

#### Details of the reporting period and the previous corresponding period

Reporting period: Year ended 30 June 2021  
Previous corresponding period: Year ended 30 June 2020

#### Results for announcement to the market

|                                                                 | June 2021<br>(\$'000) | June 2020<br>(\$'000) | Change<br>(\$'000) | Change<br>(%) |
|-----------------------------------------------------------------|-----------------------|-----------------------|--------------------|---------------|
| Revenue from operating activities – continuing operations       | 1,540                 | 5                     | 1,535              | large         |
| Net profit/(loss) for the period attributable to members of FFT | (13,006)              | 3,036                 | (16,042)           | (528.4%)      |
| EBITDA – continuing operations                                  | (3,566)               | (3,161)               | (405)              | (12.8%)       |
| EBITDA                                                          | (1,646)               | 2,680                 | (4,326)            | (161.4%)      |
| Basic EPS – continuing operations                               | (1.64) cents          | (0.52) cents          | (1.12) cents       | (215.4%)      |
| Basic EPS                                                       | (2.87) cents          | 0.89 cents            | (3.76) cents       | (422.5%)      |
| Net Tangible Asset per Share                                    | 1.34 cents            | 0.78 cents            | 0.56 cents         | 71.8%         |

#### Explanation of results

Refer Chairperson & CEO's review and Directors' Report documented in the attached Audited Annual Financial Report.

Continuing operations has been shown above to provide a greater understanding of the underlying performance of the Group and a more representative comparison of financial performance between periods.

This report should also be read in conjunction with any public announcements made by Future First Technologies Ltd in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

#### Details of entities over which control has been gained or lost during the period

|                            |   |                 |
|----------------------------|---|-----------------|
| <b>Gained</b>              |   |                 |
| Asset Vision Pty Ltd       | - | 2 November 2020 |
| <b>Lost</b>                |   |                 |
| Artisan Consulting Pty Ltd | - | 30 October 2020 |
| Bexton IT Services Pty Ltd | - | 30 October 2020 |
| Coroma Consulting Pty Ltd  | - | 30 October 2020 |
| Sacon Group Pty Ltd        | - | 30 October 2020 |
| Seisma Pty Ltd             | - | 30 October 2020 |
| Systems and People Pty Ltd | - | 30 October 2020 |

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**Dividends**

Nil

**Statement of Profit or Loss and Other Comprehensive Income**

Refer to attached Annual Report

**Statement of Financial Position**

Refer to attached Annual Report

**Statement of Changes in Equity**

Refer to attached Annual Report

**Statement of Cash Flows**

Refer to attached Annual Report

**Details of Associates and Joint Venture Entities**

Not Applicable

**Audit**

This Appendix 4E is based on the attached financial report. The financial report has been audited and contains an independent audit report.

All information requiring disclosure to comply with listing rule 4.3A is contained in this report and the Future First Technologies Ltd Annual Report (attached) for the year ended 30 June 2021, including the signed Auditor's Report.

Date: 31 August 2021



**Vesna Jelesic**  
Company Secretary

Level 11, 410 Collins Street

Melbourne VIC 3000

info@futurefirsttech.io

+61 3 9682 2699

# Annual Report

# 2021

An aerial photograph of a mountain landscape. The mountain is covered in dense forest with green and yellow foliage. A road with a guardrail runs along the edge of a steep, rocky cliff. In the background, a large dam is visible across a river valley.

CO

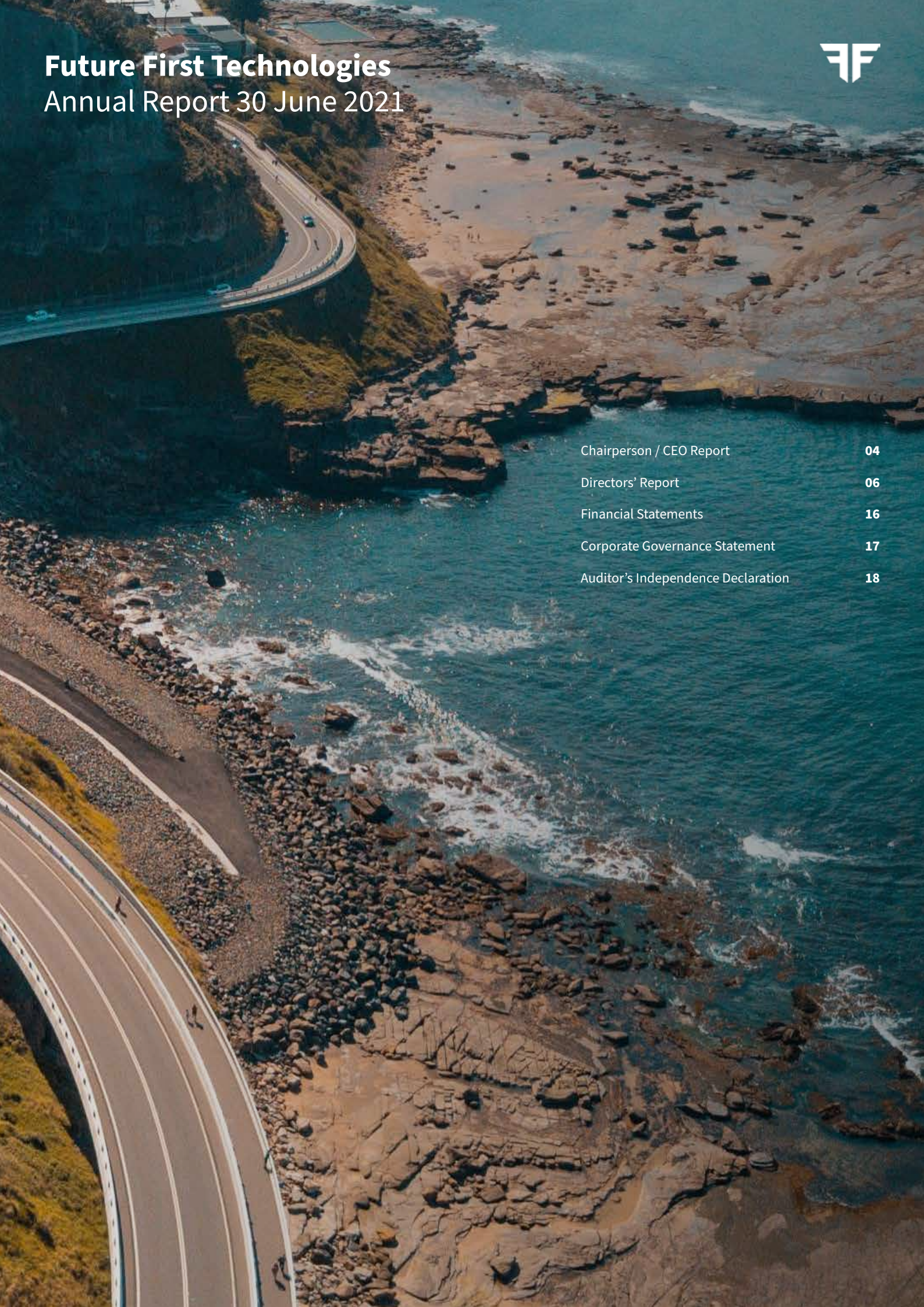
NT

**Annual Report**

**2021**

EN

TS

An aerial photograph of a coastal highway. The road is a multi-lane asphalt highway with white lane markings, curving along a steep, grassy cliffside. Below the road, the ocean is visible with white foam from breaking waves crashing against a rocky shore. The rocks are dark and jagged, creating a rugged coastline. The water is a deep blue-green color. In the upper left corner, there are some buildings and a parking area. The overall scene is a scenic view of a coastal road.

# Future First Technologies

## Annual Report 30 June 2021



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On behalf of the Board of Directors, we are delighted to present the Annual Report of Future First Technologies LTD (FFT) for the year 2021. It has been a year of significant progress for our business as we forged a new future; a future built around owning and commercialising digital assets in significant growth markets.



In last year's Chairperson/CEO Report we communicated the following Strategic Vision:

**"We feel strongly that further sector consolidation is needed to remain competitive and will openly participate if the Board of (FFT) feels it would deliver the right outcomes for our people, our clients and importantly maximise value for our shareholders and will continue to assess further divestment opportunities on the same basis."**

In line with this strategic vision the Company divested the Melbourne Consulting Business in October 2020 for a total gross cash consideration of \$23.0 million, enabling FFT to return close to \$7.5 million to shareholders through a Selective Share Buy-back in December 2020 while retaining enough cash to pursue our new vision.

In July 2020 we made a strategic investment in The 1deful Group Pty Ltd (1deful), a Fin-Tech start-up. In line with our vision of owning digital assets, we invested a total of \$2.5 million in FY21 in 1deful via convertible notes that were subsequently converted into an 8.8% equity stake in 1deful at the time of conversion. Ongoing issues surrounding the COVID pandemic have caused some delays in the launch of 1deful's products, but we are confident that launch will now occur in FY22 and provide significant upside in our investment.



In November 2020 we completed the acquisition of Asset Vision which has been strengthened with the acquisition of EagleSoft. Combined, these acquisitions form the foundation of our SaaS Intelligent Asset Management Platform and accelerates our vision to play an integral role in the safety, reliability and availability of every transport network in the world. In May 2021 we announced that our wholly owned rural real estate platform, farmbuy.com, had reached 1 million unique visitors, a growth rate of 107% across the last 12 months, with listings on farmbuy.com having an estimated value of \$1.5 billion.

On the back of the strong growth in audience traffic on farmbuy.com, we launched a sister website - goregional.com.au, to help Australians make the move from metro to regional areas by providing information about regional Australia, including schools, populations, climate and major events. The website also has over 10,000 properties for sale or lease and is integrated with seek.com.au (ASX:SEK) to display more than 70,000 regional jobs.

#### **Foundations laid for future growth**

The Australian Federal Government's "Australian infrastructure Audit 2019" identified improvements to "Planning and Decision Making" as a high priority. Our SaaS Intelligent Asset Management Platform addresses this priority and current locked-in contracts with Transport for New South Wales, Department of Transport in Victoria and Australia's largest asset maintainers and operators puts us in a strong position to grow our government footprint further.

Our solution addresses a multi-billion-dollar global market and we will look to expand our small footprints already established in markets outside of Australia.

The Asset Vision team has worked hard to deliver the groundwork to ensure the Platform is feature rich. The addition of EagleSoft's intelligent data capture puts our solution at the intersection of Artificial Intelligence, Enterprise Asset Management and Field Service Management revolutionising the way assets are inspected and maintained globally.

During the year our farmbuy.com team worked tirelessly to build an engaged rural and lifestyle audience, with unique visitors to the site exceeding one million and showing no signs of abating. While revenue numbers remained modest in FY21, engagement with rural real estate agents has matured to a level that has seen significant growth in the percentage of total rural properties listed on farmbuy.com relative to the major online portals, REA and Domain. This maturity, and level of confidence rural agents have with farmbuy.com, is opening opportunities to expand into new verticals such as, livestock auctions. For a digital marketplace company, audience and level of engagement of that audience is a critical factor of ultimate success and farmbuy.com is in a strong position to now capitalise on where it stands at the end of FY21.

### New appointments to drive growth

In August 2020, we welcomed Mr Nicholas Chan to the Board as a Non-Executive Director, who has extensive experience in the digital, tech and marketing sectors. In November 2020, Keith Falconer was appointed CEO, who also has a wealth of experience in the media and digital sectors. Keith replaced Robert Hogeland who guided our Melbourne Consulting Business through an important period leading up and during its divestment and we would like to thank Robert for the important role he played. Additionally, we strengthened our sales and execution team with several key appointments in both Asset Vision and farmbuy.com which puts us in a strong position as we move into the new financial year.

### Financial position

Despite the ongoing economic and social conditions resulting from the COVID-19 pandemic, FFT remains in a robust financial position to execute against its plan for commercial growth. Total revenues and income from continuing operations of \$1,540,383 was generated and the Net loss for the period was \$8,176,000. The Company ended the FY21 with net cash at bank of \$5.9 million (up from \$1.5 million at 30 June 2020). Our balance sheet will provide significant scope for the company to continue to ramp up sales through FY22, driving significant top line revenue growth.

### The roadmap ahead

We enter FY22 with excitement and significant momentum across the businesses and the key areas of focus for the Company include:

- Integrating our intelligent data capture platform (EagleSoft) into our SaaS Intelligent Asset Management Platform (Asset Vision)
- Building the partnership with Farm Gate Auctions and assess the right corporate structure for farmbuy.com/Farm Gate Auctions
- Expanding the revenue base outside of Australia of our SaaS Intelligent Asset Management Platform
- Assess strategic acquisitions that accelerate long-term growth both domestically and internationally

As we move into FY22, we are at an exciting point in our journey where we are ready for significant revenue growth across our businesses which we expect will result in growth in shareholder value and we will continue to review and assess ways of unlocking the underlying value of the businesses we control.

We would like to thank the entire team for their dedicated efforts during FY21, particularly given the ongoing challenges we faced with the COVID-19 pandemic. Finally, we would like to thank you, our shareholders, for your continued support and we look forward to updating you on our continued progress over the course of FY22.



**Mrs Renata Sguario**  
Non-Executive Chairperson, Melbourne

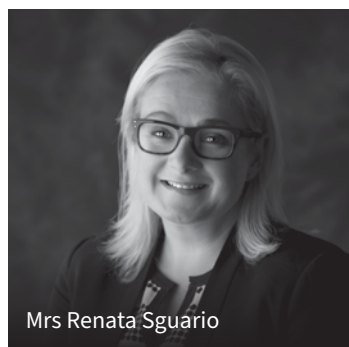


**Keith Falconer**  
CEO and Managing Director, Melbourne

A black and white photograph of a city street viewed from a low angle, looking up at a bridge structure. The street is paved with asphalt and has white lane markings. The bridge's concrete pillars and beams create a strong sense of perspective, leading the eye towards the center of the frame. In the background, a tall building with a curved facade is visible. Overlaid on the image is the text "BoD of Directors ARD" in a large, white, sans-serif font. The "BoD" and "ARD" are in a large, outlined font, while "of Directors" is in a smaller, solid font.

BoD  
of Directors  
ARD

The Directors of Future First Technologies Ltd (FFT) present their report, together with the financial statements of the consolidated group consisting of FFT and the entities it controlled, (FFT or the Group) for the financial year ended 30 June 2021 and Auditors' Report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.



Mrs Renata Sguario



Mrs Nicole Ferro



Mr Nicholas (Nick) Chan



Mr Keith Falconer

## Directors

The names of the directors in office at any time during or since the end of the year are:

## Non-Executive Directors

### Mrs Renata Sguario (Chairman)

- Appointed Director 2 September 2019 and Chairperson 28 November 2019.
- Renata is an experienced senior executive with almost three decades specialising in customer centred, technology-led, business transformation at leading companies both in Australia and abroad. Renata's intersectoral career has seen her responsible for delivering large scale business and IT change, process optimisation and productivity uplift and mitigating strategic and operational risks in highly regulated environments. Renata holds a Bachelor of Computer Science and Information Management from The University of Melbourne and holds a Level 1 & 2 certificate from the Institute of Executive Coaching.
- Renata is a member of the Audit & Risk Management Committee and the Remuneration & Nomination Committee.

### Mrs Nicole Ferro

- Appointed Director 31 January 2020.
- Nicole is a highly experienced senior manager having worked across Telecommunications, Technology, Supply Chain Logistics and Transport industries. With specialisation in large scale business and technology transformation, she has been responsible for strategy development, program delivery and operating model change at the enterprise level. With many years of experience in strategy and delivery Nicole brings knowledge of organisation governance and risk management to the Board of FFT. Nicole holds a Master of Business (Organisation Development and Change Management) from Victoria University.
- Nicole is Chair of the Audit & Risk Management Committee and a member of the Remuneration & Nomination Committee.

### Mr Nicholas (Nick) Chan

- Appointed Director 6 August 2020.
- Nick is currently Non-Executive Chairman of ASX-listed Betmakers Technology Group Ltd (ASX: BET), a platform for wagering operators globally. Nick has had more than 30 years in senior leadership and held operational roles in media across Australia and New Zealand and consults to a number of companies in the digital, tech and marketing sectors with a particular focus on investment and business transformation. Nick has served as Group Chief Operating Officer at Seven West Media and prior to that, CEO of Pacific Magazines. At Seven, Nick was a director of the Yahoo7! joint venture and also of its healthengine.com.au start-up. He was CEO of ASX listed Text Media Group and has held various senior roles at ACP Publishing including Group Publisher and Chief Operating Officer.
- Nick is the Chair of the Remuneration & Nomination Committee.

## Executive Directors

### Mr Robert Hogeland

- Appointed 16 August 2019.
- Resigned 26 October 2020.
- Robert has extensive experience in the IT Services industry spanning more than 15 years. He is presently the Regional Director of Sales in Victoria having joined FFT as part of the Seisma Pty Ltd acquisition completed in March 2018. Previously, Robert worked as the Group Executive, Southern Region at ASX listed RXP Services Limited. The appointment at RXP followed 9 years as a major account executive at FinXL Professional Solutions. Robert has a Bachelor of Business degree from Monash University.

### Mr Keith Falconer

- Appointed 2 November 2020.
- Keith is a highly experienced digital executive with over 30 years' experience in media and publishing. Keith has a proven track record developing digital assets for PBL, Nine Entertainment Co and Bauer Media. Keith was previously the CEO of Trader Classifieds, the digital classifieds arm of Australian Consolidated Press (ACP), encompassing carpoint.com.au, boatpoint.com.au, bikepoint.com.au and ihub.com.au, which were sold to carsales.com.au for a 41% stake in carsales.com.au.

## Group Secretary

The following person held the position of Group Secretary at the end of the financial year:

### Mrs Vesna Jelesic

- Vesna has an extensive background in all facets of finance and administration having held senior positions at Bank Australia, National Australia Bank and KPMG prior to joining FFT in 2016 as the Company's General Manager – Finance and Administration. Vesna is a Certified Practising Accountant and holds a Bachelor of Commerce (B.Com.) with majors in Accounting and Finance, Management and Commercial Law from Deakin University.

## Principal Activities

The principal activities of the consolidated entity during the financial year consisted of:

- Investment in and commercialisation of digital platforms in growth markets.

## Results

The consolidated loss after income tax attributable to the members of Future First Technologies Ltd was \$13,006,294. This represents loss for the period between 1 July 2020 to 30 June 2021 for the parent and operating entities including discontinued operations. The result was heavily impacted by the loss on disposal of the People segment including transaction costs related to the sale and also costs associated with the acquisition of the Asset Vision business.

## Review of Operations

Refer to the messages from the Chairperson and Managing Director on pages 4-5.

## Financial Position

The Directors believe the Group is in a stable financial position to expand and grow its current operations with \$5,932,518 of cash and access to capital via the equity markets.

## Significant Changes in the State of Affairs

During the year, the Group divested its share of its People Segment as outlined in Note 8 and purchased Asset Vision Pty Ltd as outlined in Note 42.

### Events After the Reporting Period

- On the 23 June 2021, the Group announced the strategic acquisition of EagleSoft, an Intelligent Data Capture Platform that automatically detects both road defects and asset inventory using Artificial Intelligence (AI) and Machine Learning (ML), with the execution of a Share Sale and Purchase Agreement.

The consideration for the acquisition of EagleSoft's proprietary solution will be a mix of cash and FFT shares, being \$1.5m in cash and 15,000,000 shares on completion with further conditional consideration payments of up to \$8.0m across the next three years post completion. Post completion payments will also be a mixture of cash and FFT shares on a 50:50 ratio.

The transaction settled on the 1 July 2021.

- On the 18 August 2021, the Group announced the launch of farmbuy Livestock in partnership with Farm Gate Auctions Pty Ltd (FarmGate).

FarmGate Auctions is an independent, Australian owned online livestock selling platform. Under the terms of the partnership, farmbuy Livestock will use FarmGate Auctions online auction platform on a revenue share basis.

- Disclosure about COVID-19 and its impact on the Group has created unprecedented uncertainty in the economic environment that we operate within. Actual economic events and conditions in future may be materially different from those realised in the 2021 financial year and projected for the 2022 financial year. In the event the COVID-19 pandemic impacts are more severe or prolonged than anticipated, this may have further effects on the financial position of the Group. As at the date of the Financial Statements, an estimate of the future effects of the COVID-19 pandemic on the Groups financial performance and/or financial position cannot be made, as the impact will depend on the magnitude and duration of the economic downturn with the full range of monetary impacts unknown.

Except for the above, no other matters or circumstances have arisen since the end of the financial period which significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

### Likely Developments

To further improve the consolidated groups' financial performance and maximise shareholder wealth, the following developments are intended for implementation in the near future:

- Continue to grow our SaaS Intelligent Asset Performance Management Platform organically within our existing client base in both the Public, Private and Government Agency sectors.

- Will realise continued growth as a result of the EagleSoft acquisition by integrating their enhanced data capture functionality into our SaaS Intelligent Asset Performance Management Platform, creating cross-sell opportunities and better leverage to garner new clients.
- Leverage the significant growth in audience on the farmbuy.com platform to drive increased advertising revenue and introduce new verticals such as online livestock sales.
- Assess opportunities to realise value from our strategic equity holding in The 1derful Group Pty Ltd as they continue to push towards commercial launch.
- To assess further strategic acquisitions that would accelerate growth in our current digital assets while also assessing the right corporate structure for our existing assets.

These developments, together with the current strategy, are expected to assist in the achievement of the consolidated group's long-term goals of maximising shareholder value.

## Environmental Regulation

The consolidated entity's operations are not subject to any significant Commonwealth or State environmental regulations or laws.



## Dividends Paid, Recommended and Declared

|                                                                                                          | 2021 | 2020 |
|----------------------------------------------------------------------------------------------------------|------|------|
| After the end of the financial year, the Directors declared there would be no final dividend (2020: nil) | NIL  | NIL  |

## Director's Meetings

The number of meetings of the Board of Directors and of each board committee held during the financial year and the numbers of meetings attended by each Director were:

|                 | Board of Directors |          | Audit & Risk Management Committee |          | Remuneration & Nomination Committee |          |
|-----------------|--------------------|----------|-----------------------------------|----------|-------------------------------------|----------|
|                 | Eligible to attend | Attended | Eligible to attend                | Attended | Eligible to attend                  | Attended |
| Renata Sguario  | 11                 | 11       | 2                                 | 2        | 1                                   | 1        |
| Robert Hogeland | 4                  | 4        | 1                                 | 1        | 0                                   | 0        |
| Nicole Ferro    | 11                 | 11       | 2                                 | 2        | 1                                   | 1        |
| Nicholas Chan   | 10                 | 10       | 0                                 | 0        | 1                                   | 1        |
| Keith Falconer  | 7                  | 7        | 1                                 | 1        | 0                                   | 0        |

## Director's Interests in Shares or Options

Directors' relevant interest in shares of Future First Technologies Ltd or options over shares in the Group are detailed below:

| Directors' Relevant Interests In: | Ordinary Shares Of Future First Technologies Ltd | Options Over Shares |
|-----------------------------------|--------------------------------------------------|---------------------|
| Renata Sguario                    | 1,000,000                                        | 10,000,000          |
| Robert Hogeland                   | 8,209,705                                        | NIL                 |
| Nicole Ferro                      | 500,000                                          | 4,000,000           |
| Nicholas Chan                     | 2,000,000                                        | 20,000,000          |
| Keith Falconer                    | 75,000,000                                       | NIL                 |

## Executives' Interests in Shares or Options

Executives' relevant interest in shares of Future First Technologies Ltd or options over shares in the Group are detailed below:

| Executives' Relevant Interests In: | Ordinary Shares Of Future First Technologies Ltd | Options Over Shares |
|------------------------------------|--------------------------------------------------|---------------------|
| Damian Smith                       | 24,000,000                                       | NIL                 |
| Vesna Jelesic                      | 2,600,000                                        | 10,000,000          |

## Indemnification and Insurance of Directors, Officers and Auditors

During the financial year, the Group paid a premium to insure the Directors and Officers of the Group. The terms of the insurance contract prevent additional disclosure. The Group is not aware of any liability that arose under these indemnities as at the date of this report.

## Proceedings on behalf of the Consolidated Entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity.

## Directors' Interests in Contracts

Directors' interests in contracts are disclosed in Note 40 of the financial statements.

## Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 in relation to the audit for the financial year is provided in this report.

## Non-Audit Services

Non-audit services are approved by resolution of the Audit & Risk Management Committee and approval is provided in writing to the Board of Directors. Non-audit services provided by the auditors of the consolidated entity during the year, Moore Australia, are detailed below. The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

|                                                                    | 2021 | 2020  |
|--------------------------------------------------------------------|------|-------|
|                                                                    | \$   | \$    |
| Amounts paid and payable to Moore Australia for non-audit services |      |       |
| Software                                                           | NIL  | 4,000 |
| Total                                                              | NIL  | 4,000 |

## Remuneration Report - Audited

The Directors present the consolidated entity's 2021 audited remuneration report which details the remuneration information for Future First Technologies Ltd's Executive Directors, Non-Executive Directors, and other key management personnel.

## Principles used to determine the nature and amount of remuneration

The Board policy for determining the nature and amount of remuneration of key management personnel is agreed by the Board of Directors as a whole. The Board obtains professional advice where necessary to ensure that the Group attracts and retains talented and motivated Directors and employees who can enhance Group performance through their contributions and leadership. No remuneration recommendation was obtained in the current year.

## Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits), and employer contributions to superannuation funds.

Remuneration levels will be reviewed annually by the Board through a process that considers individual, business unit and overall performance of the Group. In addition, the Board considers external data to ensure Directors' and executives' remuneration is competitive in the marketplace. Remuneration is also reviewed on promotion.

## Performance linked remuneration

Performance linked remuneration includes short-term incentives and is designed to reward the CEO and executives for meeting or executing their financial and personal objectives.

The Board sets the Key Performance Indicators (KPIs) for the CEO and has input to the KPIs for executives. The KPIs generally include measures relating to the Group, the relevant business unit and the individual. They include financial measures (Revenue and EBITDA compared with budgeted amounts) and people, client, strategy, risks and growth measures (these vary with position and include measures such as achieving strategic outcomes, overall shareholder value and meeting leadership objectives).

The Board has developed an Employee and Director Option Plan. The Option Plan is aimed at incentivising employees to aid the Group in retaining skilled staff. The options are exercisable in two tranches: (1) options with an exercise price of 5 cents with a two-year expiry from commencement date and (2) options with an exercise price of 10 cents with a three-year expiry from commencement.

Non-Executive Directors receive fees and do not receive bonus payments.

The names and positions of each person who held the position of Director at any time during the financial year have been previously provided. The names and positions of other key management personnel in the consolidated Group for the financial year are:

| Name          | Position                                      |
|---------------|-----------------------------------------------|
| Damian Smith  | Chief Executive Officer – Asset Vision        |
| Vesna Jelesic | Chief Financial Officer and Company Secretary |

## Details of Remuneration

Details of the remuneration of the Directors and key management personnel of the Group are set out in the following tables. The key management personnel of the Group include the Directors of Future First Technologies Ltd, the Chief Executive Officer of Asset Vision and the Chief Financial Officer.



## Directors' Remuneration

|                              | Short-Term        | Post Employment | Share-Based Payments | Total          | Total Performance Related | Options/ Shares As % Of Total |
|------------------------------|-------------------|-----------------|----------------------|----------------|---------------------------|-------------------------------|
|                              | Salary/Fees/Bonus | Superannuation  | Options/ Shares      |                |                           |                               |
|                              | \$                | \$              | \$                   | \$             | %                         | %                             |
| <b>2020</b>                  |                   |                 |                      |                |                           |                               |
| Nigel Warren <sup>1</sup>    | 12,500            | 1,188           | -                    | 13,688         | -                         | -                             |
| Kevin McLaine <sup>2</sup>   | 50,000            | -               | -                    | 50,000         | -                         | -                             |
| Glenn Fielding <sup>3</sup>  | 249,361           | 10,700          | -                    | 260,061        | -                         | -                             |
| Robert Hogeland <sup>4</sup> | 320,000           | -               | -                    | 320,000        | -                         | -                             |
| Renata Sguario <sup>5</sup>  | 54,833            | -               | -                    | 54,833         | -                         | -                             |
| Nicole Ferro <sup>6</sup>    | 21,766            | 2,067           | -                    | 23,833         | -                         | -                             |
| <b>Total</b>                 | <b>708,460</b>    | <b>13,955</b>   | <b>-</b>             | <b>722,415</b> | <b>-</b>                  | <b>-</b>                      |
| <b>2021</b>                  |                   |                 |                      |                |                           |                               |
| Robert Hogeland <sup>4</sup> | 210,000           | -               | -                    | 210,000        | 42.86%                    | -                             |
| Renata Sguario               | 70,000            | -               | 103,000              | 173,000        | -                         | 59.54%                        |
| Nicole Ferro                 | 59,361            | 5,639           | 55,000               | 120,000        | -                         | 45.83%                        |
| Nicholas Chan <sup>7</sup>   | 58,600            | 5,567           | 252,000              | 316,167        | -                         | 79.70%                        |
| Keith Falconer <sup>8</sup>  | 146,119           | 13,881          | -                    | 160,000        | -                         | -                             |
| <b>Total</b>                 | <b>544,080</b>    | <b>25,087</b>   | <b>410,000</b>       | <b>979,167</b> | <b>9.19%</b>              | <b>41.87%</b>                 |

(1) Nigel Warren resigned 16 August 2019

(2) Kevin McLaine resigned 28 November 2019

(3) Glenn Fielding resigned 31 January 2020

(4) Robert Hogeland appointed 16 August 2019 and resigned 26 October 2020

(5) Renata Sguario appointed 2 September 2019

(6) Nicole Ferro appointed 31 January 2020

(7) Nicholas Chan appointed 6 August 2020

(8) Keith Falconer appointed 2 November 2020

## Executives' Remuneration

|                             | Short-Term            | Post                         | Share-Based                 | Total            | Total                  | Options/ Shares |
|-----------------------------|-----------------------|------------------------------|-----------------------------|------------------|------------------------|-----------------|
|                             | Salary/Fees/<br>Bonus | Employment<br>Superannuation | Payments<br>Options/ Shares |                  | Performance<br>Related | As % Of Total   |
|                             | \$                    | \$                           | \$                          | \$               | %                      | %               |
| <b>2020</b>                 |                       |                              |                             |                  |                        |                 |
| Kurt Hansen <sup>1</sup>    | 337,176               | 13,032                       | -                           | 350,208          | -                      | -               |
| Jeff Bennett <sup>2</sup>   | 574,773               | 23,435                       | -                           | 598,208          | -                      | -               |
| Vesna Jelesic <sup>3</sup>  | 60,000                | 5,700                        | -                           | 65,700           | -                      | -               |
| <b>Total</b>                | <b>971,949</b>        | <b>42,167</b>                | <b>-</b>                    | <b>1,014,116</b> | <b>-</b>               | <b>-</b>        |
| <b>2021</b>                 |                       |                              |                             |                  |                        |                 |
| Keith Falconer <sup>4</sup> | 60,000                | -                            | -                           | 60,000           | -                      | -               |
| Damian Smith <sup>5</sup>   | 132,778               | 12,614                       | -                           | 145,392          | -                      | -               |
| Vesna Jelesic               | 349,589               | 33,211                       | 195,000                     | 577,800          | 18.97%                 | 33.75%          |
| <b>Total</b>                | <b>542,367</b>        | <b>45,825</b>                | <b>195,000</b>              | <b>783,192</b>   | <b>13.99%</b>          | <b>24.90%</b>   |

(1) Kurt Hansen resigned 10 December 2019

(2) Jeff Bennett resigned as CFO 28 February 2020 and as Company Secretary 1 June 2020

(3) Vesna Jelesic appointed CFO 1 April 2020 and Company Secretary 1 June 2020

(4) Keith Falconer held the role of farmbuy.com CEO before being appointed Managing Director on 2 November 2020

(5) Damian Smith appointed CEO of Asset Vision 2 November 2020

## Options

(a) Compensation Options granted during the year

|                                | GRANTED NUMBER    | GRANT DATE | VALUE PER OPTION<br>AT GRANT DATE | EXERCISE PRICE | EXPIRY DATE |
|--------------------------------|-------------------|------------|-----------------------------------|----------------|-------------|
|                                |                   |            | \$                                | \$             |             |
| <b>Non-Executive Directors</b> |                   |            |                                   |                |             |
| Nicholas Chan                  | 10,000,000        | 26/10/2020 | 110,000                           | 0.05           | 06/08/2022  |
| Nicholas Chan                  | 10,000,000        | 26/10/2020 | 50,000                            | 0.10           | 06/08/2023  |
| Renata Sguario                 | 5,000,000         | 13/11/2020 | 55,000                            | 0.05           | 06/08/2022  |
| Renata Sguario                 | 5,000,000         | 13/11/2020 | 25,000                            | 0.10           | 06/08/2023  |
| Nicole Ferro                   | 2,000,000         | 13/11/2020 | 22,000                            | 0.05           | 06/08/2022  |
| Nicole Ferro                   | 2,000,000         | 13/11/2020 | 10,000                            | 0.10           | 06/08/2023  |
| <b>Total</b>                   | <b>34,000,000</b> |            | <b>272,000</b>                    |                | <b>-</b>    |
| <b>Executives</b>              |                   |            |                                   |                |             |
| Vesna Jelesic                  | 5,000,000         | 23/11/2020 | 55,000                            | 0.05           | 06/08/2022  |
| Vesna Jelesic                  | 5,000,000         | 23/11/2020 | 25,000                            | 0.10           | 06/08/2023  |
| <b>Total</b>                   | <b>10,000,000</b> |            | <b>80,000</b>                     |                | <b>-</b>    |

The options will lapse in the event that the Directors or executives cease their employment with the Company and/or does not exercise the options by the end date.

## Service Agreements

The contracts for service between the Group and specified executives are formalised in service agreements. The major provisions in the agreements relating to remuneration are set out below:

### Robert Hogeland, Acting Chief Executive Officer (Resigned 26 October 2020)

- Permanent employment contract commencing 12 June 2018.
- Remuneration:
  - Base salary \$360,000 inclusive of superannuation
  - Short term incentive (STI) of \$200,000 with the following targets:
    - EBITDA targets – 60% of STI
    - Retention of key talent – 20% of STI
    - Management of key relationships – 10% of STI
    - Achievement of strategic goals – 10% of STI
  - Long term incentive (LTI):
    - Performance rights in FFT shares based on service (50%) and successful divestment of assets (50%)
- Termination by provision of 3 months' notice by the executive and 6 months by FFT.

### Keith Falconer, Chief Executive Officer

- Permanent employment contract commencing 2 November 2020.
- Remuneration:
  - Base salary \$241,096 inclusive of superannuation
  - Short term incentive (STI) of up to 40% of annual salary if the Company exceeds the annual forecast approved by the Board.
- Termination by provision of 3 months' notice by the executive. If the Company terminates the agreement within the first two years from the commencement date, it may give 12 months' pay (or the balance of the agreement whichever is the lesser) in lieu of notice or it may give notice for part of that period and pay in lieu of notice for the rest of the period.

### Damian Smith, Chief Executive Officer, Asset Vision

- Permanent employment contract commencing 2 November 2020.
- Remuneration:
  - Base salary \$220,000 inclusive of superannuation
  - Short term incentive (STI) of up to 20% of annual salary if the Company exceeds the annual forecast approved by the Board
- Termination by provision of 3 months' notice by the executive. If the Company terminates the agreement within the first two years from the commencement date, it may give 12 months' pay (or the balance of the agreement whichever is the lesser) in lieu of notice or it may give notice for part of that period and pay in lieu of notice for the rest of the period.

### Vesna Jelesic, Chief Financial Officer & Company Secretary

- Permanent employment contract commencing 1 April 2020.
- Remuneration:
  - Base salary \$264,000 inclusive of superannuation
  - Short term incentive (STI) of up to 20% of annual salary if the Company exceeds the annual forecast approved by the Board
  - Long-term incentive (LTI) – entitlement to participate in the Long-term Incentive Plan which is currently under development
- Termination by provision of 3 months' notice by the executive. If the Company terminates the agreement within the first two years from the commencement date, it may give 12 months' pay (or the balance of the agreement whichever is the lesser) in lieu of notice or it may give notice for part of that period and pay in lieu of notice for the rest of the period.

## End of Remuneration Report.



Signed in accordance with a resolution of the Directors.



**Keith Falconer**  
**CEO and Managing Director, Melbourne**  
 Date: 31 August 2021





# FINANCIAL Statements

# Future First Technologies

## Annual Report 30 June 2021



|                                                                              |    |
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### General information

The financial statements cover Future First Technologies Ltd as a Group consisting of Future First Technologies Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Future First Technologies Ltd's functional and presentation currency.

Future First Technologies Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 11, 410 Collins Street, Melbourne VIC 3000

Future First Technologies Ltd's Corporate Governance Statement is available on our website at [www.futurefirsttech.io](http://www.futurefirsttech.io).

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 31 August 2021. The Directors have the power to amend and reissue the financial statements.



Moore Australia Audit (VIC)  
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**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER S 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF FUTURE FIRST TECHNOLOGIES LIMITED & CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A stylized, handwritten signature in black ink that reads "Moore Australia".

**MOORE AUSTRALIA AUDIT (VIC)**  
**ABN 16 847 721 257**

A stylized, handwritten signature in black ink that appears to read "George S. Dakis".

**GEORGE S. DAKIS**  
**Partner**  
**Audit and Assurance**

Melbourne, Victoria

31 August 2021

Moore Australia Audit (VIC) - ABN 16 847 721 257.  
An independent member of Moore Global Network Limited - members in principal cities throughout the world.  
Liability limited by a scheme approved under Professional Standards Legislation.

# Statement of profit or loss and other comprehensive income

## For the year ended 30 June 2021



|                                                                                                                         | Note | Consolidated Group  |                  |
|-------------------------------------------------------------------------------------------------------------------------|------|---------------------|------------------|
|                                                                                                                         |      | 2021                | 2020*            |
|                                                                                                                         |      | \$                  | \$               |
| <b>Revenue from continuing operations</b>                                                                               | 4    | 1,540,383           | 4,762            |
| Other income                                                                                                            | 5    | 1,002,757           | 3,357,922        |
| <b>Expenses</b>                                                                                                         |      |                     |                  |
| Third party materials and labour                                                                                        |      | (29,188)            | (300)            |
| Acquisition and disposal expenses                                                                                       | 42   | (3,012,626)         | (125,386)        |
| Employee benefits expense                                                                                               |      | (3,871,681)         | (1,226,893)      |
| Depreciation and amortisation expense                                                                                   | 6    | (1,158,891)         | (474,881)        |
| Other expenses                                                                                                          |      | (2,322,248)         | (2,535,463)      |
| Finance costs                                                                                                           |      | (324,506)           | (1,056,358)      |
| <b>Loss before income tax benefit from continuing operations</b>                                                        |      | (8,176,000)         | (2,056,597)      |
| Income tax benefit                                                                                                      | 7    | 728,197             | 291,375          |
| Loss after income tax benefit from continuing operations                                                                |      | (7,447,803)         | (1,765,222)      |
| Profit/(loss) after income tax benefit from discontinued operations                                                     | 8    | (5,558,491)         | 4,801,346        |
| <b>Profit/(loss) after income tax benefit for the year attributable to the members of Future First Technologies Ltd</b> | 31   | (13,006,294)        | 3,036,124        |
| Other comprehensive income for the year, net of tax                                                                     |      | -                   | -                |
| <b>Total comprehensive income for the year attributable to the members of Future First Technologies Ltd</b>             |      | <b>(13,006,294)</b> | <b>3,036,124</b> |

Total comprehensive income for the year is attributable to:

|                         |                     |                  |
|-------------------------|---------------------|------------------|
| Continuing operations   | (7,447,803)         | (1,765,222)      |
| Discontinued operations | (5,558,491)         | 4,801,346        |
|                         | <b>(13,006,294)</b> | <b>3,036,124</b> |

\*The 30 June 2020 balances have been restated to remove discontinued operations - refer note 8

|                                                                                                                            |    | Cents  | Cents  |
|----------------------------------------------------------------------------------------------------------------------------|----|--------|--------|
| <b>Earnings per share for loss from continuing operations attributable to the members of Future First Technologies Ltd</b> |    |        |        |
| Basic earnings per share                                                                                                   | 45 | (1.64) | (0.52) |
| Diluted earnings per share                                                                                                 | 45 | (1.64) | (0.52) |
| <b>Earnings per share for profit/(loss) attributable to the members of Future First Technologies Ltd</b>                   |    |        |        |
| Basic earnings per share                                                                                                   | 45 | (2.87) | 0.89   |
| Diluted earnings per share                                                                                                 | 45 | (2.87) | 0.89   |

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

# Statement of financial position

## For the year ended 30 June 2021



|                                                                   | Note | Consolidated Group |                   |
|-------------------------------------------------------------------|------|--------------------|-------------------|
|                                                                   |      | 2021               | 2020              |
|                                                                   |      | \$                 | \$                |
| <b>Assets</b>                                                     |      |                    |                   |
| <b>Current assets</b>                                             |      |                    |                   |
| Cash and cash equivalents                                         | 9    | 5,932,518          | 1,477,504         |
| Trade and other receivables                                       | 10   | 520,255            | 7,091,955         |
| Income tax refund due                                             | 11   | 389,926            | 359,062           |
| Other                                                             | 12   | 394,609            | 2,169,996         |
| <b>Total current assets</b>                                       |      | <b>7,237,308</b>   | <b>11,098,517</b> |
| <b>Non-current assets</b>                                         |      |                    |                   |
| Financial assets at fair value through other comprehensive income | 13   | 2,676,467          | -                 |
| Property, plant and equipment                                     | 14   | 130,865            | 239,700           |
| Right-of-use assets                                               | 15   | 591,842            | 1,087,999         |
| Intangibles                                                       | 16   | 13,960,917         | 32,998,048        |
| Deferred tax                                                      | 17   | 230,784            | -                 |
| Total non-current assets                                          |      | 17,590,875         | 34,325,747        |
| <b>Total assets</b>                                               |      | <b>24,828,183</b>  | <b>45,424,264</b> |
| <b>Liabilities</b>                                                |      |                    |                   |
| <b>Current liabilities</b>                                        |      |                    |                   |
| Trade and other payables                                          | 18   | 415,243            | 2,264,983         |
| Lease liabilities                                                 | 20   | 440,387            | 529,483           |
| Employee benefits                                                 | 21   | 217,366            | 189,332           |
| Deferred consideration                                            | 22   | 3,930,333          | 524,167           |
| Other                                                             | 23   | 119,819            | 4,091,664         |
| <b>Total current liabilities</b>                                  |      | <b>5,123,148</b>   | <b>7,599,629</b>  |
| <b>Non-current liabilities</b>                                    |      |                    |                   |
| Lease liabilities                                                 | 25   | 165,657            | 421,965           |
| Deferred tax                                                      | 24   | -                  | 67,038            |
| Employee benefits                                                 | 26   | 37,556             | 60,867            |
| Deferred consideration                                            | 27   | -                  | 144,790           |
| Other                                                             | 28   | 36,939             | 66,193            |
| <b>Total non-current liabilities</b>                              |      | <b>240,152</b>     | <b>760,853</b>    |
| <b>Total liabilities</b>                                          |      | <b>5,363,300</b>   | <b>8,360,482</b>  |
| <b>Net assets</b>                                                 |      | <b>19,464,883</b>  | <b>37,063,782</b> |

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

|                     | Note | Consolidated Group |                   |
|---------------------|------|--------------------|-------------------|
|                     |      | 2021               | 2020              |
|                     |      | \$                 | \$                |
| <b>Equity</b>       |      |                    |                   |
| Issued capital      | 29   | 85,410,272         | 90,354,877        |
| Reserves            | 30   | 1,852,000          | 1,500,760         |
| Accumulated losses  | 31   | (67,797,389)       | (54,791,855)      |
| <b>Total equity</b> |      | <b>19,464,883</b>  | <b>37,063,782</b> |

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

# Statement of changes in equity

## For the year ended 30 June 2021



| Consolidated Group                                  | Issued Capital<br>\$ | Reserves<br>\$ | Retained Profits<br>\$ | Total equity<br>\$ |
|-----------------------------------------------------|----------------------|----------------|------------------------|--------------------|
| Balance at 1 July 2019                              | 91,207,294           | 593,769        | (58,357,552)           | 33,443,511         |
| Profit after income tax benefit for the year        | -                    | -              | 3,036,124              | 3,036,124          |
| Other comprehensive income for the year, net of tax | -                    | -              | -                      | -                  |
| Total comprehensive income for the year             | -                    | -              | 3,036,124              | 3,036,124          |

### Transactions with members in their capacity as members:

|                                                                       |                   |                  |                     |                   |
|-----------------------------------------------------------------------|-------------------|------------------|---------------------|-------------------|
| Contributions of equity, net of transaction costs (note 29)           | 2,397,583         | -                | -                   | 2,397,583         |
| In-specie distribution (note 29)                                      | (8,500,000)       | -                | -                   | (8,500,000)       |
| Share-based payments (note 29)                                        | 5,250,000         | -                | -                   | 5,250,000         |
| Revaluation of Performance rights (note 30)                           | -                 | (64,429)         | -                   | (64,429)          |
| Transfer of expired Performance rights to retained earnings (note 30) | -                 | (496,497)        | 496,497             | -                 |
| Transfer of expired share options to retained earnings (note 30)      | -                 | (33,076)         | 33,076              | -                 |
| Revaluation of Investments (note 30)                                  | -                 | 1,500,000        | -                   | 1,500,000         |
| Options granted (note 30)                                             | -                 | 993              | -                   | 993               |
| <b>Balance at 30 June 2020</b>                                        | <b>90,354,877</b> | <b>1,500,760</b> | <b>(54,791,855)</b> | <b>37,063,782</b> |

| Consolidated Group                                  | Issued Capital<br>\$ | Reserves<br>\$ | Retained Profits<br>\$ | Total equity<br>\$ |
|-----------------------------------------------------|----------------------|----------------|------------------------|--------------------|
| Balance at 1 July 2020                              | 90,354,877           | 1,500,760      | (54,791,855)           | 37,063,782         |
| Loss after income tax benefit for the year          | -                    | -              | (13,006,294)           | (13,006,294)       |
| Other comprehensive income for the year, net of tax | -                    | -              | -                      | -                  |
| Total comprehensive income for the year             | -                    | -              | (13,006,294)           | (13,006,294)       |

### Transactions with members in their capacity as members:

|                                                                  |                   |                  |                     |                   |
|------------------------------------------------------------------|-------------------|------------------|---------------------|-------------------|
| Contributions of equity, net of transaction costs (note 29)      | 1,443,000         | -                | -                   | 1,443,000         |
| Selective Share Buy-back (note 29)                               | (7,386,005)       | -                | -                   | (7,386,005)       |
| Share-based payments (note 29)                                   | 998,400           | -                | -                   | 998,400           |
| Transfer of expired share options to retained earnings (note 30) | -                 | (760)            | 760                 | -                 |
| Options granted (note 30)                                        | -                 | 352,000          | -                   | 352,000           |
| <b>Balance at 30 June 2021</b>                                   | <b>85,410,272</b> | <b>1,852,000</b> | <b>(67,797,389)</b> | <b>19,464,883</b> |

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

# Statement of cash flows

## For the year ended 30 June 2021



|                                                                   | Note | Consolidated Group |                    |
|-------------------------------------------------------------------|------|--------------------|--------------------|
|                                                                   |      | 2021               | 2020               |
|                                                                   |      | \$                 | \$                 |
| <b>Cash flows from operating activities</b>                       |      |                    |                    |
| Receipts from customers (inclusive of GST)                        |      | 22,605,155         | 80,590,606         |
| Payments to suppliers and employees (inclusive of GST)            |      | (26,177,566)       | (82,316,893)       |
|                                                                   |      | (3,572,411)        | (1,726,287)        |
| Interest received                                                 |      | 46,818             | 5,176              |
| Other revenue                                                     |      | 838,000            | 1,370,685          |
| Interest and other finance costs paid                             |      | (144,686)          | (1,074,312)        |
| Income taxes refunded                                             |      | 249,511            | 564,157            |
| <b>Net cash used in operating activities</b>                      | 33   | <b>(2,582,768)</b> | <b>(860,581)</b>   |
| <b>Cash flows from investing activities</b>                       |      |                    |                    |
| Payment for purchase of business, net of cash acquired            | 42   | (4,650,000)        | 175,358            |
| Payments for prior period's business acquisition                  | 42   | (640,000)          | (2,860,224)        |
| Acquisition Costs                                                 |      | (3,313,888)        | (137,925)          |
| Payments for financial assets held at fair value                  | 13   | (2,500,000)        | -                  |
| Payments for property, plant and equipment                        |      | (38,456)           | (101,248)          |
| Payments for development of intangibles                           |      | (171,035)          | (145,430)          |
| Payments for security deposits                                    | 12   | (245,821)          | -                  |
| Proceeds from disposal of business                                | 8    | 23,000,000         | 9,488,437          |
| Final proceeds from prior period's business disposal              |      | 1,674,222          | -                  |
| Proceeds from disposal of property, plant and equipment           | 14   | 62,366             | 52,509             |
| Proceeds from release of security deposits                        |      | 34,622             | 8,854              |
| Interest received                                                 |      | 176,467            | -                  |
| <b>Net cash from investing activities</b>                         |      | <b>13,388,477</b>  | <b>6,480,331</b>   |
| <b>Cash flows from financing activities</b>                       |      |                    |                    |
| Proceeds from issue of shares                                     | 29   | 1,443,000          | 2,529,467          |
| Proceeds/(repayment) of borrowings                                |      | -                  | (10,300,000)       |
| Payments for share buy-backs                                      |      | (7,386,005)        | -                  |
| Share issue transaction costs                                     | 29   | -                  | (131,884)          |
| Interest and other finance costs paid                             |      | (62,286)           | (57,916)           |
| Principal lease repayments                                        | 20   | (345,404)          | (467,513)          |
| <b>Net cash used in financing activities</b>                      |      | <b>(6,350,695)</b> | <b>(8,427,846)</b> |
| Net increase/(decrease) in cash and cash equivalents              |      | 4,455,014          | (2,808,096)        |
| Cash and cash equivalents at the beginning of the financial year  |      | 1,477,504          | 4,285,600          |
| <b>Cash and cash equivalents at the end of the financial year</b> | 9    | <b>5,932,518</b>   | <b>1,477,504</b>   |

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

# Notes to the financial statements 30 June 2021

## Note 1. Significant accounting policies



The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The Group 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.

### **Basis of preparation**

#### **Historical cost convention**

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### **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 Group'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.

### **Going concern**

The consolidated financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activities and the settlement of liabilities in the normal course of business.

During the year ended 30 June 2021, the Group incurred a net loss after tax of \$13,058,281 (2020: loss of \$3,036,124) impacted by the loss on disposal of discontinued operations and transaction costs. As at 30 June 2021, the Group's current assets exceeded its current liabilities by \$2,166,639.

The impact of the COVID-19 pandemic has resulted in the Group experiencing challenging and uncertain times. Whilst the situation is evolving, the Directors remain confident that the Group will be able to continue as a going concern which assumes it will be able to continue trading and realise assets and discharge liabilities in the ordinary course of business for at least 12 months from the date of the consolidated financial statements.

### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 41.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Future First Technologies Ltd ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Future First Technologies Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

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 Group 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 Group 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 determined by distinguishable components whereby the risk and returns are different from the other segments.

### Revenue recognition

Revenues from ongoing operations arise mainly from software licence subscriptions and consulting services.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than passage of time is required before the consideration is due.

### Software licences

Revenue from the sale of software licence subscriptions is contractual and recognised when the services are provided. Customers are invoiced monthly upon provision of the software. Any amounts remaining unbilled at the end of a reporting period are presented in the statement of financial position as accounts receivable as only the passage of time is required before payment of these amounts will be due as accrued revenue.

### Consulting services

The Group provides consulting services relating to the clients requirements for maintenance management systems. Revenue from these services is recognised on a time-and-materials basis as the services are provided. Customers are invoiced monthly as work progresses. Any amounts remaining unbilled at the end of a reporting period are presented in the statement of financial position as accounts receivable as only the passage of time is required before payment of these amounts will be due as accrued revenue.

### Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

### Government Grants

Government grants such as the JobKeeper subsidy are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

# Notes to the financial statements 30 June 2021

## Note 1. Significant accounting policies (cont.)



### 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, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

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 Group'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 Group'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.

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## Financial Instruments

### Initial recognition and measurement

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case the transaction costs are immediately recognised as expenses in profit or loss.

### Classification of financial assets

Financial assets recognised by the Group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at fair value through other comprehensive income are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the Group's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

### Classification of financial liabilities

Financial liabilities as held for trading, contingent consideration payable by the Group for the acquisition of a business and financial liabilities designated at fair value through the profit or loss, are subsequently measured at fair value. All other financial liabilities recognised by the Group are subsequently measured at amortised cost.

## 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.

### Impairment of financial assets

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

- (a) debt instruments measured at amortised cost;
  - (b) debt instruments classified at fair value through other comprehensive income; and
  - (c) receivables from contracts with customers and contract assets.
- The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime of expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. Where there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

# Notes to the financial statements 30 June 2021

## Note 1. Significant accounting policies (cont.)



The Group considers a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The Group considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by the Group to have a strong financial position and no history of past due amounts from previous transactions with the Group.

The Group assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The Group determines expected credit losses using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The Group has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses. These default events have been selected based on the Group's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, the Group applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets. The measurement of expected credit losses reflects the Group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the Group's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) breach of contract;
- (c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e. reduced directly) when the counterparty is in severe financial difficulty and the Group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Group. Recoveries, if any, are recognised in profit or loss.

### Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

|                        |               |
|------------------------|---------------|
| Leasehold improvements | 3 - 5 years   |
| Plant and equipment    | 2.5 - 5 years |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

# Notes to the financial statements 30 June 2021

## Note 1. Significant accounting policies (cont.)



### Intangible assets

#### 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.

#### Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the group is able to use or sell the asset; the group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 7 years.

#### Website

Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

#### Intellectual property

Significant costs associated with intellectual property are capitalised at cost on acquisition. They are considered to have an indefinite useful life so are not subject to amortisation.

#### Patents and trademarks

Significant costs associated with patents and trademarks are capitalised at cost on acquisition. They are considered to have an indefinite useful life so are not subject to amortisation.

#### Customer contracts

Customer contracts 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.

#### Software

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

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other 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 are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. 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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### Share-based payments

Equity-settled and cash-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. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes 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 Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are 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.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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.

# Notes to the financial statements 30 June 2021

## Note 1. Significant accounting policies (cont.)



If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group 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.

### Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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

Where the business combination is achieved in stages, the Group 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.

### Earnings per share

#### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the members of Future First Technologies Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

# Notes to the financial statements 30 June 2021

## 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 other various 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 Group 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.

### 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 and historical collection rates.

### Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Further information is detailed in Note 16.

### Income tax

The Group 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 Group recognises liabilities for anticipated tax audit issues based on the Group'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.

### Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### **Contingent consideration**

The contingent consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. The Group applies provisional accounting for any business combination. Any reassessment of the liability during the earlier of the finalisation of the provisional accounting or 12 months from acquisition-date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 'Business Combinations'. Thereafter, at each reporting date, the contingent consideration liability is reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. The increase in the liability resulting from the passage of time is recognised as a finance cost.

### **Business combinations**

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated. As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group 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.





# Notes to the financial statements 30 June 2021

## Note 3. Operating segments



### Identification of reportable operating segments

The Group's continuing operations are organised into two operating segments: Asset Vision and farmbuy.com. The People segment was divested during the reporting period and is reported as Discontinued Operations in both the current and prior period.

### Types of products and services

The principal products and services of each of these operating segments are as follows:

#### Asset Vision

The Asset Vision segment, comprising Asset Vision Pty Ltd, is a proprietary cloud and mobile based platform which provides a unified approach to asset inspections, maintenance and operations management in the global Enterprise Asset Management software market

#### farmbuy.com

The farmbuy.com segment, comprising Respring Pty Ltd, provides digital advertising and marketing services to Australian agriculture and real estate companies.

### Intersegment transactions

There were no material transactions between operating segments.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

### Revenue Categorised

Revenue is generated by the Group and is categorised into the reportable segments disclosed below. Sales to external customers are recognised when the performance obligations are delivered over time. Once a contract has been entered into, the Group has an enforceable right to payment for work completed to date. Therefore, revenue is recognised over time.

### Operating segment information

|                                             | Asset Vision | farmbuy.com | Corporate   | Discontinued Operations | Total        |
|---------------------------------------------|--------------|-------------|-------------|-------------------------|--------------|
| Consolidated Group 2021                     | \$           | \$          | \$          | \$                      | \$           |
| <b>Revenue</b>                              |              |             |             |                         |              |
| Sales to external customers                 | 1,412,626    | 69,757      | 58,000      | 17,327,478              | 18,867,861   |
| Total revenue                               | 1,412,626    | 69,757      | 58,000      | 17,327,478              | 18,867,861   |
| <b>EBITDA</b>                               | 53,743       | (1,262,384) | (2,357,419) | 1,920,466               | (1,645,594)  |
| Depreciation and amortisation               | (259,321)    | (451,572)   | (447,999)   | (24,634)                | (1,183,526)  |
| Loss on disposal of discontinued operations | -            | -           | -           | (7,454,851)             | (7,454,851)  |
| Interest revenue                            | -            | -           | 222,757     | 528                     | 223,285      |
| Finance costs                               | (5,124)      | -           | (319,382)   | -                       | (324,506)    |
| Aquisition and disposal expenses            | (2,500)      | -           | (3,010,126) | -                       | (3,012,626)  |
| Restructuring costs                         | -            | -           | (336,673)   | -                       | (336,673)    |
| Loss before income tax benefit              | (213,202)    | (1,713,956) | (6,248,842) | (5,558,491)             | (13,734,491) |
| Income tax benefit                          |              |             |             |                         | 728,197      |
| Loss after income tax benefit               |              |             |             |                         | (13,006,294) |
| <b>Assets</b>                               |              |             |             |                         |              |
| Segment assets                              | 3,923,960    | 1,335,937   | 19,568,286  | -                       | 24,828,183   |
| Total assets                                |              |             |             |                         | 24,828,183   |
| <b>Liabilities</b>                          |              |             |             |                         |              |
| Segment liabilities                         | 749,343      | 107,772     | 4,506,185   | -                       | 5,363,300    |
| Total liabilities                           |              |             |             |                         | 5,363,300    |

|                                             | farmbuy.com | Corporate   | Discontinued Operations | Total       |
|---------------------------------------------|-------------|-------------|-------------------------|-------------|
| Consolidated Group 2020                     | \$          | \$          | \$                      | \$          |
| <b>Revenue</b>                              |             |             |                         |             |
| Sales to external customers                 | 2,382       | -           | 68,633,112              | 68,635,494  |
| Total revenue                               | 2,382       | -           | 68,633,112              | 68,635,494  |
| <b>EBITDA</b>                               | (21,153)    | (3,140,008) | 5,841,207               | 2,680,046   |
| Depreciation and amortisation               | (112,573)   | (362,309)   | (253,066)               | (727,948)   |
| Revaluation of investments                  | -           | 2,000,000   | -                       | 2,000,000   |
| Loss on disposal of discontinued operations | -           | (829,023)   | -                       | (829,023)   |
| Interest revenue                            | -           | 2,988       | 2,188                   | 5,176       |
| Finance costs                               | -           | (1,056,357) | (11,321)                | (1,067,678) |
| Deferred consideration adjustments          | -           | 630,434     | -                       | 630,434     |
| Profit/(loss) before income tax benefit     | (133,726)   | (2,754,275) | 5,579,008               | 2,691,007   |
| Income tax benefit                          |             |             |                         | 345,117     |
| Profit after income tax benefit             |             |             |                         | 3,036,124   |
| <b>Assets</b>                               |             |             |                         |             |
| Segment assets                              | 1,523,249   | 36,941,027  | 6,959,988               | 45,424,264  |
| Total assets                                |             |             |                         | 45,424,264  |
| <b>Liabilities</b>                          |             |             |                         |             |
| Segment liabilities                         | -           | 3,005,860   | 5,354,622               | 8,360,482   |
| Total liabilities                           |             |             |                         | 8,360,482   |

#### Revenue by geographical area

There are no material sales to external customers outside of Australia. There are no material holdings of non-current assets outside of Australia.

#### Major customers

During the year ended 30 June 2021, approximately \$1,232,417 or 87.24% (2020: \$nil) of the consolidated entity's external revenue was derived from sales to three major customers through the Asset Vision segment:

- (1) Transport for NSW - \$472,350 or 33.44%
- (2) Ventia Australia Pty Ltd - \$432,890 30.64%
- (3) Department of Transport (VicRoads) - \$327,177 or 23.16%

# Notes to the financial statements 30 June 2021

## Note 4. Revenue



|                                              | Consolidated Group |              |
|----------------------------------------------|--------------------|--------------|
|                                              | 2021               | 2020         |
|                                              | \$                 | \$           |
| <b>From continuing operations</b>            |                    |              |
| <b>Revenue from contracts with customers</b> |                    |              |
| Sale of services                             | 1,482,383          | 4,762        |
| <b>Other revenue</b>                         |                    |              |
| Professional fees                            | 58,000             | -            |
| <b>Revenue from continuing operations</b>    | <b>1,540,383</b>   | <b>4,762</b> |

### Disaggregation of revenue

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

|                                  | Consolidated Group |              |
|----------------------------------|--------------------|--------------|
|                                  | 2021               | 2020         |
|                                  | \$                 | \$           |
| <b>Major sales/service lines</b> |                    |              |
| Licensing                        | 923,776            | -            |
| Customisation and Configuration  | 93,710             | -            |
| Consulting Fees                  | 395,140            | -            |
| Advertising & Fees               | 69,757             | 4,762        |
|                                  | <b>1,482,383</b>   | <b>4,762</b> |

### Geographical regions

|           |                  |              |
|-----------|------------------|--------------|
| Australia | <b>1,482,383</b> | <b>4,762</b> |
|-----------|------------------|--------------|

### Timing of revenue recognition

|                                |                  |              |
|--------------------------------|------------------|--------------|
| Services transferred over time | <b>1,482,383</b> | <b>4,762</b> |
|--------------------------------|------------------|--------------|

# Notes to the financial statements 30 June 2021

## Note 5. Other income



|                                      | Consolidated Group |                  |
|--------------------------------------|--------------------|------------------|
|                                      | 2021               | 2020             |
|                                      | \$                 | \$               |
| Revaluation of investments           | -                  | 2,000,000        |
| Subsidies and grants                 | 780,000            | 724,500          |
| Interest income                      | 222,757            | 2,988            |
| Contingent consideration adjustments | -                  | 630,434          |
| <b>Other income</b>                  | <b>1,002,757</b>   | <b>3,357,922</b> |

The revaluation of investment revenue arose from the shares received from Tesserent Limited as part of the consideration payment for the sale of the Security business.

Subsidies and grants reflect payments under the Australian Government JobKeeper Scheme.

The contingent consideration adjustments arise from a review of amounts due for earn-out purposes under the share purchase and sale agreements.

# Notes to the financial statements 30 June 2021

## Note 6. Expenses



|                                                                                                    | Consolidated Group |           |
|----------------------------------------------------------------------------------------------------|--------------------|-----------|
|                                                                                                    | 2021               | 2020      |
|                                                                                                    | \$                 | \$        |
| <b>Loss before income tax from continuing operations includes the following specific expenses:</b> |                    |           |
| <b>Depreciation</b>                                                                                |                    |           |
| Property, plant and equipment                                                                      | 56,323             | 40,557    |
| <b>Amortisation</b>                                                                                |                    |           |
| Right of use asset                                                                                 | 445,475            | 321,751   |
| Intangibles                                                                                        | 450,293            | 112,573   |
| Customer contracts                                                                                 | 40,067             | -         |
| Software                                                                                           | 166,733            | -         |
| Total amortisation                                                                                 | 1,102,568          | 434,324   |
| Total depreciation and amortisation                                                                | 1,158,891          | 474,881   |
| <b>Finance costs</b>                                                                               |                    |           |
| Interest and finance charges paid/payable on borrowings                                            | 65,185             | 762,676   |
| Interest and finance charges paid/payable on lease liabilities                                     | 31,411             | 46,638    |
| Unwinding of the discount on deferred cash consideration                                           | 227,910            | 247,044   |
| Finance costs expensed                                                                             | 324,506            | 1,056,358 |
| <b>Leases</b>                                                                                      |                    |           |
| Minimum lease payments                                                                             | 426,149            | 428,255   |
| Short-term lease payments                                                                          | 14,731             | 5,445     |
| Low-value assets lease payments                                                                    | 9,120              | 10,491    |
|                                                                                                    | 450,000            | 444,191   |

# Notes to the financial statements 30 June 2021

## Note 7. Income tax benefit



|                                                                                             | Consolidated Group |                  |
|---------------------------------------------------------------------------------------------|--------------------|------------------|
|                                                                                             | 2021               | 2020             |
|                                                                                             | \$                 | \$               |
| <b>Income tax benefit</b>                                                                   |                    |                  |
| Current tax                                                                                 | (280,375)          | (1,047,876)      |
| Deferred tax - origination and reversal of temporary differences                            | (447,822)          | 702,759          |
| <b>Aggregate income tax benefit</b>                                                         | <b>(728,197)</b>   | <b>(345,117)</b> |
| <b>Income tax benefit is attributable to:</b>                                               |                    |                  |
| Loss from continuing operations                                                             | (728,197)          | (291,375)        |
| Profit/(loss) from discontinued operations                                                  | -                  | (53,742)         |
| <b>Aggregate income tax benefit</b>                                                         | <b>(728,197)</b>   | <b>(345,117)</b> |
| <b>Deferred tax included in income tax benefit comprises:</b>                               |                    |                  |
| Decrease in deferred tax assets (note 17)                                                   | (230,784)          | 635,721          |
| Increase in deferred tax liabilities (note 24)                                              | (217,038)          | 67,038           |
| <b>Deferred tax - origination and reversal of temporary differences</b>                     | <b>(447,822)</b>   | <b>702,759</b>   |
| <b>Numerical reconciliation of income tax benefit and tax at the statutory rate</b>         |                    |                  |
| Loss before income tax benefit from continuing operations                                   | (8,176,000)        | (2,056,597)      |
| Profit/(loss) before income tax benefit from discontinued operations                        | (5,558,491)        | 4,747,604        |
|                                                                                             | (13,734,491)       | 2,691,007        |
| Tax at the statutory tax rate of 30%                                                        | (4,120,347)        | 807,302          |
| <b>Tax effect amounts which are not deductible/(taxable) in calculating taxable income:</b> |                    |                  |
| Amortisation of operating leases                                                            | 133,642            | 122,016          |
| Share-based payments                                                                        | 105,600            | (19,031)         |
| Non-taxable contingent consideration adjustments                                            | -                  | (189,130)        |
| Non-deductible expenses/(non-assessable income)                                             | 916,453            | (580,802)        |
| Loss on sale of subsidiary                                                                  | 2,236,455          | 248,707          |
| Revaluation of investments                                                                  | -                  | (600,000)        |
|                                                                                             | (728,197)          | (210,938)        |
| Prior year tax losses not recognised now recouped                                           | -                  | (149,405)        |
| Income tax expense reported as discontinued operations                                      | -                  | 15,226           |
| <b>Income tax benefit</b>                                                                   | <b>(728,197)</b>   | <b>(345,117)</b> |

# Notes to the financial statements 30 June 2021

## Note 8. Discontinued operations



### Description

#### Current Period

On the 30 October 2020, the Group announced that it had successfully divested the People business to LVP Technology Services Pty Ltd for a gross cash consideration of \$23 million.

#### Prior Period

On the 10 December 2019, the Group announced that it had successfully divested the Security business to Tesseract Limited ('Tesseract'). The sale transaction was closed in July 2020 with the settlement of the final consideration payment and the agreed working capital adjustment. There is a \$25,754 positive adjustment recognised in the current period.

On the 10 December 2019, the Group also announced the sale of its wholly owned subsidiary, NTH Consulting Pty Ltd to TNT Cyber Services Pty Ltd, a wholly owned subsidiary of Tesseract. The sale completed on the 26 March 2020.

On the 19 December 2019, the Group announced that it had executed a Share Purchase Agreement to divest its wholly owned subsidiary, GlassandCo Pty Ltd ('Glass') to Vitrics Pty Ltd ('Vitrics'). The sale of the subsidiary completed on 31 January 2020.

As a result of the sale transactions outlined above, the financial result of the business to be divested and associated group reclassification and consolidation impacts are treated as discontinued operations from a financial reporting perspective in the current and prior year.

Details of the financial performance, cash flows and the carrying value of the assets and liabilities of the discontinued operations are shown below.

### Financial performance information

|                                                                            | Consolidated Group |                  |
|----------------------------------------------------------------------------|--------------------|------------------|
|                                                                            | 2021               | 2020             |
|                                                                            | \$                 | \$               |
| Revenue from discontinued operations                                       | 17,327,478         | 68,630,732       |
| Interest income                                                            | 528                | 2,188            |
| Other income from discontinued operations                                  | -                  | 10,575           |
| Total other income                                                         | 528                | 12,763           |
| Operating expenses from discontinued operations                            | (15,407,012)       | (62,802,481)     |
| Depreciation and amortisation expense from discontinued operations         | (24,634)           | (253,066)        |
| Finance costs                                                              | -                  | (11,321)         |
| Total expenses                                                             | (15,431,646)       | (63,066,868)     |
| Profit before income tax benefit                                           | 1,896,360          | 5,576,627        |
| Income tax benefit                                                         | -                  | 53,742           |
| Profit after income tax benefit                                            | 1,896,360          | 5,630,369        |
| Loss on disposal before income tax                                         | (7,454,851)        | (829,023)        |
| Income tax expense                                                         | -                  | -                |
| Loss on disposal after income tax expense                                  | (7,454,851)        | (829,023)        |
| <b>Profit/(loss) after income tax benefit from discontinued operations</b> | <b>(5,558,491)</b> | <b>4,801,346</b> |

|                                                                               | Consolidated Group |                    |
|-------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                               | 2021               | 2020               |
|                                                                               | \$                 | \$                 |
| <b>Cash flow information</b>                                                  |                    |                    |
| Net cash used in operating activities                                         | (181,912)          | (1,991,673)        |
| Net cash used in investing activities                                         | -                  | (86,131)           |
| Net cash used in financing activities                                         | (27,302)           | (82,373)           |
| <b>Net decrease in cash and cash equivalents from discontinued operations</b> | <b>(209,214)</b>   | <b>(2,160,177)</b> |

#### Carrying amounts of assets and liabilities disposed

|                               | Consolidated Group |                  |
|-------------------------------|--------------------|------------------|
|                               | 2021               | 2020             |
|                               | \$                 | \$               |
| Cash and cash equivalents     | 62,602             | 143,164          |
| Trade and other receivables   | 6,676,950          | 6,251,619        |
| Other current assets          | 40,520             | 201,046          |
| Property, plant and equipment | 62,366             | 348,529          |
| Other non-current assets      | 172,786            | 1,256,550        |
| <b>Total assets</b>           | <b>7,015,224</b>   | <b>8,200,908</b> |
| Trade and other payables      | 3,885,937          | 3,780,392        |
| Provisions                    | 655,832            | 856,351          |
| Other liabilities             | 194,897            | 755,869          |
| <b>Total liabilities</b>      | <b>4,736,666</b>   | <b>5,392,612</b> |
| <b>Net assets</b>             | <b>2,278,558</b>   | <b>2,808,296</b> |

# Notes to the financial statements 30 June 2021

## Note 8. Discontinued operations (cont.)



### Details of the disposal

|                                                        | Consolidated Group |                  |
|--------------------------------------------------------|--------------------|------------------|
|                                                        | 2021               | 2020             |
|                                                        | \$                 | \$               |
| Total sale consideration                               | 23,000,000         | 20,908,844       |
| Carrying amount of net assets disposed                 | (2,278,558)        | (2,808,296)      |
| Working capital adjustment from prior period disposals | 25,754             | 62,661           |
| Derecognition of investment in discontinued operations | (28,264,649)       | (18,992,232)     |
| Net cash payment                                       | 62,602             | -                |
| Loss on disposal before income tax                     | (7,454,851)        | (829,023)        |
| <b>Loss on disposal after income tax</b>               | <b>(7,454,851)</b> | <b>(829,023)</b> |

## Note 9. Current assets: Cash and cash equivalents

|              | Consolidated Group |                  |
|--------------|--------------------|------------------|
|              | 2021               | 2020             |
|              | \$                 | \$               |
| Cash on hand | -                  | 27               |
| Cash at bank | 5,932,518          | 1,477,477        |
|              | <b>5,932,518</b>   | <b>1,477,504</b> |

# Notes to the financial statements 30 June 2021

## Note 10. Current assets: Trade and other receivables



|                                            | Consolidated Group |                  |
|--------------------------------------------|--------------------|------------------|
|                                            | 2021               | 2020             |
|                                            | \$                 | \$               |
| Trade receivables                          | 512,657            | 4,373,622        |
| Less: Allowance for expected credit losses | -                  | (145,021)        |
|                                            | 512,657            | 4,228,601        |
| Receivable from Scottish Pacific           | -                  | 926,258          |
| Other receivables                          | -                  | 1,911,582        |
| GST receivable                             | 7,598              | 25,514           |
|                                            | <b>520,255</b>     | <b>7,091,955</b> |

In July 2019, the Group entered into an agreement with Scottish Pacific Business Finance Pty Ltd ('ScotPac') to provide a receivables backed financing facility. The facility became available on 9 July 2019. As at 30 June 2020, the facility was in a credit position meaning the Group was owed money by ScotPac as there was a greater number of debtor payments received into the facility than what was actually funded.

The ScotPac facility agreement was novated to LVP Technology Services Pty Ltd upon the sale of the People business effective 30 October 2020.

Other receivables in the prior period includes \$1,674,223 due from Tesserent Limited paid in July 2020. This amount represents the final consideration payment for the purchase of the Security business (\$1,000,000) as well as the working capital adjustments for both the Security and NTH Consulting sales (\$674,223).

Other receivables in the prior period also includes the June 2020 JobKeeper subsidy of \$237,000.

### Allowance for expected credit losses

The Group has not recognised a charge in the profit or loss in respect of impairment of receivables for the year ended 30 June 2021 (2020: \$87,293 credit). The allowance from prior periods was disposed of with the sale of the People business.

### 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 |                |
|-----------------------|---------------------------|--------|-----------------|------------------|--------------------------------------|----------------|
|                       | 2021                      | 2020   | 2021            | 2020             | 2021                                 | 2020           |
| Consolidated Group    | %                         | %      | \$              | \$               | \$                                   | \$             |
| Not overdue           | -                         | 1.00%  | 376,442         | 3,328,402        | -                                    | 33,285         |
| 30 to 60 days overdue | -                         | 6.00%  | 135,775         | 737,767          | -                                    | 44,266         |
| 60 to 90 days overdue | -                         | 11.90% | 440             | 136,924          | -                                    | 16,294         |
| 90+ days overdue      | -                         | 30.01% | -               | 170,529          | -                                    | 51,176         |
|                       |                           |        | <b>512,657</b>  | <b>4,373,622</b> | <b>-</b>                             | <b>145,021</b> |

Trade receivables are non-interest bearing ranging from 30 to 90 day terms. An impairment loss is recognised based on an expected credit loss model. The consolidated entity assesses the expected credit loss based on individual debtor level expectations relative to credit terms.

## Note 10. Current assets: Trade and other receivables (cont.)

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

|                         | Consolidated Group |                |
|-------------------------|--------------------|----------------|
|                         | 2021               | 2020           |
|                         | \$                 | \$             |
| Opening balance         | 145,021            | 253,014        |
| Disposals               | (145,021)          | (20,700)       |
| Unused amounts reversed | -                  | (87,293)       |
| <b>Closing balance</b>  | <b>-</b>           | <b>145,021</b> |

## Note 11. Current assets: Income tax refund due

|                       | Consolidated Group |                |
|-----------------------|--------------------|----------------|
|                       | 2021               | 2020           |
|                       | \$                 | \$             |
| Income tax refund due | <b>389,926</b>     | <b>359,062</b> |

## Note 12. Current assets: Other

|                   | Consolidated Group |                  |
|-------------------|--------------------|------------------|
|                   | 2021               | 2020             |
|                   | \$                 | \$               |
| Accrued revenue   | 1,500              | 2,015,258        |
| Prepayments       | 147,288            | 120,116          |
| Security deposits | 245,821            | 34,622           |
|                   | <b>394,609</b>     | <b>2,169,996</b> |

# Notes to the financial statements 30 June 2021

## Note 13. Non-current assets: Financial assets at fair value through other comprehensive income



|                 | Consolidated Group |      |
|-----------------|--------------------|------|
|                 | 2021               | 2020 |
|                 | \$                 | \$   |
| Ordinary shares | 2,676,467          | -    |

### Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

|                           | Consolidated Group |          |
|---------------------------|--------------------|----------|
|                           | 2021               | 2020     |
|                           | \$                 | \$       |
| Opening fair value        | -                  | -        |
| Additions                 | 2,676,467          | -        |
| <b>Closing fair value</b> | <b>2,676,467</b>   | <b>-</b> |

On the 13 July 2020, the Group made an initial investment of \$1,250,000 in the Fin-Tech start up - The 1derful Group Pty Ltd (1derful). The Group subscribed to 1,250,000 of Convertible Notes in 1derful at a face value of \$1.00 per note. The Group made a follow on investment of \$1,250,000 on the 2 February 2021 whereby it subscribed to a further 1,250,000 of Convertible Notes at a face value of \$1.00.

On the 28 June 2021, the 2,500,000 notes plus accrued interest were converted to shares representing an 8.8% holding in 1derful.

## Note 14. Non-current assets: Property, plant and equipment

|                                  | Consolidated Group |                |
|----------------------------------|--------------------|----------------|
|                                  | 2021               | 2020           |
|                                  | \$                 | \$             |
| Leasehold improvements - at cost | 168,987            | 168,987        |
| Less: Accumulated depreciation   | (117,094)          | (83,906)       |
|                                  | 51,893             | 85,081         |
| Computer equipment - at cost     | 60,720             | 145,239        |
| Less: Accumulated depreciation   | (38,485)           | (117,255)      |
|                                  | 22,235             | 27,984         |
| Office equipment - at cost       | 140,528            | 252,646        |
| Less: Accumulated depreciation   | (131,562)          | (189,669)      |
|                                  | 8,966              | 62,977         |
| Computer software - at cost      | 192,932            | 192,932        |
| Less: Accumulated depreciation   | (145,161)          | (129,274)      |
|                                  | 47,771             | 63,658         |
| <b>Closing balance</b>           | <b>130,865</b>     | <b>239,700</b> |

## Reconciliations

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

|                                                      | Leasehold<br>Improvements | Fixtures &<br>Fittings | Computer<br>Equipment | Office<br>Equipment | Motor<br>Vehicles | Computer<br>Software | Total          |
|------------------------------------------------------|---------------------------|------------------------|-----------------------|---------------------|-------------------|----------------------|----------------|
| Consolidated Group                                   | \$                        | \$                     | \$                    | \$                  | \$                | \$                   | \$             |
| Balance at 1 July 2019                               | 425,013                   | 1,641                  | 34,205                | 220,333             | 3,770             | -                    | 684,962        |
| Additions                                            | -                         | -                      | 13,255                | -                   | -                 | 78,789               | 92,044         |
| Additions through business combinations (note 42)    | -                         | -                      | 472                   | -                   | -                 | -                    | 472            |
| Disposals                                            | (22,678)                  | -                      | (4,800)               | (25,031)            | -                 | -                    | (52,509)       |
| Disposals from discontinued operations               | (254,103)                 | (1,641)                | (23,483)              | (65,532)            | (3,770)           | -                    | (348,529)      |
| Transfers in/(out) - net of accumulated depreciation | (28,502)                  | -                      | 35,462                | (23,187)            | -                 | 16,227               | -              |
| Depreciation expense                                 | (34,649)                  | -                      | (27,127)              | (43,606)            | -                 | (31,358)             | (136,740)      |
| Balance at 30 June 2020                              | 85,081                    | -                      | 27,984                | 62,977              | -                 | 63,658               | 239,700        |
| Additions                                            | -                         | -                      | 26,869                | 8,090               | -                 | -                    | 34,959         |
| Disposals from discontinued operations               | -                         | -                      | (16,822)              | (45,544)            | -                 | -                    | (62,366)       |
| Write off of assets                                  | -                         | -                      | (471)                 | -                   | -                 | -                    | (471)          |
| Depreciation expense                                 | (33,188)                  | -                      | (15,325)              | (16,557)            | -                 | (15,887)             | (80,957)       |
| <b>Balance at 30 June 2021</b>                       | <b>51,893</b>             | <b>-</b>               | <b>22,235</b>         | <b>8,966</b>        | <b>-</b>          | <b>47,771</b>        | <b>130,865</b> |

# Notes to the financial statements 30 June 2021

## Note 15. Non-current assets: Right-of-use assets



|                                | Consolidated Group |                  |
|--------------------------------|--------------------|------------------|
|                                | 2021               | 2020             |
|                                | \$                 | \$               |
| Leases                         | 1,377,773          | 1,409,750        |
| Less: Accumulated depreciation | (785,931)          | (321,751)        |
|                                | <b>591,842</b>     | <b>1,087,999</b> |

Additions to the right-of-use assets during the year were \$220,563 (2020: \$1,991,964).

The Group leases land and buildings for its offices under agreements of five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

### Reconciliations

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

| Consolidated Group                                | Total<br>\$    |
|---------------------------------------------------|----------------|
| Balance at 1 July 2019                            | -              |
| Additions                                         | 1,991,964      |
| Disposals                                         | (582,214)      |
| Amortisation expense                              | (321,751)      |
| Balance at 30 June 2020                           | 1,087,999      |
| Additions through business combinations (note 42) | 220,563        |
| Disposals                                         | (271,245)      |
| Amortisation expense                              | (445,475)      |
| <b>Balance at 30 June 2021</b>                    | <b>591,842</b> |

## Note 16. Non-current assets: Intangibles

|                                  | Consolidated Group |                   |
|----------------------------------|--------------------|-------------------|
|                                  | 2021               | 2020              |
|                                  | \$                 | \$                |
| Goodwill - at cost               | 9,876,146          | 31,513,669        |
| Development - at cost            | 310,876            | 155,390           |
| Website - at cost                | 1,350,880          | 1,350,880         |
| Less: Accumulated amortisation   | (562,867)          | (112,573)         |
|                                  | 788,013            | 1,238,307         |
| Intellectual property - at cost  | 10,000             | 10,000            |
| Patents and trademarks - at cost | 80,682             | 80,682            |
| Customer contracts - at cost     | 601,000            | -                 |
| Less: Accumulated amortisation   | (40,067)           | -                 |
|                                  | 560,933            | -                 |
| Software - at cost               | 2,501,000          | -                 |
| Less: Accumulated amortisation   | (166,733)          | -                 |
|                                  | 2,334,267          | -                 |
|                                  | <b>13,960,917</b>  | <b>32,998,048</b> |

# Notes to the financial statements 30 June 2021

## Note 16. Non-current assets: Intangibles (cont.)



### Reconciliations

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

|                                                   | Goodwill         | Website        | Trademarks    | Intellectual Property | Development    | Software         | Customer Contracts | Total             |
|---------------------------------------------------|------------------|----------------|---------------|-----------------------|----------------|------------------|--------------------|-------------------|
| Consolidated Group                                | \$               | \$             | \$            | \$                    | \$             | \$               | \$                 | \$                |
| Balance at 1 July 2019                            | 47,256,427       | -              | -             | -                     | -              | -                | -                  | 47,256,427        |
| Additions                                         | -                | -              | -             | -                     | 132,209        | -                | -                  | 132,209           |
| Additions through business combinations (note 42) | 3,249,020        | 1,350,880      | 80,682        | 10,000                | 23,181         | -                | -                  | 4,713,763         |
| Disposals                                         | (18,992,232)     | -              | -             | -                     | -              | -                | -                  | (18,992,232)      |
| Adjustment                                        | 454              | -              | -             | -                     | -              | -                | -                  | 454               |
| Amortisation expense                              | -                | (112,573)      | -             | -                     | -              | -                | -                  | (112,573)         |
| Balance at 30 June 2020                           | 31,513,669       | 1,238,307      | 80,682        | 10,000                | 155,390        | -                | -                  | 32,998,048        |
| Additions                                         | -                | -              | -             | -                     | 155,486        | -                | -                  | 155,486           |
| Additions through business combinations (note 42) | 6,627,126        | -              | -             | -                     | -              | 2,501,000        | 601,000            | 9,729,126         |
| Disposals                                         | (28,264,649)     | -              | -             | -                     | -              | -                | -                  | (28,264,649)      |
| Amortisation expense                              | -                | (450,294)      | -             | -                     | -              | (166,733)        | (40,067)           | (657,094)         |
| <b>Balance at 30 June 2021</b>                    | <b>9,876,146</b> | <b>788,013</b> | <b>80,682</b> | <b>10,000</b>         | <b>310,876</b> | <b>2,334,267</b> | <b>560,933</b>     | <b>13,960,917</b> |

### Impairment testing for goodwill

For the purposes of impairment testing, goodwill is allocated to the consolidated entity's cash-generating units (CGU's) as follows:

|              | Consolidated Group |                   |
|--------------|--------------------|-------------------|
|              | 2021               | 2020              |
|              | \$                 | \$                |
| People       | -                  | 28,264,649        |
| Asset Vision | 6,627,126          | -                 |
| farmbuy.com  | 3,249,020          | 3,249,020         |
| <b>Total</b> | <b>9,876,146</b>   | <b>31,513,669</b> |

The Group undertakes impairment testing of the relevant businesses as required. Impairment testing was performed at 30 June 2021 to support the carrying value of goodwill for the farmbuy.com CGU. The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the continuing use of the business. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using projected cash flows approved by the Board covering year 1 and EBIT growth rates ranging from -39% to 833% for years 2-5. The present value of future cash flows for years 2 to 5 have been calculated using a terminal growth rate of 1.5% (2020: 1.5%) and a discount rate of 19.5% (2020: 19.5%) has been used to determine value in use.

The goodwill of \$6,627,126 for the Asset Vision CGU represents the amount of consideration paid for the business acquisition less fair value of net assets, plus additional amounts paid for performance, both current and implied by forecasts.

The Directors are still assessing any potential impacts to the total consideration transferred whilst within the measurement period.

The estimated recoverable amount exceeded the carrying value for each CGU by the following amounts:

|              | Consolidated Group |                  |
|--------------|--------------------|------------------|
|              | 2021               | 2020             |
|              | \$                 | \$               |
| People       | -                  | 2,167,502        |
| farmbuy.com  | 29,312             | -                |
| <b>Total</b> | <b>29,312</b>      | <b>2,167,502</b> |

### Impairment

The Board of Directors continues to take a conservative approach to the Group's impairment valuations in line with the approach taken at 31 December 2020.

Impact of a Reasonably Possible Change in Key Assumptions:

Any adverse movement in a key assumption would lead to a reduction in the estimated recoverable amount exceeding the carrying value for the farmbuy.com CGU. For example, a 1% reduction in growth rates would cause a reduction of \$52,223 to -\$24,911.

## Note 17. Non-current assets: Deferred tax

|                                    | Consolidated Group |           |
|------------------------------------|--------------------|-----------|
|                                    | 2021               | 2020      |
|                                    | \$                 | \$        |
| <b>Deferred tax asset</b>          | <b>230,784</b>     | -         |
| <b>Movements:</b>                  |                    |           |
| Opening balance                    | -                  | 1,126,519 |
| Charged to profit or loss (note 7) | 230,784            | (635,721) |
| Disposals                          | -                  | (490,798) |
| <b>Closing balance</b>             | <b>230,784</b>     | -         |

## Note 18. Current liabilities: Trade and other payables

|                | Consolidated Group |                  |
|----------------|--------------------|------------------|
|                | 2021               | 2020             |
|                | \$                 | \$               |
| Trade payables | 162,595            | 364,145          |
| GST payable    | 44,829             | 292,360          |
| Other payables | 207,819            | 1,608,478        |
|                | <b>415,243</b>     | <b>2,264,983</b> |

Refer to note 35 for further information on financial instruments.

## Note 19. Current liabilities: Borrowings

The facilities with ANZ bank contractually expired on the 30 December 2020. The Group is in the process of organising replacement bank guarantees that are cash-backed with term deposits however the lender has agreed to keep the credit card facilities in place.

### Financing arrangements

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

|                                     | Consolidated Group |                  |
|-------------------------------------|--------------------|------------------|
|                                     | 2021               | 2020             |
|                                     | \$                 | \$               |
| <b>Total facilities</b>             |                    |                  |
| Credit Card Facility                | 95,000             | 150,000          |
| Indemnity/Guarantee Facilities      | -                  | 388,500          |
| Electronic Payaway Facility         | -                  | 500,000          |
|                                     | <b>95,000</b>      | <b>1,038,500</b> |
| <b>Used at the reporting date</b>   |                    |                  |
| Credit Card Facility                | 26,695             | 5,286            |
| Indemnity/Guarantee Facilities      | -                  | 388,219          |
| Electronic Payaway Facility         | -                  | -                |
|                                     | <b>26,695</b>      | <b>393,505</b>   |
| <b>Unused at the reporting date</b> |                    |                  |
| Credit Card Facility                | 68,305             | 144,714          |
| Indemnity/Guarantee Facilities      | -                  | 281              |
| Electronic Payaway Facility         | -                  | 500,000          |
|                                     | <b>68,305</b>      | <b>644,995</b>   |

There is a corporate cross-deed of guarantee between the parent company and all subsidiaries ("General Security Agreement") which is secured by all present and after-acquired property.

## Note 20. Current liabilities: Lease liabilities

|                        | Consolidated Group |                |
|------------------------|--------------------|----------------|
|                        | 2021               | 2020           |
|                        | \$                 | \$             |
| <b>Lease liability</b> | <b>440,387</b>     | <b>529,483</b> |

Refer to note 35 for further information on financial instruments.

## Note 21. Current liabilities: Employee benefits

|                    | Consolidated Group |                |
|--------------------|--------------------|----------------|
|                    | 2021               | 2020           |
|                    | \$                 | \$             |
| Annual leave       | 186,558            | 189,332        |
| Long service leave | 30,808             | -              |
|                    | <b>217,366</b>     | <b>189,332</b> |

## Note 22. Current liabilities: Deferred consideration

|                               | Consolidated Group |                |
|-------------------------------|--------------------|----------------|
|                               | 2021               | 2020           |
|                               | \$                 | \$             |
| <b>Deferred consideration</b> | <b>3,930,333</b>   | <b>524,167</b> |

The deferred consideration represents the obligation to pay consideration following the acquisition of a business or assets. It is measured at the present value of the estimated liability.

## Note 23. Current liabilities: Other

|                           | Consolidated Group |                  |
|---------------------------|--------------------|------------------|
|                           | 2021               | 2020             |
|                           | \$                 | \$               |
| Accrued expenses          | 119,819            | 3,361,093        |
| Other current liabilities | -                  | 730,571          |
|                           | <b>119,819</b>     | <b>4,091,664</b> |

## Note 24. Non-current liabilities: Deferred tax

Deferred tax liability comprises temporary differences attributable to:

|                                              | Consolidated Group |               |
|----------------------------------------------|--------------------|---------------|
|                                              | 2021               | 2020          |
|                                              | \$                 | \$            |
| <b>Amounts recognised in profit or loss:</b> |                    |               |
| Accrued expenses                             | (100,693)          | (123,276)     |
| Lease liabilities                            | 157,572            | 13,146        |
| Trade debtors                                | -                  | (46,056)      |
| Accrued Revenue                              | 390                | 604,577       |
| Prepayments                                  | -                  | 25,321        |
| Expenses deductible over five years          | (95,322)           | (150,296)     |
| Employee benefits                            | (85,037)           | (256,378)     |
| Right of use assets                          | 115,611            | -             |
| Property, plant and equipment                | 7,479              | -             |
| <b>Deferred tax liability</b>                | <b>-</b>           | <b>67,038</b> |

### Movements:

|                                                   |           |               |
|---------------------------------------------------|-----------|---------------|
| Opening balance                                   | 67,038    | -             |
| Charged to profit or loss (note 7)                | (217,038) | 67,038        |
| Additions through business combinations (note 42) | 150,000   | -             |
| <b>Closing balance</b>                            | <b>-</b>  | <b>67,038</b> |

# Notes to the financial statements 30 June 2021

## Note 25. Non-current liabilities: Lease liabilities



|                        | Consolidated Group |                |
|------------------------|--------------------|----------------|
|                        | 2021               | 2020           |
|                        | \$                 | \$             |
| <b>Lease liability</b> | <b>165,657</b>     | <b>421,965</b> |

Refer to note 35 for further information on financial instruments.

## Note 26. Non-current liabilities: Employee benefits

|                           | Consolidated Group |               |
|---------------------------|--------------------|---------------|
|                           | 2021               | 2020          |
|                           | \$                 | \$            |
| <b>Long service leave</b> | <b>37,556</b>      | <b>60,867</b> |

## Note 27. Non-current liabilities: Deferred consideration

|                               | Consolidated Group |                |
|-------------------------------|--------------------|----------------|
|                               | 2021               | 2020           |
|                               | \$                 | \$             |
| <b>Deferred consideration</b> | <b>-</b>           | <b>144,790</b> |

Deferred consideration represents the obligation to pay outstanding consideration following the acquisition of a business or assets. It is measured at the present value of the estimated liability.

## Note 28. Non-current liabilities: Other

|                                      | Consolidated Group |               |
|--------------------------------------|--------------------|---------------|
|                                      | 2021               | 2020          |
|                                      | \$                 | \$            |
| <b>Other non-current liabilities</b> | <b>36,939</b>      | <b>66,193</b> |

### Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.



## Note 29. Equity: Issued capital

|                                     | Consolidated Group |                    |                   |                   |
|-------------------------------------|--------------------|--------------------|-------------------|-------------------|
|                                     | 2021               | 2020               | 2021              | 2020              |
|                                     | Shares             | Shares             | \$                | \$                |
| <b>Ordinary shares - fully paid</b> | <b>410,885,795</b> | <b>501,103,515</b> | <b>85,410,272</b> | <b>90,354,877</b> |

### Movements in ordinary share capital

| Details                                                                 | Date                | Shares             | Issue price | \$                |
|-------------------------------------------------------------------------|---------------------|--------------------|-------------|-------------------|
| Balance                                                                 | 1 July 2019         | 250,116,958        |             | 91,207,294        |
| Issue of shares for Performance Rights                                  | 14 August 2019      | 1,843,095          | \$0.00      | -                 |
| Issue of shares for Rights Issue Placement                              | 19 November 2019    | 19,790,495         | \$0.04      | 791,620           |
| Rights Issue Placement Costs                                            | 19 November 2019    | -                  | \$0.00      | (33,144)          |
| Issue of shares for the completion of the Seisma Acquisition            | 3 December 2019     | 18,750,000         | \$0.04      | 750,000           |
| Issue of shares for the Employee Incentive Plan                         | 12 December 2019    | 15,156,778         | \$0.00      | -                 |
| Issue of shares for Rights Issue Shortfall                              | 21 January 2020     | 43,446,189         | \$0.04      | 1,737,848         |
| Rights Issue Placement Costs                                            | 21 January 2020     | -                  | \$0.00      | (98,741)          |
| Issue of shares to Hennessey Capital in satisfaction of consulting fees | 21 January 2020     | 2,000,000          | \$0.00      | -                 |
| In-specie Distribution                                                  | 22 January 2020     | -                  | \$0.00      | (8,500,000)       |
| Issue of shares on acquisition of Respring                              | 1 April 2020        | 150,000,000        | \$0.03      | 4,500,000         |
| Balance                                                                 | 30 June 2020        | 501,103,515        |             | 90,354,877        |
| Issue of shares on Acquisition of Asset Vision                          | 2 November 2020     | 24,000,000         | \$0.04      | 998,400           |
| Issue of shares for the Employee Incentive Plan                         | 3 November 2020     | 5,002,339          | \$0.00      | -                 |
| Issue of shares to the FFT Employee Trust                               | 12 November 2020    | 23,000,000         | \$0.04      | 1,058,000         |
| Selective Share Buy-back                                                | 10 December 2020    | (147,720,059)      | \$0.05      | (7,386,005)       |
| Issue of shares to the FFT Employee Trust                               | 2 June 2021         | 5,500,000          | \$0.07      | 385,000           |
| <b>Balance</b>                                                          | <b>30 June 2021</b> | <b>410,885,795</b> |             | <b>85,410,272</b> |

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.

## Note 30. Equity: Reserves

|                                                   | Consolidated Group |                  |
|---------------------------------------------------|--------------------|------------------|
|                                                   | 2021               | 2020             |
|                                                   | \$                 | \$               |
| Revaluation surplus reserve                       | 1,500,000          | 1,500,000        |
| Employee share options/Performance rights reserve | 352,000            | 760              |
|                                                   | <b>1,852,000</b>   | <b>1,500,760</b> |

### Revaluation surplus reserve

The reserve is used to recognise increments and decrements in the fair value of investments. The increment in the prior financial year relates to the Tesserent shares that formed part of the Security sale consideration. The \$1,500,000 represents the revaluation of the shares on the record date of the in-specie distribution to shareholders.

### Employee share options/Performance rights reserve

This reserve is used to recognise options and performance rights granted to Directors and employees under the current FFT Directors and Employee Benefits Plan. Further information on the operation of this plan is outlined in the Directors' Report.

### Movements in reserves

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

|                                | Employee share option/<br>Revaluation performance rights reserve | Revaluation reserve | Total            |
|--------------------------------|------------------------------------------------------------------|---------------------|------------------|
| Consolidated Group             | \$                                                               | \$                  | \$               |
| Balance at 1 July 2019         | 593,769                                                          | -                   | 593,769          |
| Revaluation - gross            | (64,429)                                                         | 1,500,000           | 1,435,571        |
| Options granted                | 993                                                              | -                   | 993              |
| Expired Performance Rights     | (496,497)                                                        | -                   | (496,497)        |
| Expired Options                | (33,076)                                                         | -                   | (33,076)         |
| Balance at 30 June 2020        | 760                                                              | 1,500,000           | 1,500,760        |
| Options granted                | 352,000                                                          | -                   | 352,000          |
| Expired Options                | (760)                                                            | -                   | (760)            |
| <b>Balance at 30 June 2021</b> | <b>352,000</b>                                                   | <b>1,500,000</b>    | <b>1,852,000</b> |





## Note 31. Equity: Accumulated losses

|                                                            | Consolidated Group  |                     |
|------------------------------------------------------------|---------------------|---------------------|
|                                                            | 2021                | 2020                |
|                                                            | \$                  | \$                  |
| Accumulated losses at the beginning of the financial year  | (54,791,855)        | (58,357,552)        |
| Profit/(loss) after income tax benefit for the year        | (13,006,294)        | 3,036,124           |
| Transfer from options/performance rights reserve           | 760                 | 529,573             |
| <b>Accumulated losses at the end of the financial year</b> | <b>(67,797,389)</b> | <b>(54,791,855)</b> |

## Note 32. Equity: Dividends

### Dividends

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

### Franking credits

|                                                                                             | Consolidated Group |                  |
|---------------------------------------------------------------------------------------------|--------------------|------------------|
|                                                                                             | 2021               | 2020             |
|                                                                                             | \$                 | \$               |
| Franking credits available at the reporting date based on a tax rate of 30%                 | 7,357,526          | 7,627,521        |
| <b>Franking credits available for subsequent financial years based on a tax rate of 30%</b> | <b>7,357,526</b>   | <b>7,627,521</b> |

## Note 33. Reconciliation of profit/(loss) after income tax to net cash used in operating activities

|                                                     | Consolidated Group |                  |
|-----------------------------------------------------|--------------------|------------------|
|                                                     | 2021               | 2020             |
|                                                     | \$                 | \$               |
| Profit/(loss) after income tax benefit for the year | (13,006,294)       | 3,036,124        |
| <b>Adjustments for:</b>                             |                    |                  |
| Depreciation and amortisation                       | 1,158,891          | 571,064          |
| Net loss on disposal of non-current assets          | 7,454,851          | 829,023          |
| Share based payments                                | 352,000            | -                |
| Interest received - non-cash                        | -                  | 5,176            |
| Other revenue - non-cash                            | -                  | (2,000,000)      |
| Other expenses - non-cash                           | (687,420)          | 6,953,506        |
| Finance costs - non-cash                            | (117,534)          | (6,633)          |
| Contingent consideration adjustments                | -                  | (630,434)        |
| <b>Change in operating assets and liabilities:</b>  |                    |                  |
| Decrease in trade and other receivables             | 6,571,700          | 5,668,239        |
| Increase in income tax refund due                   | (487,330)          | (359,062)        |
| Decrease in deferred tax assets                     | -                  | 1,126,519        |
| Decrease/(increase) in accrued revenue              | 2,013,758          | (771,635)        |
| Decrease/(increase) in prepayments                  | (27,172)           | 508,705          |
| Decrease in trade and other payables                | (1,849,740)        | (7,209,534)      |
| Decrease in provision for income tax                | -                  | (615,455)        |
| Increase in deferred tax liabilities                | 8,644              | 67,038           |
| Decrease in employee benefits                       | 4,723              | (847,334)        |
| Decrease in other operating liabilities             | (3,971,845)        | (7,185,888)      |
| <b>Net cash used in operating activities</b>        | <b>(2,582,768)</b> | <b>(860,581)</b> |

## Note 34. Changes in liabilities arising from financing activities

| Consolidated Group             | Borrowings<br>\$ | Total<br>\$  |
|--------------------------------|------------------|--------------|
| Balance at 1 July 2019         | 10,300,000       | 10,300,000   |
| Repayment of loans             | (10,300,000)     | (10,300,000) |
| Balance at 30 June 2020        | -                | -            |
| <b>Balance at 30 June 2021</b> | <b>-</b>         | <b>-</b>     |

## Note 35. Financial instruments

### Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group'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 Group. The Group 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, foreign exchange and other price risks, 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 Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and manages financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

### Market risk

#### Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group is not currently exposed to any material fluctuations in foreign currency.

#### Price risk

The Group is not exposed to any significant price risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The table below outlines the variable interest rate on cash at bank:

| Consolidated Group                                  | Weighted average<br>interest rate<br>% | 2021<br>Balance<br>\$ | Weighted average<br>interest rate<br>% | 2020<br>Balance<br>\$ |
|-----------------------------------------------------|----------------------------------------|-----------------------|----------------------------------------|-----------------------|
|                                                     |                                        |                       |                                        |                       |
| Cash at bank                                        | 0.73%                                  | 5,932,518             | 0.04%                                  | 1,477,477             |
| <b>Net exposure to cash flow interest rate risk</b> |                                        | <b>5,932,518</b>      |                                        | <b>1,477,477</b>      |

## Note 35. Financial instruments (cont.)

### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in consolidated statement of financial position and notes to the consolidated financial statements.

Credit risk for derivative financial instruments arises from the potential failure by counterparties to the contract to meet their obligations.

The Group 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 Group based on recent sales experience, historical collection rates and forward-looking information that is available.

The Group does not have any material credit risk exposure to any single debtor or Group of debtors under financial instruments entered into by the consolidated entity. The Group minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers.

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.

Credit risk arises from cash and cash equivalents, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

### Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group 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 Group |                |
|--------------------------------|--------------------|----------------|
|                                | 2021               | 2020           |
|                                | \$                 | \$             |
| Credit Card Facility           | 68,305             | 144,714        |
| Indemnity/Guarantee Facilities | -                  | 281            |
| Electronic Payaway Facility    | -                  | 500,000        |
|                                | <b>68,305</b>      | <b>644,995</b> |

### Maturity Analysis

The following tables detail the Group'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.

**Note 35. Financial instruments (cont.)**

|                                    | Weighted<br>average<br>interest rate | 1 year or less | Between 1 and<br>2 years | Between 2 and<br>5 years | Over 5 years | Remaining<br>contractual<br>maturities |
|------------------------------------|--------------------------------------|----------------|--------------------------|--------------------------|--------------|----------------------------------------|
| Consolidated Group 2021            | %                                    | \$             | \$                       | \$                       | \$           | \$                                     |
| <b>Non-derivatives</b>             |                                      |                |                          |                          |              |                                        |
| <b>Non-interest bearing</b>        |                                      |                |                          |                          |              |                                        |
| Trade payables                     | -                                    | 162,595        | -                        | -                        | -            | 162,595                                |
| GST payables (net)                 | -                                    | 44,829         | -                        | -                        | -            | 44,829                                 |
| Other payables                     | -                                    | 207,819        | -                        | -                        | -            | 207,819                                |
| Accrued expenses                   | -                                    | 119,819        | -                        | -                        | -            | 119,819                                |
| <b>Interest-bearing - variable</b> |                                      |                |                          |                          |              |                                        |
| Lease liability                    | 4.00%                                | 440,387        | 139,577                  | 26,080                   | -            | 606,044                                |
| <b>Total non-derivatives</b>       |                                      | <b>975,449</b> | <b>139,577</b>           | <b>26,080</b>            | -            | <b>1,141,106</b>                       |

|                                      | Weighted<br>average<br>interest rate | 1 year or less   | Between 1 and<br>2 years | Between 2 and<br>5 years | Over 5 years | Remaining<br>contractual<br>maturities |
|--------------------------------------|--------------------------------------|------------------|--------------------------|--------------------------|--------------|----------------------------------------|
| Consolidated Group 2020              | %                                    | \$               | \$                       | \$                       | \$           | \$                                     |
| <b>Non-derivatives</b>               |                                      |                  |                          |                          |              |                                        |
| <b>Non-interest bearing</b>          |                                      |                  |                          |                          |              |                                        |
| Trade payables                       | -                                    | 364,145          |                          |                          |              | 364,145                                |
| GST payables (net)                   | -                                    | 292,360          |                          |                          |              | 292,360                                |
| Other payables                       | -                                    | 2,339,049        |                          |                          |              | 2,339,049                              |
| Accrued expenses                     | -                                    | 3,361,093        |                          |                          |              | 3,361,093                              |
| <b>Interest-bearing - fixed rate</b> |                                      |                  |                          |                          |              |                                        |
| Lease liability                      | 4.00%                                | 529,483          | 343,513                  | 78,452                   | -            | 951,448                                |
| <b>Total non-derivatives</b>         |                                      | <b>6,886,130</b> | <b>343,513</b>           | <b>78,452</b>            | -            | <b>7,308,095</b>                       |

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

**Fair value of financial instruments**

The fair values of cash, receivables, other payables and current tax payables approximate their carrying amounts as a result of their short-term maturity.

# Notes to the financial statements 30 June 2021

## Note 36. Key management personnel disclosures



### Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

|                              | Consolidated Group |                  |
|------------------------------|--------------------|------------------|
|                              | 2021               | 2020             |
|                              | \$                 | \$               |
| Short-term employee benefits | 1,086,445          | 1,299,220        |
| Post-employment benefits     | 70,912             | 56,122           |
| Termination benefits         | -                  | 381,189          |
| Share-based payments         | 605,000            | -                |
|                              | <b>1,762,357</b>   | <b>1,736,531</b> |

Further details of key management personnel compensation are contained within the Remuneration Report section of the Directors' Report.

## Note 37. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Moore Audit (VIC), the auditor of the Company:

|                                                     | Consolidated Group |                |
|-----------------------------------------------------|--------------------|----------------|
|                                                     | 2021               | 2020           |
|                                                     | \$                 | \$             |
| <b>Audit services - Moore Australia Audit (VIC)</b> |                    |                |
| Audit or review of the financial statements         | 125,264            | 158,162        |
| <b>Other services - Moore Australia Audit (VIC)</b> |                    |                |
| Other                                               | -                  | 4,000          |
|                                                     | <b>125,264</b>     | <b>162,162</b> |

## Note 38. Contingent liabilities

There are no other matters which the Group considers would result in a contingent liability as at the date of this report.

## Note 39. Commitments

|                                                                             | Consolidated Group |               |
|-----------------------------------------------------------------------------|--------------------|---------------|
|                                                                             | 2021               | 2020          |
|                                                                             | \$                 | \$            |
| <b>Lease commitments - operating</b>                                        |                    |               |
| Committed at the reporting date but not recognised as liabilities, payable: |                    |               |
| <b>Within one year</b>                                                      | -                  | <b>47,692</b> |

The Group has no capital or lease commitments as at 30 June 2021.

The prior year figure was an operating lease commitment which expired on the 31 December 2020. Operating lease commitments includes contracted amounts for various offices under non-cancellable operating leases expiring within 1 to 4 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Lease commitments are now recognised under Lease Liabilities with the adoption of AASB 116.

## Note 40. Related party transactions

### Parent entity

Future First Technologies Ltd is the parent entity.

### Subsidiaries

Interests in subsidiaries are set out in note 43.

### Key management personnel

Disclosures relating to key management personnel are set out in note 36 and the remuneration report included in the Directors' report.

### Transactions with related parties

On the 12 November 2020, the Group entered into a building lease agreement with SyncIT Development Pty Ltd, a company wholly owned by Damian Smith, the CEO of Asset Vision Pty Ltd. The premises are used for the principal place of business for Asset Vision Pty Ltd.

### 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

The following balances are outstanding at the reporting date in relation to loans with related parties:

|                                         | Consolidated Group |         |
|-----------------------------------------|--------------------|---------|
|                                         | 2021               | 2020    |
|                                         | \$                 | \$      |
| <b>Current receivables:</b>             |                    |         |
| Loans to commonly controlled entities   | 2,318,973          | 400,000 |
| <b>Current borrowings:</b>              |                    |         |
| Loans from commonly controlled entities | 2,318,973          | 400,000 |

### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

## Note 41. Parent entity information

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

### Statement of profit or loss and other comprehensive income

|                                | Parent       |            |
|--------------------------------|--------------|------------|
|                                | 2021         | 2020       |
|                                | \$           | \$         |
| Profit/(loss) after income tax | (12,653,989) | 14,087,064 |
| Total comprehensive income     | (12,653,989) | 14,087,064 |

### Statement of financial position

|                                                   | Parent            |                   |
|---------------------------------------------------|-------------------|-------------------|
|                                                   | 2021              | 2020              |
|                                                   | \$                | \$                |
| Total current assets                              | 8,762,939         | 11,459,759        |
| Total assets                                      | 25,847,535        | 48,638,523        |
| Total current liabilities                         | 4,916,298         | 7,599,626         |
| Total liabilities                                 | 5,094,637         | 8,360,479         |
| <b>Equity</b>                                     |                   |                   |
| Issued capital                                    | 85,410,272        | 90,360,229        |
| Revaluation surplus reserve                       | 1,500,000         | 1,500,000         |
| Employee share options/Performance rights reserve | 352,000           | 760               |
| Accumulated losses                                | (66,509,373)      | (51,582,945)      |
| <b>Total equity</b>                               | <b>20,752,899</b> | <b>40,278,044</b> |

### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Please see Note 44 in relation to the deed of cross guarantee in place.

### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021.

### Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021.

### Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates 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 42. Business combinations

### (a) Current Period

#### Asset Vision Pty Ltd

On the 20 October 2020, the Group announced that it had executed a Business Sale and Purchase Deed ('BSPD') to acquire a 100% interest in Asset Vision. The Asset Vision platform provides a unified approach to asset inspections, maintenance and operations management in the global Enterprise Asset Management software market. The business operates in the Asset Vision segment of the Group.

The transaction completed on the 2 November 2020. The total consideration payable under the BSPD is:

- \$4.65 million cash on completion
- 24 million fully paid ordinary shares in Future First Technologies Ltd on completion
- \$4 million in a combination of cash and shares on the 12-month anniversary from completion

Details of the purchase consideration, the net assets acquired and goodwill are set out below. The goodwill of \$6,627,126 represents the amount of consideration paid for the business acquisition less fair value of net assets, plus additional amounts paid for performance, both current and implied by forecasts. The acquired business contributed revenue of \$1,412,626 and a loss after income tax of \$20,723 from 2 November 2020 to 30 June 2021. If the acquisition occurred on 1 July 2020, the contribution for the full year reporting period would have been a profit after tax of \$246,523.

The Directors are still assessing any potential impacts to the total consideration transferred whilst within the measurement period.

#### Details of the acquisition are as follows:

|                                                                           | Asset Vision Pty Ltd<br>Fair value | Total            |
|---------------------------------------------------------------------------|------------------------------------|------------------|
|                                                                           | \$                                 | \$               |
| Customer contracts                                                        | 601,000                            | 601,000          |
| Software                                                                  | 2,501,000                          | 2,501,000        |
| Deferred tax liability                                                    | (150,000)                          | (150,000)        |
| Employee benefits                                                         | (139,726)                          | (139,726)        |
| Net assets acquired                                                       | 2,812,274                          | 2,812,274        |
| Goodwill                                                                  | 6,627,126                          | 6,627,126        |
| <b>Acquisition-date fair value of the total consideration transferred</b> | <b>9,439,400</b>                   | <b>9,439,400</b> |

#### Representing:

|                                 |                  |                  |
|---------------------------------|------------------|------------------|
| Cash paid or payable to vendor  | 4,650,000        | 4,650,000        |
| FFT Ltd shares issued to vendor | 998,400          | 998,400          |
| Deferred consideration          | 3,791,000        | 3,791,000        |
|                                 | <b>9,439,400</b> | <b>9,439,400</b> |

#### Cash used to acquire business, net of cash acquired:

|                                                                    |                  |                  |
|--------------------------------------------------------------------|------------------|------------------|
| Acquisition-date fair value of the total consideration transferred | 9,439,400        | 9,439,400        |
| Less: deferred consideration                                       | (3,791,000)      | (3,791,000)      |
| Less: shares issued by company as part of consideration            | (998,400)        | (998,400)        |
| <b>Net cash used</b>                                               | <b>4,650,000</b> | <b>4,650,000</b> |

## Note 42. Business combinations (cont.)

Acquisition costs expensed to the statement of profit or loss and other comprehensive income during the year ended 30 June 2021 amounted to \$3,012,626 (2020: \$125,386) for services provided by consultants and legal advisers as well as share issue costs. This was incurred in relation to acquisitions and disposals of existing businesses and prospective transactions.

During the year ending 30 June 2021, cash payments of \$640,000 were made to the vendors of the businesses acquired in prior periods, in satisfaction of business purchase and earn out payments as per the terms of the share sale and purchase agreements.

### (b) Prior Period

#### Respring Pty Ltd

On 1 April 2020, Future First Technologies Ltd acquired 100% of the ordinary shares of Respring Pty Ltd. The business is a digital technology firm that specialises in advising/or investing in underperforming, but high potential, digital companies in growing markets. As part of the acquisition, FFT has acquired a 100% interest in farmbuy.com, Australia's leading dedicated rural and lifestyle property real estate web portal. It operates in the farmbuy.com division of the Group.

Details of the purchase consideration, the net assets acquired and goodwill are set out below. The goodwill of \$3,249,020 represents the amount of consideration paid for the business acquisition less fair value of net assets, plus additional amounts paid for performance, both current and implied by forecasts. The acquired business contributed revenue of \$2,382 and a loss before tax of \$21,153 from 1 April 2020 to 30 June 2020. If the acquisition occurred on 1 July 2019, the full year contribution would have been a loss before tax of \$148,545.

#### Details of the acquisition are as follows:

|                                                                           | Respring Pty Ltd<br>Fair value | Total            |
|---------------------------------------------------------------------------|--------------------------------|------------------|
|                                                                           | \$                             | \$               |
| Cash and cash equivalents                                                 | 175,358                        | 175,358          |
| Trade receivables                                                         | 200                            | 200              |
| Other receivables                                                         | 10,207                         | 10,207           |
| Plant and equipment                                                       | 472                            | 472              |
| Development                                                               | 23,181                         | 23,181           |
| Website                                                                   | 1,350,880                      | 1,350,880        |
| Intellectual property                                                     | 10,000                         | 10,000           |
| Patents and trademarks                                                    | 80,682                         | 80,682           |
| Other payables                                                            | (400,000)                      | (400,000)        |
| Net assets acquired                                                       | 1,250,980                      | 1,250,980        |
| Goodwill                                                                  | 3,249,020                      | 3,249,020        |
| <b>Acquisition-date fair value of the total consideration transferred</b> | <b>4,500,000</b>               | <b>4,500,000</b> |

**Details of the acquisition are as follows:**

|  | Respring Pty Ltd<br>Fair value | Total |
|--|--------------------------------|-------|
|  | \$                             | \$    |

**Representing:**

|                                        |                  |                  |
|----------------------------------------|------------------|------------------|
| <b>FFT Ltd shares issued to vendor</b> | <b>4,500,000</b> | <b>4,500,000</b> |
|----------------------------------------|------------------|------------------|

**Cash used to acquire business, net of cash acquired:**

|                                                                    |             |             |
|--------------------------------------------------------------------|-------------|-------------|
| Acquisition-date fair value of the total consideration transferred | 4,500,000   | 4,500,000   |
| Less: cash and cash equivalents                                    | (175,358)   | (175,358)   |
| Less: shares issued by company as part of consideration            | (4,500,000) | (4,500,000) |

|                          |                  |                  |
|--------------------------|------------------|------------------|
| <b>Net cash received</b> | <b>(175,358)</b> | <b>(175,358)</b> |
|--------------------------|------------------|------------------|

|  | Consolidated Group |      |
|--|--------------------|------|
|  | 2021               | 2020 |
|  | \$                 | \$   |

**Cash used to acquire business, net of cash acquired:**

|                                                                    |             |             |
|--------------------------------------------------------------------|-------------|-------------|
| Acquisition-date fair value of the total consideration transferred | 9,439,400   | 4,500,000   |
| Less: cash and cash equivalents                                    | -           | (175,358)   |
| Less: shares issued by company as part of consideration            | (998,400)   | (4,500,000) |
| Less: deferred consideration                                       | (3,791,000) | -           |

|                                 |                  |                  |
|---------------------------------|------------------|------------------|
| <b>Net cash used/(received)</b> | <b>4,650,000</b> | <b>(175,358)</b> |
|---------------------------------|------------------|------------------|

## Note 43. 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 /<br>Country of incorporation | Ownership interest |           |
|----------------------------|-----------------------------------------------------------|--------------------|-----------|
|                            |                                                           | 2021<br>%          | 2020<br>% |
| Respring Pty Ltd           | Australia                                                 | 100.00%            | 100.00%   |
| Asset Vision Pty Ltd       | Australia                                                 | 100.00%            | -         |
| Bexton IT Services Pty Ltd | Australia                                                 | -                  | 100.00%   |
| Sacon Group Pty Ltd        | Australia                                                 | -                  | 100.00%   |
| Coroma Consulting Pty Ltd  | Australia                                                 | -                  | 100.00%   |
| Seisma Pty Ltd             | Australia                                                 | -                  | 100.00%   |
| Artisan Consulting Pty Ltd | Australia                                                 | -                  | 100.00%   |
| Systems and People Pty Ltd | Australia                                                 | -                  | 100.00%   |

## Note 44. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

**Asset Vision Pty Ltd**  
**Respring Pty Ltd**  
**Future First Technologies Ltd**

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and Directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Future First Technologies Ltd, they also represent the 'Extended Closed Group'.

The statement of profit or loss and other comprehensive income and statement of financial position are the same as the Group and therefore have not been separately disclosed.

## Note 45. Earnings per share

|  | Consolidated Group |      |
|--|--------------------|------|
|  | 2021               | 2020 |
|  | \$                 | \$   |

Earnings per share for loss from continuing operations

|                                                                                           |                    |                    |
|-------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Loss after income tax attributable to the members of Future First Technologies Ltd</b> | <b>(7,447,803)</b> | <b>(1,765,222)</b> |
|-------------------------------------------------------------------------------------------|--------------------|--------------------|

|                                                                                                  | Number             | Number             |
|--------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Weighted average number of ordinary shares used in calculating basic earnings per share          | 452,918,274        | 340,049,980        |
| <b>Weighted average number of ordinary shares used in calculating diluted earnings per share</b> | <b>452,918,274</b> | <b>340,049,980</b> |

|                            | Cents  | Cents  |
|----------------------------|--------|--------|
| Basic earnings per share   | (1.64) | (0.52) |
| Diluted earnings per share | (1.64) | (0.52) |

|  | Consolidated Group |      |
|--|--------------------|------|
|  | 2021               | 2020 |
|  | \$                 | \$   |

Earnings per share for profit/(loss) from discontinued operations

|                                                                                                    |                    |                  |
|----------------------------------------------------------------------------------------------------|--------------------|------------------|
| <b>Profit/(loss) after income tax attributable to the members of Future First Technologies Ltd</b> | <b>(5,558,491)</b> | <b>4,801,346</b> |
|----------------------------------------------------------------------------------------------------|--------------------|------------------|

|  | Consolidated Group |      |
|--|--------------------|------|
|  | 2021               | 2020 |
|  | \$                 | \$   |

Earnings per share for profit/(loss)

|                                                                                                    |                     |                  |
|----------------------------------------------------------------------------------------------------|---------------------|------------------|
| <b>Profit/(loss) after income tax attributable to the members of Future First Technologies Ltd</b> | <b>(13,006,294)</b> | <b>3,036,124</b> |
|----------------------------------------------------------------------------------------------------|---------------------|------------------|

|                                                                                                  | Number             | Number             |
|--------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Weighted average number of ordinary shares used in calculating basic earnings per share          | 452,918,274        | 340,049,980        |
| <b>Weighted average number of ordinary shares used in calculating diluted earnings per share</b> | <b>452,918,274</b> | <b>340,049,980</b> |

|                            | Cents  | Cents |
|----------------------------|--------|-------|
| Basic earnings per share   | (2.87) | 0.89  |
| Diluted earnings per share | (2.87) | 0.89  |

## Note 46. Events after the reporting period

- On the 23 June 2021, the Group announced the strategic acquisition of EagleSoft, an Intelligent Data Capture Platform that automatically detects both road defects and asset inventory using Artificial Intelligence (AI) and Machine Learning (ML), with the execution of a Share Sale and Purchase Agreement.

The consideration for the acquisition of EagleSoft's proprietary solution will be a mix of cash and FFT shares, being \$1.5m in cash and 15,000,000 shares on completion with further conditional consideration payments of up to \$8.0m across the next three years post completion. Post completion payments will also be a mixture of cash and FFT shares on a 50:50 ratio.

The transaction settled on the 1 July 2021.

- On the 18 August 2021, the Group announced the launch of farmbuy Livestock in partnership with Farm Gate Auctions Pty Ltd (FarmGate).

FarmGate Auctions is an independent, Australian owned online livestock selling platform. Under the terms of the partnership, farmbuy Livestock will use FarmGate Auctions online auction platform on a revenue share basis.

- The COVID-19 pandemic has created unprecedented uncertainty of the economic environment. Actual economic events and conditions in future may be materially different from those estimated by the Group at the reporting date. In the event the COVID-19 pandemic impacts are more severe or prolonged than anticipated, this may have further adverse impacts to the Group. At the date of the annual report, an estimate of the future effects of the COVID-19 pandemic on the Group cannot be made as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown.

Further considerations in relation to the COVID-19 pandemic are included in the going concern disclosure on page 7 and note 1 to the consolidated financial statements.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.





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**Declaration  
30 June 2021**

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OR

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## 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 fair view of the Group's financial position as at 30 June 2021 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
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 44 to the financial statements.

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



---

**Keith Falconer**  
**CEO and Managing Director, Melbourne**  
Date: 31 August 2021



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FUTURE FIRST TECHNOLOGIES LIMITED AND CONTROLLED ENTITIES

### Opinion

We have audited the accompanying financial report of Future First Technologies Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion:

- a. the financial report of Future First Technologies Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Company's financial position as at 30 June 2021 and of their performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

### 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 are independent of the Company in accordance with the auditor independence requirements with Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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.

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## KEY AUDIT MATTER 1 – VALUE OF INTANGIBLE ASSETS

Refer to Note 16 “Intangibles”

As at 30 June 2021, the Group has total intangible assets of \$13.9m. As required by Australian Accounting Standards, the Group must assess whether there are any indicators of impairment relating to the Group’s Intangible Assets.

We considered this a key audit matter due to the size of this balance and because the Directors’ assessment of the ‘value in use’ of the Group’s CGUs involve complex judgements about the future results of the CGU and the discount rates applied to the future cash flows, which are both inherently uncertain.

Based on the annual impairment test whereby a discounted cash flow model was prepared, the board concluded that no impairment charge was required for the year ended 30 June 2020.

Our procedures included, amongst others:

- We evaluated management’s cash flow forecasts and the process by which they were developed, including verifying the mathematical accuracy of the underlying calculations. We also compared them to the latest board approved budgets.
- We also challenged whether:
  1. Management’s key assumptions for short and long term growth rates in the forecasts were appropriate, considering the historical reliability of the Group’s cash flow forecasting process;
  2. The discount rate used in the model was appropriate by assessing the cost of capital for the Group by comparing it to market data and industry research.
- We then tested the assumptions used by management, analysing the impact on the value in use calculation by adjusting the EBIT growth rate, WACC and terminal value growth rate used within a reasonably foreseeable range.
- We independently developed expectations regarding the impairment testing results based on our understanding of the CGUs and the Group’s historic achievement of budgeted results. We evaluated the Group’s impairment testing results against those expectations.

We assessed the adequacy of the Group’s disclosure of key assumptions used and sensitivities to changes in assumptions as required by Australian Accounting Standards.

## KEY AUDIT MATTER 2 – DISCONTINUED OPERATIONS

### Refer to Note 8 “Discontinued Operations”

During the year ended 30 June 2021, the Group divested its ownership in the People segment.

As required by Australian Accounting Standards, the Group is required to disclose these divestments in the financial report as a single line item within the statement of profit & loss and other comprehensive income.

We considered this a key audit matter due to the size of these transactions and the qualitative nature of information that this will provide to all users of the financial statements

Our procedures included, amongst others:

- Obtaining and reviewing the share sale agreements in detail to understand the key terms and conditions of the respective divestments;
- Assessing the disposal accounting prepared by the Group to ensure assets, liabilities, revenue and expenses relating to the discontinued operations are accurately identified and reported;
- Reviewing the profit & loss statement of the divested businesses up until the date of disposal; and
- Performing a detailed review of the disclosure made in the financial report to ensure this is correctly stated and in accordance with the requirements of AASB 5: Non-current Assets Held for Sale and Discontinued Operations.

## KEY AUDIT MATTER 3 – ACCOUNTING FOR BUSINESS COMBINATIONS

### Refer to Note 42 “Business Combinations”

During the year, the Group acquired Asset Vision Pty Ltd. The details of this acquisition are disclosed in Note 42 of the financial report.

We considered this a key audit matter given the financial significance of the acquisition and the complex judgements required by the Group in accounting for the acquisition.

These judgements include identifying and estimating the fair value of assets and liabilities acquired, including the identifiable intangible assets acquired. The Group was assisted by an external valuation expert in this process.

Our procedures included, amongst others:

- Obtaining and reviewing the share sale agreements in detail to understand the key terms and conditions of the acquisition;
- Evaluating the Group’s accounting for this acquisition against the requirements of Australian Accounting Standards.
- Assessing the appropriateness of the fair values of the acquired assets and liabilities recognised, including:
  1. Reviewing the judgements and methodology used by the external Valuer to ensure this was appropriate.
  2. Reviewing the identifiable intangible assets acquired, including the assessment of the useful life relating to identifiable intangible assets.
- Performing a detailed review of the disclosure made in the financial report to ensure this is correctly stated and in accordance with the requirements of AASB 3: Business Combinations.



#### KEY AUDIT MATTER 4 – FAIR VALUE OF FINANCIAL ASSETS

Refer to Note 13 “Financial assets at fair value through other comprehensive income”

On the 28 June 2021 the Group converted its convertible notes held in The 1derful Group Pty Ltd to shares and are, as at 30 June 2021, represented in the financial report as a financial asset at fair value through other comprehensive income.

We considered this a key audit matter based on the value of the investment as well as it being an area requiring management estimate and judgement.

Our procedures included, amongst others:

- Obtaining and reviewing the convertible note deed poll and certificate in detail to understand the key terms and conditions;
- Obtaining and reviewing the share certificates issued on conversion to shares;
- Evaluating the Group’s accounting for the conversion and recognition of financial asset against the requirements of Australian Accounting Standards.
- Assessing the appropriateness of the fair value of the financial asset recognised,
- Performing a detailed review of the disclosure made in the financial report to ensure this is correctly stated and in accordance with the requirements of AASB 9: Financial Instruments.

#### KEY AUDIT MATTER 5 – GOING CONCERN

Refer to Note 1 “Significant accounting policies” paragraph on Going Concern

During the year ended 30 June 2021, the Group incurred a net loss after tax of \$13,058,281 (2020: loss of \$3,036,124) impacted by the loss on disposal of discontinued operations and transaction costs. The group also had net cash outflows from operating activities of \$2,582,768 (2020: \$860,581) for the year.

We focused on this area due to significance of impact on operating cash flows and profit and loss, the nature of the factors causing the impact, the uncertainty of future economic conditions and the possible impact on the Groups ability to continue as a going concern.

Our procedures included, amongst others:

- Obtained and reviewed management forecasts to assess whether forecast cash levels and current asset levels are sufficient to sustain the operations of the Group for at least 12 months.
- We challenged and tested the assumptions used by management in the preparation of the forecasts, including sensitivity analysis on projected growth rates, timing of cash inflows and outflows and the accuracy of forecasting.



### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report of the year ended 30 June 2021, 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 Management and Those Charged with Governance for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001, and for such internal control as the directors determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.



## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages xx to xx of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of the Group, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Group 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.

**MOORE AUSTRALIA AUDIT (VIC)**  
**ABN 16 847 721 257**

**GEORGE S DAKIS**  
**Partner**  
**Audit and Assurance**

Melbourne, Victoria

31 August 2021

# Notes to the financial statements 30 June 2021

## Shareholder information



The shareholder information set out below was applicable as at 10 August 2021.

### Distribution of equitable securities

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

|                                              | Ordinary shares   |                          |                    |
|----------------------------------------------|-------------------|--------------------------|--------------------|
|                                              | Number of holders | % of total shares issued | Number of shares   |
| 1 to 1,000                                   | 50                | 0.01                     | 17,155             |
| 1,001 to 5,000                               | 58                | 0.04                     | 178,417            |
| 5,001 to 10,000                              | 87                | 0.17                     | 706,974            |
| 10,001 to 100,000                            | 469               | 4.45                     | 18,972,296         |
| 100,001 and over                             | 221               | 95.33                    | 406,010,953        |
|                                              | <b>885</b>        | <b>100.00</b>            | <b>425,885,795</b> |
| <b>Holding less than a marketable parcel</b> | <b>30</b>         | <b>-</b>                 | <b>1,060</b>       |

## Equity security holders

### Twenty largest quoted equity security holders

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

|                                                                     | Ordinary shares    |                          |
|---------------------------------------------------------------------|--------------------|--------------------------|
|                                                                     | Number held        | % of total shares issued |
| TOON CONSULTING PTY LTD, FALCONER FAMILY A/C                        | 50,000,000         | 11.74                    |
| ANALYST RECRUITMENT PTY LTD, MURTAGH FAMILY A/C                     | 50,000,000         | 11.74                    |
| PEANO INVESTMENTS PTY LTD                                           | 50,000,000         | 11.74                    |
| REMSTRATEGY EST 1120 PTY LTD, FUTURE FIRST TECHNOLOGIES LTD EST A/C | 28,500,000         | 6.69                     |
| DKEL INVESTMENT PTY LTD                                             | 24,000,000         | 5.64                     |
| ACN 644 931 108 PTY LTD                                             | 12,500,000         | 2.94                     |
| FLASHLIGHT ADVISORY PTY LTD                                         | 11,668,484         | 2.74                     |
| IITCA PTY LTD, THE HOGELAND FAMILY A/C                              | 8,209,705          | 1.93                     |
| MR BLAIR CAMERON GOWANS                                             | 6,982,293          | 1.64                     |
| GLENNFIELD PTY LTD, GLENNFIELD FAMILY A/C                           | 5,567,310          | 1.31                     |
| MRS LAURA CATHERINE GOWANS                                          | 5,283,240          | 1.24                     |
| MR COREY PETER YEATMAN                                              | 4,483,967          | 1.05                     |
| VISTRA TRUST (SINGAPORE) PTE L                                      | 4,231,381          | 0.99                     |
| BABAK BIGDELI                                                       | 4,200,000          | 0.99                     |
| ARVAND PTY LTD, THE BIGDELI FAMILY A/C                              | 4,200,000          | 0.99                     |
| MR RODNEY JOHN CROCIANI & MRS JANINE CROCIANI, THE CROCIANI S/F A/C | 4,128,228          | 0.97                     |
| AUSTRALIAN EXECUTOR TRUSTEES LIMITED NO 1 ACCOUNT                   | 3,966,324          | 0.93                     |
| GRANT SUPER FUND 2017 PTY LTD, GRANT SUPERFUND A/C                  | 3,706,414          | 0.87                     |
| EHAN TECH PTY LTD, THE EHAN FAMILY A/C                              | 3,600,000          | 0.85                     |
| CDIG SUPER PTY LTD, THE SMITH SUPER A/C                             | 3,552,854          | 0.83                     |
|                                                                     | <b>288,780,200</b> | <b>67.82</b>             |

### Unquoted equity securities

There are no unquoted equity securities.

# Notes to the financial statements 30 June 2021

## Shareholder information (cont.)



### Substantial holders

Substantial holders in the Company are set out below:

|                               | Ordinary shares |                          |
|-------------------------------|-----------------|--------------------------|
|                               | Number held     | % of total shares issued |
| Falconer, Keith               | 75,000,000      | 17.61                    |
| Murtagh, Lucas                | 75,000,000      | 17.61                    |
| Future First Technologies EST | 28,500,000      | 6.69                     |
| DKEL Investment Pty Ltd       | 24,000,000      | 5.64                     |

### Voting rights

The voting rights attached to ordinary shares are set out below:

#### Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

### Securities subject to voluntary escrow

| Class    | Expiry date | Number of shares  |
|----------|-------------|-------------------|
| Ordinary | 01/10/2021  | 37,500,000        |
| Ordinary | 02/11/2021  | 6,000,000         |
| Ordinary | 01/04/2022  | 37,500,000        |
| Ordinary | 02/05/2022  | 6,000,000         |
| Ordinary | 02/11/2022  | 6,000,000         |
|          |             | <b>93,000,000</b> |





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