



FUTURE FIRST
TECHNOLOGIES

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25 October 2022

ASX ANNOUNCEMENT

Q1 FY23 Quarterly 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 first quarter of FY23 ended 30 September 2022 (**quarter** or **Q1**).

Key Highlights

- Receipts from customers from continuing operations up 27.4% from prior corresponding period
- Asset Vision contract expansions within multiple existing clients
- Completion of sale of farmbuy.com assets and receipt of first two completion payments
- Closed Melbourne CBD corporate office to co-locate with Asset Vision in Mulgrave, Vic
- Reduction and realignment of the board with the appointment of highly credentialed Scott Coles as a non-executive director

Commenting on the Q1 results, FFT's CEO, Adrian Rudman said:

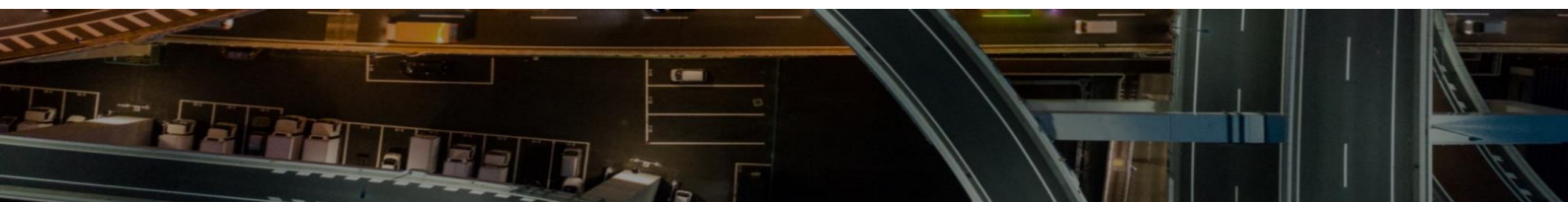
"The first quarter has seen the Company complete some key milestones in our strategy to focus on the Road Asset Maintenance marketplace through our Asset Vision business. Completing the sale of the assets of the farmbuy.com business and co-locating the FFT corporate office with the Asset Vision team in Mulgrave will see a material reduction in operating costs that will flow through future quarters.

Most pleasing, on the back of several contract expansions across our existing clients, our receipts from customers from continuing operations during the quarter were up 27.4% from the same period in FY22. Our sales pipeline continues to strengthen as does the size of the opportunities we are now tendering for, and we are confident that we are well positioned for ongoing success.

During the quarter we continued to enhance the Asset Vision platform with new features released into production to ensure the platform delivers best of class outcomes at both the maintainer and asset owner levels."

farmbuy.com Divestment

The Company completed the sale of the assets of farmbuy.com to Australian Community Media. The first two payments of \$440,000 were received with further consideration payments of \$440,000 due across the second and third quarters of FY23. The sale substantially improves the forward cash position and operating profile of the Company.





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Asset Vision

The devastating effect of Australia's ongoing wet weather patterns extend directly to our core industry – road maintenance. Road maintenance contractors have a substantial workload of repair to undertake and are looking to technology to not only optimise the repair program efficiency but also its long-term effectiveness.

FFT's market leading Asset Vision platform already has a strong footprint at State and Local government level across major road infrastructure in Victoria, NSW, Queensland, and Western Australia. In addition, Asset Vision is being used by several of Australia's national maintainers that have multi-billion-dollar multi-year contracts to build and maintain road infrastructure across Australia.

During Q1, the Company went through an external re-certification audit of the four International Organisation for Standardisation (ISO) standards critical in enabling Asset Vision to tender for major projects. The Company maintained accreditations for all four standards which are regularly called upon in tender responses, with both government and private industry clients continuing to place importance on ISO Certification when awarding contracts.

Board Changes

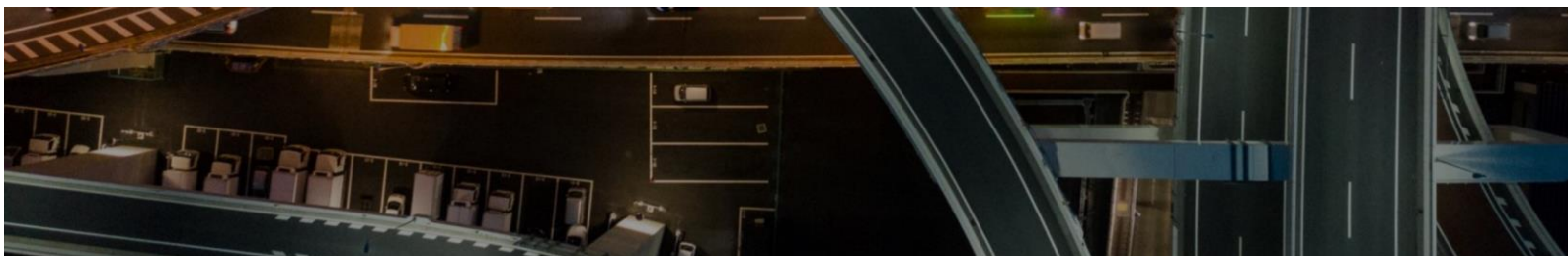
To complement the ongoing focus on FFT's Software as a Service business line, a highly experienced software sector executive, Scott Coles, was appointed to the FFT board in Q1. Also in Q1, non-executive director Nicole Ferro resigned from the board leaving FFT with a right-sized and highly aligned board to drive the next stage of growth.

Ongoing Cost Management

The Company continues to focus on cost management and maintaining a lean operating and corporate structure. The closure of the corporate office in Melbourne CBD during Q1 provides for substantial ongoing savings and a corresponding reduction in cash outflows in future quarters.

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")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,115	1,115
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(766)	(766)
(c) advertising and marketing	(53)	(53)
(d) leased assets	-	-
(e) staff costs	(1,236)	(1,236)
(f) administration and corporate costs	(191)	(161)
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	50
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,081)	(1,081)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(1,000)	(1,000)
(b) businesses	-	-
(c) property, plant and equipment	(75)	(75)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	440	440
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(635)	(635)

3.	Cash flows from financing activities		
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)	(83)	(83)
3.10	Net cash from / (used in) financing activities	(83)	(83)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,685	2,685
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,081)	(1,081)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(635)	(635)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(83)	(83)
4.5	Effect of movement in exchange rates on cash held	5	5
4.6	Cash and cash equivalents at end of period	891	891

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	891	1,543
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	891	1,543

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	38
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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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	95
7.4 Total financing facilities	95	95
7.5 Unused financing facilities available at quarter end		80
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	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,081)
8.2 Cash and cash equivalents at quarter end (item 4.6)	891
8.3 Unused finance facilities available at quarter end (item 7.5)	80
8.4 Total available funding (item 8.2 + item 8.3)	971
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.90
<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?
	<p>Answer: No.</p> <p>The group will not have the same level of operating cash flows going forward as a result of the sale of the fambuy.com business on 1 September 2022:</p> <p>(a) Q1 included negative operating cashflows of \$408,156 relating directly to the operation of the fambuy.com business. All costs associated with the business have been eliminated; and</p> <p>(b) Q1 also included transaction and legal fees associated with the sale of the fambuy.com business of \$97,808 which were one off in nature.</p> <p>In addition, there will be a further saving in net cash used in financing activities with the vacation of the Melbourne office. Q1 included \$65,855 of costs.</p>

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 \$440,000 in proceeds for the sale of the farmbuy.com business between October 2022 and February 2023; and
- (b) An estimated \$245,000 from the return of the security deposit held by the landlord on the Melbourne office vacated post the sale of farmbuy.com.

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: 25 October 2022

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.