

# Appendix 4E



## 1. Company details

Name of entity:	Future First Technologies Ltd
ABN:	50 164 718 361
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

## 2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	81.9% to	3,419,464
Revenues from continuing operations	up	103.3% to	2,991,493
Loss from ordinary activities after tax attributable to the members of Future First Technologies Ltd	up	7.7% to	(14,007,591)
Loss from continuing operations after tax attributable to the members of Future First Technologies Ltd	up	95.0% to	(11,915,298)
Loss for the year attributable to the members of Future First Technologies Ltd	up	7.7% to	(14,007,591)
		<b>2022 Cents</b>	<b>2021 Cents</b>
Basic earnings per share		(2.77)	(2.87)
Diluted earnings per share		(2.77)	(2.87)

### Dividends

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

### Comments

The loss for the Group after providing for income tax amounted to \$14,007,591 (30 June 2021: \$13,006,294).

In a year where substantial changes were made in the business, the Group remains in a robust financial position to execute and deliver its growth plans. Total revenue from continuing operations of \$2,991,493 (\$3,419,464 including discontinued operations) is up 103% from the prior period.

Our statutory accounts report a loss after income tax of \$14,007,591. This loss contains \$7,131,835 of non-cash impairment to goodwill and \$1,418,384 of non-cash depreciation and amortisation and the loss from discontinued operations of \$2,092,293. Further, in line with our commitment to a conservative financial position, all costs incurred during the current period associated with research and development, of both Asset Vision's Software-as-a-Service and EagleSoft's IDC, have been expensed through the statement of profit and loss.

The impairment of goodwill reflects the significant reduction in public market valuations for technology companies over the past six months. The Group conducted a detailed review of the carrying values of its companies in light of the current market and funding environments which resulted in adjustments to the carrying values of all businesses.

The year has also bought significant support from sophisticated and institutional investors where we raised \$4.9m through two capital raise events in the current period. There is a clear recognition in the market that a focus on seizing the opportunity that global infrastructure spending has created is a viable strategy and a focus on this industry segment is a global opportunity.

Please refer to the company ASX announcement on 31 August 2022 regarding the results for further information.

### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.13	1.34

### 4. Control gained over entities

Name of entities (or group of entities)	EagleSoft Pty Ltd	
Date control gained	1 July 2021	
		\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)		245,210
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)		-

On 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 business operates in the Asset Vision segment of the Group.

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 successfully completed on 1 July 2021.

### 5. Dividends

#### Current period

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

#### Previous period

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

### 6. Dividend reinvestment plans

There was no dividend reinvestment plan in operation during the financial year.

### 7. Details of associates and joint venture entities

Not applicable.

## 8. Foreign entities

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

Not applicable.

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## 9. Audit qualification or review

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

The financial statements are in the process of being audited and it is currently expected that an unqualified opinion will be issued, with an emphasis of matter on the preparation of the financial statements on a going concern basis.

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## 10. Attachments

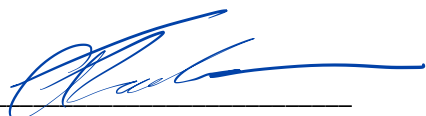
*Details of attachments (if any):*

An abridged version of the unaudited financial statements for Future First Technologies Ltd for the year ended 30 June 2022 is attached.

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## 11. Signed

Signed



Date: 31 August 2022

Adrian Rudman  
Managing Director  
Melbourne



Future First Technologies Ltd  
Statement of profit or loss and other comprehensive income  
For the year ended 30 June 2022

	Note	Consolidated Group 2022 \$	2021 \$
<b>Revenue from continuing operations</b>		2,991,493	1,470,626
Other income		83,080	1,002,757
<b>Expenses</b>			
Third party materials and labour		(285,433)	(29,188)
Acquisition and disposal expenses	10	(133,812)	(3,012,626)
Employee benefits expense		(3,078,427)	(2,960,309)
Depreciation and amortisation expense		(940,847)	(707,320)
Impairment of assets	5	(7,131,835)	-
Loss on disposal of assets		(1,149)	-
Other expenses		(2,935,783)	(1,901,479)
Finance costs		(252,803)	(324,506)
<b>Loss before income tax (expense)/benefit from continuing operations</b>		(11,685,516)	(6,462,045)
Income tax (expense)/benefit		(229,782)	351,342
Loss after income tax (expense)/benefit from continuing operations		(11,915,298)	(6,110,703)
Loss after income tax (expense)/benefit from discontinued operations	2	(2,092,293)	(6,895,591)
<b>Loss after income tax (expense)/benefit for the year attributable to the members of Future First Technologies Ltd</b>		(14,007,591)	(13,006,294)
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>		<u>(14,007,591)</u>	<u>(13,006,294)</u>
Total comprehensive income for the year is attributable to:			
Continuing operations		(11,915,298)	(6,110,703)
Discontinued operations		<u>(2,092,293)</u>	<u>(6,895,591)</u>
		<u>(14,007,591)</u>	<u>(13,006,294)</u>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for loss from continuing operations attributable to the members of Future First Technologies Ltd</b>			
Basic earnings per share	11	(2.36)	(1.35)
Diluted earnings per share	11	(2.36)	(1.35)
<b>Earnings per share for loss from discontinued operations attributable to the members of Future First Technologies Ltd</b>			
Basic earnings per share	11	(0.41)	(1.52)
Diluted earnings per share	11	(0.41)	(1.52)
<b>Earnings per share for loss attributable to the members of Future First Technologies Ltd</b>			
Basic earnings per share	11	(2.77)	(2.87)
Diluted earnings per share	11	(2.77)	(2.87)

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

Future First Technologies Ltd  
Statement of financial position  
As at 30 June 2022

	Note	Consolidated Group 2022 \$	2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,684,661	5,932,518
Trade and other receivables		482,354	520,255
Income tax refund due		-	389,926
Other		517,087	148,788
		<u>3,684,102</u>	<u>6,991,487</u>
Assets of disposal group classified as held for sale	3	783,718	-
Total current assets		<u>4,467,820</u>	<u>6,991,487</u>
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income		2,676,467	2,676,467
Property, plant and equipment		124,508	130,865
Right-of-use assets		161,721	591,842
Intangibles	5	12,586,302	13,960,917
Deferred tax		118,792	230,784
Other		-	245,821
Total non-current assets		<u>15,667,790</u>	<u>17,836,696</u>
<b>Total assets</b>		<u>20,135,610</u>	<u>24,828,183</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		662,269	415,243
Lease liabilities		140,864	440,387
Employee benefits		347,702	217,366
Deferred consideration	6	3,000,000	3,930,333
Other		421,454	119,819
		<u>4,572,289</u>	<u>5,123,148</u>
Liabilities of disposal group classified as held for sale	4	25,628	-
Total current liabilities		<u>4,597,917</u>	<u>5,123,148</u>
<b>Non-current liabilities</b>			
Lease liabilities		24,793	165,657
Deferred tax		125,000	-
Employee benefits		44,398	37,556
Contingent consideration	7	949,880	-
Deferred consideration	8	1,000,000	-
Other		8,871	36,939
Total non-current liabilities		<u>2,152,942</u>	<u>240,152</u>
<b>Total liabilities</b>		<u>6,750,859</u>	<u>5,363,300</u>
<b>Net assets</b>		<u>13,384,751</u>	<u>19,464,883</u>

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

Future First Technologies Ltd  
Statement of financial position  
As at 30 June 2022

	Note	Consolidated Group 2022 \$	2021 \$
<b>Equity</b>			
Issued capital	9	93,337,731	85,410,272
Reserves		1,692,000	1,852,000
Accumulated losses		(81,644,980)	(67,797,389)
<b>Total equity</b>		<u>13,384,751</u>	<u>19,464,883</u>

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

Future First Technologies Ltd  
Statement of changes in equity  
For the year ended 30 June 2022

<b>Consolidated Group</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
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)
<i>Transactions with members in their capacity as members:</i>				
Contributions of equity, net of transaction costs (note 9)	1,443,000	-	-	1,443,000
Selective share buy-back	(7,386,005)	-	-	(7,386,005)
Share-based payments	998,400	-	-	998,400
Transfer of expired share options to retained earnings	-	(760)	760	-
Options granted	-	352,000	-	352,000
Balance at 30 June 2021	<u>85,410,272</u>	<u>1,852,000</u>	<u>(67,797,389)</u>	<u>19,464,883</u>
<b>Consolidated Group</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	85,410,272	1,852,000	(67,797,389)	19,464,883
Loss after income tax expense for the year	-	-	(14,007,591)	(14,007,591)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(14,007,591)	(14,007,591)
<i>Transactions with members in their capacity as members:</i>				
Contributions of equity, net of transaction costs (note 9)	4,907,459	-	-	4,907,459
Share-based payments	3,020,000	-	-	3,020,000
Options granted	-	(160,000)	160,000	-
Balance at 30 June 2022	<u>93,337,731</u>	<u>1,692,000</u>	<u>(81,644,980)</u>	<u>13,384,751</u>

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



Future First Technologies Ltd  
Statement of cash flows  
For the year ended 30 June 2022

	Note	Consolidated Group 2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		4,675,837	22,605,155
Payments to suppliers and employees (inclusive of GST)		(8,837,625)	(26,177,566)
		(4,161,788)	(3,572,411)
Interest received		9,209	46,818
Other revenue		97,778	838,000
Interest and other finance costs paid		(16,256)	(144,686)
Income taxes refunded		89,107	249,511
Net cash used in operating activities		(3,981,950)	(2,582,768)
<b>Cash flows from investing activities</b>			
Payment for purchase of business, net of cash acquired	10	(1,500,000)	(4,650,000)
Payments for prior period's business acquisition	10	(2,000,000)	(640,000)
Acquisition Costs		(147,193)	(3,313,888)
Payments for new joint venture capital invested		-	(2,500,000)
Payments for property, plant and equipment		(95,786)	(38,456)
Payments for development of intangibles		-	(171,035)
Payments for security deposits		-	(211,199)
Proceeds from disposal of business	2	-	23,000,000
Final proceeds from prior period's business disposal		10,000	1,674,222
Proceeds from disposal of property, plant and equipment		-	62,366
Interest received		-	176,467
Net cash from/(used in) investing activities		(3,732,979)	13,388,477
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	9	5,272,688	1,443,000
Payments for share buy-backs		-	(7,386,005)
Share issue transaction costs	9	(365,229)	-
Interest and other finance costs paid		-	(62,286)
Repayment of leases		(440,387)	(345,404)
Net cash from/(used in) financing activities		4,467,072	(6,350,695)
Net increase/(decrease) in cash and cash equivalents		(3,247,857)	4,455,014
Cash and cash equivalents at the beginning of the financial year		5,932,518	1,477,504
Cash and cash equivalents at the end of the financial year		<u>2,684,661</u>	<u>5,932,518</u>

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

## Note 1. Basis of preparation and significant accounting policies

The preliminary report of Future First Technologies Ltd (the Company) has been prepared in accordance with ASX Listings Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report is to be read in conjunction with any public announcement made by the Company during the reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001* and Australian Securities Exchange Listing Rules.

There have been no material changes to the Group's application of its significant accounting policies as presented in the Group's financial statements for the year ended 30 June 2021, and the preparation of current financial information and the presentation of prior period comparisons is consistent from one reporting period to the next.

Readers of this report should refer to Note 1 'Significant accounting policies' in the Group's financial statements for the year ended 30 June 2021 for details of those policies.

## Note 2. Discontinued operations

### *Description*

#### *Current Period*

In March 2022, management committed to a plan to divest the farmbuy.com assets to focus on accelerating the growth of the Asset Vision Software-as-a-Service business leveraging last year's EagleSoft acquisition.

On 1 July 2022, the Group announced it had signed a binding Heads of Agreement to sell farmbuy.com (part of Respring Pty Ltd) to Australian Community Media (ACM). Under the Heads of Agreement, ACM will purchase all of the Business Assets for a purchase price of \$800,000. On 3 August 2022, the Group further announced that the formal Sale of Business Agreement had been executed.

The associated assets and liabilities were consequently presented as a disposal group held for sale in the financial statements (refer Disposal group held for sale notes 3 and 4). The sale of the subsidiary will complete on 1 September 2022 and the financial performance is therefore reported in the current and prior period as a discontinued operation.

### **Measurement of fair values**

The fair value of financial assets is assumed to be the price that would be received for the financial asset in an orderly transaction between knowledgeable and willing but not anxious market participants acting at arm's length given current market conditions at the relevant measurement date. Fair value for unquoted or illiquid investments is often estimated with reference to the potential realisation price for the investment or underlying business if it were to be realised or sold in an orderly transaction at the measurement date, regardless of whether an exit in the near future is anticipated and without reference to amounts received or paid in a distressed sale.

#### ***i. Fair value hierarchy***

The non-recurring fair value measurement for the disposal group of \$758,090 has been categorised as a Level 2 fair value based on their observable inputs i.e. the binding Heads of Agreement.

#### *Prior Period*

On 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.

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

The financial performance of the disposal group has also been reclassified as discontinued operations in the prior period.

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

**Note 2. Discontinued operations (continued)**

*Financial performance information*

	<b>Consolidated Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Revenue from discontinued operations	427,971	17,397,235
Interest income	-	528
Operating expenses from discontinued operations	(1,744,697)	(16,739,153)
Depreciation and amortisation expense from discontinued operations	(477,537)	(476,205)
Total expenses	(2,222,234)	(17,215,358)
Profit/(loss) before income tax (expense)/benefit	(1,794,263)	182,405
Income tax (expense)/benefit	(308,030)	376,855
Profit/(loss) after income tax (expense)/benefit	(2,102,293)	559,260
Gain on disposal before income tax	10,000	-
Loss on disposal before income tax	-	(7,454,851)
Income tax expense	-	-
Gain/(loss) on disposal after income tax expense	10,000	(7,454,851)
Loss after income tax (expense)/benefit from discontinued operations	(2,092,293)	(6,895,591)

*Cash flow information*

	<b>Consolidated Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Net cash from/(used in) operating activities	173,622	(173,982)
Net cash from investing activities	1,283,613	1,322,298
Net cash used in financing activities	-	(27,302)
Net increase in cash and cash equivalents from discontinued operations	1,457,235	1,121,014

## Note 2. Discontinued operations (continued)

### Carrying amounts of assets and liabilities disposed

	Consolidated Group	
	2022	2021
	\$	\$
Cash and cash equivalents	-	62,602
Trade and other receivables	-	6,676,950
Other current assets	-	40,520
Property, plant and equipment	-	62,366
Other non-current assets	-	172,786
Total assets	-	7,015,224
Trade and other payables	-	3,885,937
Provisions	-	655,832
Other liabilities	-	194,897
Total liabilities	-	4,736,666
Net assets	-	2,278,558

### Details of the disposal

	Consolidated Group	
	2022	2021
	\$	\$
Total sale consideration	-	23,000,000
Carrying amount of net assets disposed	-	(2,278,558)
Working capital adjustment from prior period disposals	10,000	25,754
Derecognition of investment in discontinued operations	-	(28,264,649)
Net cash payment	-	62,602
Gain/(loss) on disposal before income tax	10,000	(7,454,851)
Gain/(loss) on disposal after income tax	10,000	(7,454,851)

## Note 3. Assets of disposal group classified as held for sale

In March 2022, management committed to a plan to divest the farmbuy.com assets to focus on accelerating the growth of the Asset Vision Software-as-a-Service business leveraging last year's EagleSoft acquisition.

On 1 July 2022, the Group announced it had signed a binding Heads of Agreement to sell farmbuy.com (part of Respring Pty Ltd) to Australian Community Media (ACM). On 3 August 2022, the Group further announced that the formal Sale of Business Agreement had been executed. The sale transaction had not completed at the time of signing this report.

The associated assets and liabilities were consequently presented as a disposal group held for sale in the current period financial statements.

At 30 June 2022, the disposal group was stated at fair value less costs to sell and comprised the following assets:

**Note 3. Assets of disposal group classified as held for sale (continued)**

	<b>Consolidated Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Plant and equipment	2,934	-
Intangibles	713,677	-
Trade and other receivables	61,707	-
Other assets	5,400	-
	<hr/>	<hr/>
<b>Total assets held for sale</b>	<b>783,718</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

The assets identified above represent the assets of farmbuy.com which are expected to sell in September 2022. Refer to note 2 for further information.

**Note 4. Liabilities of disposal group classified as held for sale**

	<b>Consolidated Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Trade payables	1,925	-
Employee provisions	23,703	-
	<hr/>	<hr/>
<b>Liabilities held for sale</b>	<b>25,628</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

The liabilities as at 30 June 2022 identified above represent the liabilities of farmbuy.com which are expected to sell in September 2022. Refer to note 2 for further information.

Note 5. Intangibles

	<b>Consolidated Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Goodwill - at cost	9,059,902	9,876,146
Development - at cost	-	310,876
Website - at cost	-	1,350,880
Less: Accumulated amortisation	-	(562,867)
	-	788,013
Intellectual property - at cost	-	10,000
Patents and trademarks - at cost	-	80,682
Customer contracts - at cost	601,000	601,000
Less: Accumulated amortisation	(100,167)	(40,067)
	500,833	560,933
Software - at cost	3,547,000	2,501,000
Less: Accumulated amortisation	(521,433)	(166,733)
	3,025,567	2,334,267
	<u>12,586,302</u>	<u>13,960,917</u>



**Note 5. Intangibles (continued)**

*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	Developmen t	Software	Customer Contracts	Total
<b>Consolidated Group</b>	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 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 10)	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)
Balance at 30 June 2021	9,876,146	788,013	80,682	10,000	310,876	2,334,267	560,933	13,960,917
Additions through business combinations (note 10)	6,315,591	-	-	-	-	1,046,000	-	7,361,591
Classified as held for sale (note 3)	-	(683,450)	(26,894)	(3,333)	-	-	-	(713,677)
Reclassification	-	310,876	-	-	(310,876)	-	-	-
Impairment of goodwill	(7,131,835)	-	-	-	-	-	-	(7,131,835)
Amortisation expense	-	(415,439)	(53,788)	(6,667)	-	(354,700)	(60,100)	(890,694)
Balance at 30 June 2022	<u>9,059,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,025,567</u>	<u>500,833</u>	<u>12,586,302</u>

*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:

	<b>Consolidated Group</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
Asset Vision	4,638,988	6,627,126
farmbuy.com	-	3,249,020
EagleSoft	4,420,914	-
<b>Total</b>	<u>9,059,902</u>	<u>9,876,146</u>

## Note 5. Intangibles (continued)

### Impairment

The Board of Directors continues to take a conservative approach to the Group's impairment valuations. Over the last six months, public market valuations, particularly for technology companies, have reduced significantly. The Group conducted a detailed review of the carrying values of its companies in light of the current market and funding environments. The review resulted in a total impairment charge of \$7,131,835 with adjustments to the carrying values of all CGU's:

- Asset Vision: impairment charge of \$1,988,138
- EagleSoft: impairment charge of \$1,894,677
- farmbuy.com: impairment charge of \$3,249,020

## Note 6. Deferred consideration: current

	Consolidated Group	
	2022	2021
	\$	\$
Deferred consideration	3,000,000	3,930,333

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.

On 2 June 2022, the Group announced that it had successfully restructured completion payment terms for the EagleSoft acquisition. \$1,000,000 of the overall outstanding balance of \$4,000,000 was pushed out by 12 months and is now payable in July 2023.

## Note 7. Contingent consideration: non-current

### Contingent consideration

The provision represents the obligation to pay contingent consideration following the acquisition of a business or assets, the majority of which may be satisfied by way of an issue of shares in Future First Technologies Ltd. It is measured at the present value of the estimated liability. The contingent consideration liability is reassessed at each reporting date 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.

On 2 June 2022, the Group announced that it had successfully restructured the completion payment terms for the EagleSoft acquisition including the reduction in future contingencies and an extension of the milestone achievement period

### Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Contingent Consideration \$
<b>Consolidated Group - 2022</b>	
Carrying amount at the start of the year	-
Additions through business combinations (note 10)	949,000
Unwinding of discount	880
Carrying amount at the end of the year	949,880

**Note 8. Deferred consideration:  
non-current**

	<b>Consolidated Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
	<u>1,000,000</u>	<u>-</u>

Deferred consideration

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.

On 2 June 2022, the Group announced that it had successfully restructured completion payment terms for the EagleSoft acquisition. The outstanding balance of \$1,000,000 is now due to be paid in July 2023.

**Note 9. Issued capital**

	<b>2022</b>	<b>Consolidated Group</b>		<b>2021</b>
	<b>Shares</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>640,813,035</u>	<u>410,885,795</u>	<u>93,337,731</u>	<u>85,410,272</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 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	<u>5,500,000</u>	<u>\$0.07</u>	<u>385,000</u>
Balance	30 June 2021	410,885,795		85,410,272
Issue of shares on acquisition of EagleSoft	1 July 2021	15,000,000	\$0.06	1,020,000
Rights issue	27 October 2021	9,348,669	\$0.04	420,690
Issue of shares on acquisition of Asset Vision	8 November 2021	23,500,000	\$0.04	1,000,000
Rights issue placement	24 December 2021	78,400,000	\$0.03	2,352,000
Issue of shares on acquisition of Asset Vision	28 February 2022	32,250,000	\$0.03	1,000,000
Institutional placement	24 May 2022	71,428,571	\$0.03	2,500,000
Share issue transaction costs, net of tax		<u>-</u>	<u>\$0.00</u>	<u>(365,231)</u>
Balance	30 June 2022	<u>640,813,035</u>		<u>93,337,731</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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

**Note 10. Business combinations**

**(a) Current Period**

**Note 10. Business combinations (continued)**

**EagleSoft Pty Ltd**

On 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 business operates in the Asset Vision segment of the Group.

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 successfully completed on 1 July 2021.

Details of the purchase consideration, the net assets acquired and goodwill are set out below. The goodwill of \$6,315,591 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 \$641,204 and a profit after income tax of \$233,017 from 1 July 2021 to 30 June 2022.

Details of the acquisition are as follows:

	EagleSoft Pty Ltd Fair value \$	Total \$
Cash and cash equivalents	6,763	6,763
Trade receivables	432,713	432,713
Plant and equipment	8,219	8,219
Software	1,046,000	1,046,000
Other payables	(112,911)	(112,911)
Revenue received in advance	(393,375)	(393,375)
Net assets acquired	987,409	987,409
Goodwill	6,315,591	6,315,591
Acquisition-date fair value of the total consideration transferred	<u>7,303,000</u>	<u>7,303,000</u>
Representing:		
Cash paid or payable to vendor	1,500,000	1,500,000
FFT Ltd shares issued to vendor	1,020,000	1,020,000
Deferred consideration	3,834,000	3,834,000
Contingent consideration - non-current	949,000	949,000
	<u>7,303,000</u>	<u>7,303,000</u>
Cash used to acquire business, net of cash acquired:		
Acquisition-date fair value of the total consideration transferred	7,303,000	7,303,000
Less: deferred consideration	(3,834,000)	(3,834,000)
Less: shares issued by company as part of consideration	(1,020,000)	(1,020,000)
Less: contingent consideration	(949,000)	(949,000)
Net cash used	<u>1,500,000</u>	<u>1,500,000</u>

**Note 10. Business combinations (continued)**

Acquisition costs expensed to the statement of profit or loss and other comprehensive income during the year ended 30 June 2022 amounted to \$133,812 (2021: \$3,012,626) 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 2022, cash payments of \$2,000,000 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**

**Asset Vision Pty Ltd**

On 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 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.

**Note 10. Business combinations (continued)**

Details of the acquisition are as follows:

	Asset Vision Pty Ltd 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
Acquisition-date fair value of the total consideration transferred	<u>9,439,400</u>	<u>9,439,400</u>
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
	<u>9,439,400</u>	<u>9,439,400</u>
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)
Net cash used	<u>4,650,000</u>	<u>4,650,000</u>
	<b>Consolidated Group</b>	<b>Consolidated Group</b>
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Cash used to acquire business, net of cash acquired:		
Acquisition-date fair value of the total consideration transferred	7,303,000	9,439,400
Less: contingent consideration	(949,000)	-
Less: shares issued by company as part of consideration	(1,020,000)	(998,400)
Less: deferred consideration	(3,834,000)	(3,791,000)
Net cash used	<u>1,500,000</u>	<u>4,650,000</u>

**Note 11. Earnings per share**

	<b>Consolidated Group</b> <b>2022</b> <b>\$</b>	<b>Consolidated Group</b> <b>2021</b> <b>\$</b>
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the members of Future First Technologies Ltd	<u>(11,915,298)</u>	<u>(6,110,703)</u>



Note 11. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	505,612,726	452,918,274
Weighted average number of ordinary shares used in calculating diluted earnings per share	505,612,726	452,918,274
	Cents	Cents
Basic earnings per share	(2.36)	(1.35)
Diluted earnings per share	(2.36)	(1.35)
	<b>Consolidated Group</b>	<b>Consolidated Group</b>
	<b>2022</b>	<b>2021</b>
	\$	\$
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax attributable to the members of Future First Technologies Ltd	(2,092,293)	(6,895,591)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	505,612,726	452,918,274
Weighted average number of ordinary shares used in calculating diluted earnings per share	505,612,726	452,918,274
	Cents	Cents
Basic earnings per share	(0.41)	(1.52)
Diluted earnings per share	(0.41)	(1.52)
	<b>Consolidated Group</b>	<b>Consolidated Group</b>
	<b>2022</b>	<b>2021</b>
	\$	\$
<i>Earnings per share for loss</i>		
Loss after income tax attributable to the members of Future First Technologies Ltd	(14,007,591)	(13,006,294)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	505,612,726	452,918,274
Weighted average number of ordinary shares used in calculating diluted earnings per share	505,612,726	452,918,274
	Cents	Cents
Basic earnings per share	(2.77)	(2.87)
Diluted earnings per share	(2.77)	(2.87)



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