

31 August 2022

ASX ANNOUNCEMENT – FY22 RESULTS

Highlights

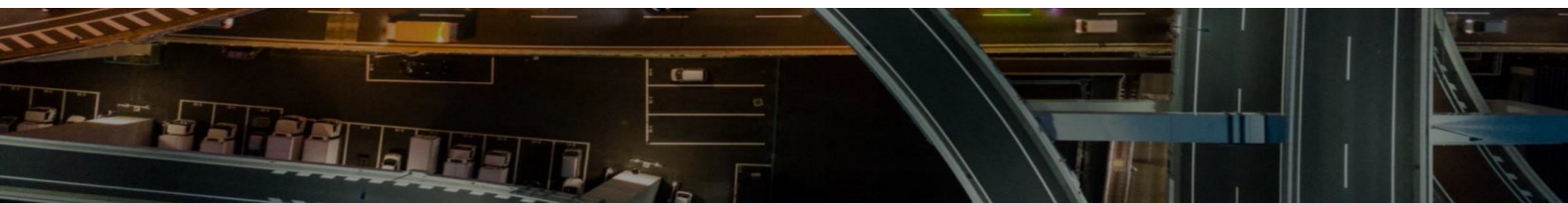
- 103% increase in revenue from continuing operations.
- Asset Vision concluded the FY22 year with Annualised Recurring Revenue (ARR) of \$1.9m.
- Completed the acquisition of EagleSoft and operationalised its AI based Intelligent Data Capture (IDC) capability.
- Appointed new CEO, Adrian Rudman, an experienced Australian Software Industry leader.
- Asset Vision continued growth with new customers in core Road Asset Owner and Maintainer markets.
- Asset Vision established strong new references in the Local Government Market.
- Asset Vision client Ventia contracts first IDC project leveraging acquired EagleSoft AI capability.
- Strengthened growth potential with two successful capital raise events through CCZ Equities resulting in \$4.9m additional working capital.
- Operational integrity strengthened with ISO Accreditation for ISO 27001, ISO 45001, ISO 9001 and ISO 14001.
- Heads of Agreement signed for the sale of farmbuy.com assets to ACM with completion 1st September 2022.

Review of Operations

In a year where substantial changes were made in the business, Future First Technologies Ltd (FFT) remains in a strong 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 FY21.

Our statutory accounts report a loss before income tax from continuing operations of \$11,685,516. This loss contains \$7,131,835 non-cash impairment to goodwill and \$940,847 non-cash depreciation and amortisation. Further, in line with our commitment to a conservative financial position, all costs incurred during FY22 associated with research and development, of both Asset Vision's Software-as-a-Service and EagleSoft's IDC, have been expensed through the profit and loss statement.

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 FY22. 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.

In line with our focus on this burgeoning market with the Asset Vision platform, the decision was taken to divest the farmbuy.com business. On 30 June 2022, a binding Heads of Agreement was signed with a subsidiary of Australian Community Media (**ACM**) to acquire the business assets of farmbuy.com. The sale is scheduled to complete on 1 September 2022. The divestment will have a positive impact on operating cash flows of approximately \$1.75 million through a combination of a reduction in executive resources, rationalisation of Melbourne office accommodation and operating cash that would otherwise be directed to the farmbuy.com business.

FFT's sharpened strategy provided an opportunity to build a more focused team and Adrian Rudman joined FFT as Chief Executive Officer in May 2022 following the resignation of Keith Falconer. Adrian has extensive experience in the Software-as-a-Service industry and importantly has 20 years of experience in selling to the Public Sector and ASX top 100 companies.

Reflecting our change in focus toward the Software-as-a-Service industry, Nick Chan elected to resign from the board in May 2022 and we began a search to strengthen the board with relevant industry experience. In August 2022, Scott Coles was appointed to the board to replace Nick and bring with him extensive industry experience relevant to the ongoing operations of FFT. As announced today, Nicole Ferro has also resigned from the board after a substantial contribution over the last 3 years. This leaves the group with an ideally sized but highly experienced board as FFT focuses on its core assets.

Asset Vision, bolstered with the Intelligent Data Capture capability from the EagleSoft acquisition, continues to perform to expectations. Existing contract expansion and cross-selling opportunities have been realised during FY22 with scope for further expansion in FY23. Importantly, new customer acquisition has also continued with notable new contracts with state government agencies including the WA Department of Primary Industry and Regional Development and Local councils in both WA and Victoria. Asset Vision concluded FY22 with an Annualised Recurring Revenue (ARR) of \$1.9m which is an excellent foundation for continued growth in FY23.

Outlook

We enter FY23 with excitement, strong momentum and a high level of focus:

- Globally, infrastructure spending is very strong with governments around the world committed to funding substantial programs. Efficient decision making and more productive asset maintenance planning and execution is recognised as being core to their success.
- A burgeoning market in Local Government, where significant partnering opportunities are presenting themselves, opens up an opportunity for significant ARR growth over time.
- The Australian and New Zealand markets are rapidly recognising the value in Intelligent Data Capture of road and other assets which will drive a greater volume of opportunities for our EagleSoft IDC capability.
- Whilst the Asset Vision Software-as-a-Service model is core to growth, the opportunity to deliver a true Data-as-a-Service based on our IDC platform, presents an exciting opportunity.

In FY23 our focus will be to build a solid foundation for sustainable growth. A strong focus on ARR growth will be core to this goal.

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

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