



**FUTURE FIRST**  
TECHNOLOGIES

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31 January 2023

## ASX ANNOUNCEMENT

### FY23 Q2 Quarterly Activity Report and Appendix 4C

Future First Technologies Ltd (ASX: FFT) (FFT or the **Company**) is pleased to provide this update on the Company's operations for the second quarter of FY23 ended 31 December 2022 (**Quarter** or **Q2**).

#### Key Highlights

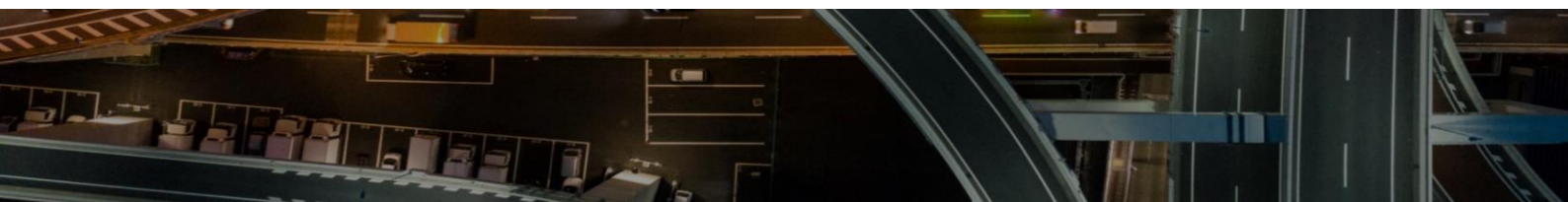
- **Major Milestone in Asset Vision market coverage with 100% of regional Victorian Roads Maintenance Contracts now managed in Asset Vision.**
- **Asset Vision contracted ARR increased by 30% in the first half.**
- **Asset Vision Professional Services revenue at 125% against forecast.**
- **Completed the integration of EagleSoft's people and IP into Asset Vision resulting in ongoing operational cost savings of >1.0m per annum.**

Commenting on the Q2 results, FFT's CEO, Adrian Rudman said:

*"There is no doubt that the growth in the road asset maintenance marketplace continues to be driven by Australia's ongoing disruptive weather patterns. Immediate remediation of roads will transition to long-term strategic road asset maintenance and bring further demand for solutions like those provided by Asset Vision.*

*Q2 saw an incredible milestone achievement for Asset Vision. The Victorian Government completed its tendering process for all 5 regional road maintenance contracts and Asset Vision was selected by all successful tenderers to support them in delivering these contracts. This generated major contract wins with Fulton Hogan and DM Roads (Downer) in Q2. These new contract wins also provide for implementation professional services which has exceeded expectations in the half.*

*With the successful integration of EagleSoft's people and technology, we have reduced our operational costs by >\$1.0m per annum. Integration of AI into Asset Vision's core product offering will further strengthen our position as an innovative leader in our field, and help to make road maintenance simpler and safer for our clients and members of the public. We remain well positioned for continued success in the Asset Vision business and our current sales pipeline gives us every confidence of a strong performance in the second half of FY23 and beyond."*





## **FUTURE FIRST**

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### **Asset Vision**

Asset Vision generated excellent results in the first two quarters with new contracts and expansion of existing customer contracts. Asset Vision completed FY22 with an Annual Recurring Revenue (ARR) of \$1,900,000 and exits the first half of FY23 with a contracted ARR of \$2,470,000, a net 30% increase. Subscription revenue from some of these new contracts commence from February 2023 with professional services revenue already realised for many projects.

Whilst new subscription revenue is predominantly realised from new customer contracts (80%) there remains strong existing customer growth in H1. Importantly, some existing customer contracts have reached the customer's minimum contract commitment, so all customer expansion will generate additional ARR.

In Q2 Asset Vision implemented its first contract in New Zealand through an existing customer relationship. We expect this to be the first of many potential opportunities in New Zealand.

Professional Services revenue from implementation projects for new contracts has been outstanding at 125% of forecast. This increase in revenue has come with a relatively small, and temporary, increase in cost base using part-time labour.

### **Victorian Roads Maintenance Contracts**

Asset Vision has a long-term contract with the Victorian Government Department of Transport and Planning (DTP). Regional Roads Victoria, a DTP agency, has recently tendered five major regional road maintenance contracts as part of a substantial transition to performance-based contracts. These five contracts are spread across three major contractors and Asset Vision has been selected by all three contractors to underpin these new performance-based contracts.

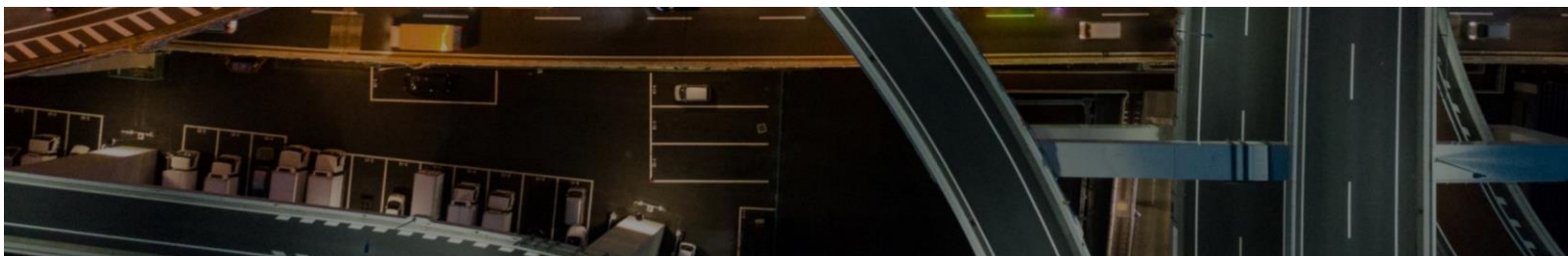
This is a significant outcome for Asset Vision and brings consistency of data and reporting to these contracts for the benefit of the Victorian people and budget. The department has also selected Asset Vision's CoPilot option to perform efficient surveillance of these contracts.

### **Artificial Intelligence IP**

*With the successful integration of EagleSoft's people and technology, we have reduced our operational costs by > \$1.0m per annum (\$100K per month from 1 December 2022). Integration of Artificial Intelligence into Asset Vision's core product offering will further strengthen our position as an innovative leader in our field. We expect this will help in generating additional Subscription Revenue in late FY23.*

This announcement has been authorised for release by FFT's Board of Directors.

**- ENDS -**



## Appendix 4C

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

**Name of entity**

Future First Technologies Ltd

**ABN**

50 164 718 361

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

31 December 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	930	2,045
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(523)	(1,289)
(c) advertising and marketing	-	(53)
(d) leased assets	-	-
(e) staff costs	(993)	(2,229)
(f) administration and corporate costs	(203)	(394)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	50
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(789)</b>	<b>(1,870)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	(1,000)
(b) businesses	-	-
(c) property, plant and equipment	-	(75)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	220	660
	(c) property, plant and equipment	24	24
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>244</b>	<b>(391)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	246	163
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>246</b>	<b>163</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	891	2,685
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(789)	(1,870)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	244	(391)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	246	163
4.5	Effect of movement in exchange rates on cash held	4	9
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>596</b>	<b>596</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	596	891
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>596</b>	<b>891</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	32
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>6.1 comprises director's fees for the quarter</p>		

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Credit card facility)	95	16
7.4 <b>Total financing facilities</b>	95	16
7.5 <b>Unused financing facilities available at quarter end</b>		79
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	ANZ credit card facility - unsecured	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(789)
8.2 Cash and cash equivalents at quarter end (item 4.6)	596
8.3 Unused finance facilities available at quarter end (item 7.5)	79
8.4 Total available funding (item 8.2 + item 8.3)	675
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.86
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	<b>Answer:</b> No.  The group will not have the same level of operating cash flows going forward as a result of a change in business strategy for our EagleSoft business which reduced the operating cashflow by around \$100,000 per month effective from 1 December 2022. Q2 included negative operating cashflows of \$254,856 relating directly to the operation of the EagleSoft business.

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

**Answer:** Yes.

The group will receive the following:

- (a) A further \$220,000 in proceeds for the sale of the farmbuy.com business between January and February 2023.

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

**Answer:** Yes.

Taking into consideration the answers to 8.6.1 and 8.6.2 outlined above, the Company will have enough available cash for the next 2 quarters.

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

## Compliance statement

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

Date: 31 January 2023

Authorised by: By the Board  
(Name of body or officer authorising release – see note 4)

### Notes

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