss per share	(1.35)	(0.81)

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

Note 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 no options and 9,477,222 share rights were granted (2023: no options and 55,800,000 share rights). The share-based payment expense for the year was 645,575 (2023: $704,813), out of which $77,007 (2023: $nil) was offset by the directors agreeing to salary sacrifice in lieu of service rights and hence saving the consolidated entity cash costs.

During the financial year, $60,000 SARs (2023: $1,405,250) and $131,100 service rights (2023: $nil) were granted. The granting of these share rights is subject to shareholder approval at the upcoming AGM. As at the date of this report, there is no reason to believe that these share rights would not be approved.

Note 32. Share-based payments (continued)

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:

Movement in share options including share rights	Number 30 June 2024	Number 30 June 2023
Balance at the beginning of the year	102,649,257	59,552,717
Share rights granted during the year	9,477,222	55,800,000
Forfeited during the year	(5,723,010)	(9,277,165)
Exercised during the year	(6,601,051)	(492,962)
Expired during the year	(3,625,740)	(2,933,333)
Balance at the end of the year	96,176,678	102,649,257

17,782,667 options and 64,890,778 share rights were vested and exercisable as at 30 June 2024 (2023: 19,832,667 options and 30,016,590 share rights).

The weighted average share price of the company during the financial year was $0.024 (2023: $0.056).

The weighted average remaining contractual life of options and share rights outstanding at the end of the financial year was 4.33 years (2023: 5.06 years).

Share rights
During the year 30 June 2024, 4,053,233 share appreciation rights (SARs) were granted with an exercise price of $0.025, vesting over 1 year from 23 April 2024 to 22 April 2025 and expiring 22 Apr 2029. These rights were granted to Daniel Friel who joined the board on 23 April 2024. It has been agreed that Daniel will receive US$2,000 per month in cash and an annual allocation of Share Appreciation Rights with an approximate value of AU$60,000. In this regard, Daniel Friel was granted 4,053,233 SARs with an exercise price of $0.025 on 23 April 2024 that vest on 22 April 2025 and expire 22 April 2029. The granting of these securities is subject to shareholder approval at the upcoming AGM.

During the year 30 June 2024, there were also 5,423,989 Service Rights were granted with a $nil exercise price as follows:

(i) 4,000,000 Service Rights were granted to John Grant on17 April 2024 vesting 31 December 2024 and an expiry date of 16 April 2031 in lieu of cash payments for the Director fees. The granting of these securities is subject to shareholder approval at the upcoming AGM;
(ii) 523,989 Service Rights were granted to Ray Kiley on17 April 2024 vesting 23 April 2024 and an expiry date of 16 April 2031 in lieu of cash payments for the Director fees. Ray Kiley resigned from the board on 23 April 2024 and hence his unpaid fees for calendar year 2024 only relate to his service from 1 January 2024 to 23 April 2024. Therefore Ray's service rights issued on 17 April 2024 were issued with a vesting date 23 April 2024 and an expiry date of 16 April 2031. The granting of these securities is subject to shareholder approval at the upcoming AGM;
(iii) 900,000 Service Rights were granted to Danny Maher for achievement against targets in H1 FY24 on 26 April 2024 with no further vesting conditions and an expiry date of 30 June 2031. The granting of these securities is subject to shareholder approval at the upcoming AGM.

There were no other share rights granted to KMP's during the year and hence the above resulted in 4,053,233 SARS and 5,423,989 Service Rights, totalling 9,477,222 share-rights being granted to KMPs during the year ended 30 June 2024. The granting of these securities is subject to shareholder approval at the upcoming AGM.

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

For the 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 grants
17/04/2024	16/04/2031	$0.026	$0.000	52.40%	-	3.92%	$0.025	523,989
17/04/2024	16/04/2031	$0.026	$0.000	73.49%	-	3.92%	$0.025	4,000,000
23/04/2024	22/04/2029	$0.025	$0.025	67.34%	-	3.92%	$0.015	4,053,233
26/04/2024	30/06/2031	$0.020	$0.000	106.46%	-	3.92%	$0.020	900,000

Note 33. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

FirstWave Cloud Technology Limited
Consolidated entity disclosure statement
As at 30 June 2024

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 Cloud Technology (Singapore) Pte Ltd	Body Corporate	100	Singapore	Dual(1)	Singapore / Australia
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 2024, 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.

FirstWave Cloud Technology Limited
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and correct view of the consolidated entity's financial position as at 30 June 2024 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

John Grant
Chair

Danny Maher
Director

29 August 2024
Sydney

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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 2024, 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 2024 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 Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 $23,040,028 and net cash outflows from operating activities of $3,466,714 during the year ended 30 June 2024. 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 2024 the Group has recognised goodwill of $30.54m and other intangible assets of $6.29m 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.

An impairment charge of $19.95m was recognised as at 30 June 2024.

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. 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;
- In conjunction with valuation specialists we evaluated 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	How our audit addressed the key audit matter
As at 30 June 2024 the carrying value of capitalised product development costs (net of accumulated amortization) was \$5.04m (30 June 2023: \$2.56m, including \$7.59m impairment) as outlined in Note 11. During the year, the group capitalised \$2.68m 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.	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 2024, 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024. 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 2024 complies with section 300A of the *Corporations Act 2001*.

PKF

PKF BRISBANE AUDIT

SHAUN LINDEMANN
PARTNER

BRISBANE
29 AUGUST 2024

Directors	John Grant - Non-Executive Chair Danny Maher - Managing Director Daniel Friel - Non-Executive Director
Company secretary	Iain Bartram
Registered office	Level 14, 132 Arthur Street North Sydney, NSW 2060 Australia Tel: +61 (02) 9409 7000
Share register	Automic Registry Services Level 5, 126 Philip Street Sydney NSW 2000 Australia Tel: 1300 288 664
Auditor	PKF Brisbane Audit 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.