

28 February 2023

## ASX ANNOUNCEMENT – FY23 H1 RESULTS

### Highlights

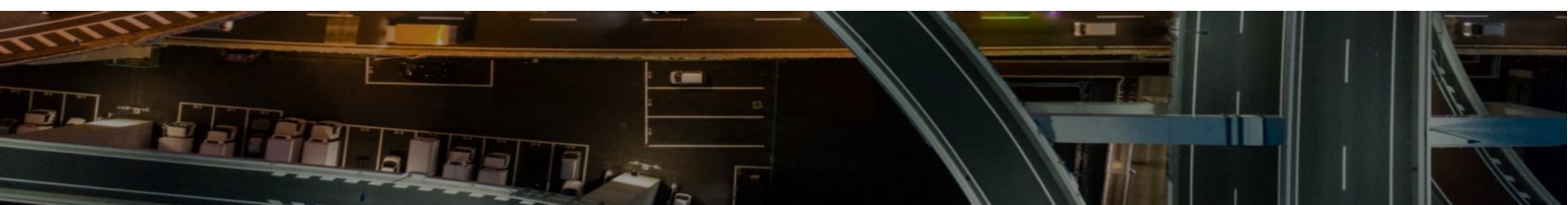
- First half revenue of \$1.803m reflects a 25% increase from H1 FY22
- Asset Vision contracted Annual Recurring Revenue up 30% in the half
- Asset Vision Professional Services revenue at 125% of forecast for the half
- Asset Vision selected by Fulton Hogan, DM Roads (Downer) and Sprayline Road Services to underpin new Victorian Road Maintenance Contracts (VRMC)
- Asset Vision completed its first New Zealand contract through Ventia Limited
- Completed sale of non-strategic farmbuy.com assets
- Completed integration of EagleSoft people and technology into Asset Vision
- Completed reduction and realignment of Board with appointment of highly credentialed Scott Coles as a non-executive director
- Ongoing focus on overhead and operating cost reduction has realised around \$2m/annum reduction effective from December 2022

Commenting on the H1 results, Future First Technologies Ltd's (FFT's) CEO, Adrian Rudman said:

*"The first half of FY23 has seen substantial restructure of FFT and its operations as we executed our strategy to focus on the Road Asset Maintenance marketplace through our Asset Vision business. Importantly, we have managed to deliver excellent results in the Asset Vision business unit despite the continued restructuring of FFT.*

*Completing the sale of the assets of farmbuy.com, co-locating the FFT corporate office with the Asset Vision team in Mulgrave and the integration of EagleSoft into Asset Vision have produced a material reduction in operating costs. Over the half, FFT recognised a 25% increase in revenue whilst reducing ongoing costs by 27%.*

*Asset Vision's success in the Victorian market, is outstanding. Asset Vision is effectively underpinning the transition of the Victorian Road Maintenance landscape toward performance-based contracts. Used by the Government of Victoria for many years and now, independently, selected by all of the principal contractors is a remarkable achievement."*





## **Review of Operations**

During the half, the major business changes that were planned have been completed. FFT is now 100% focused on the Asset Vision business and notwithstanding the substantial changes implemented in the half, is pleased to announce growth in overall revenue from continuing operations from \$1.448m to \$1.803m reflecting a 25% growth over H1 FY22.

Our statutory accounts report a loss before income tax of \$8.478m. This loss contains \$7.222m non-cash impairment to goodwill and software and \$0.382m non-cash depreciation and amortisation. Further, in line with our commitment to a conservative financial position, all costs incurred associated with research and development have been expensed through the profit and loss statement.

The impairment of goodwill and software reflects \$5.310m from the discontinued operations of the EagleSoft business which is now fully integrated into Asset Vision. An impairment of \$1.912m on the Asset Vision business has also been taken in line with the effect of the macroeconomic factors on the Discounted Cash Flow modelling used for this calculation.

## **Asset Vision**

Asset Vision generated excellent results in the first half with new contracts and expansion of existing customer contracts. Asset Vision completed FY22 with an Annual Recurring Revenue (ARR) of \$1.900m and exits the first half of FY23 with a contracted ARR of \$2.470m, a net 30% increase. Subscription revenue from some of these new contracts commence from February 2023 with professional services revenue already realised for many projects.

Whilst new subscription revenue is predominantly realised from new customers (59%), there is strong existing customer growth in H1 as these customers bring on new users for new downstream road maintenance contracts. Importantly in the half, all existing customer contracts that include minimum user counts (floors), have now been triggered, resulting in further expansion generating additional ARR.

In H1 Asset Vision implemented its first contract in New Zealand through an existing customer relationship. We expect this to be the first of many potential opportunities in New Zealand.

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

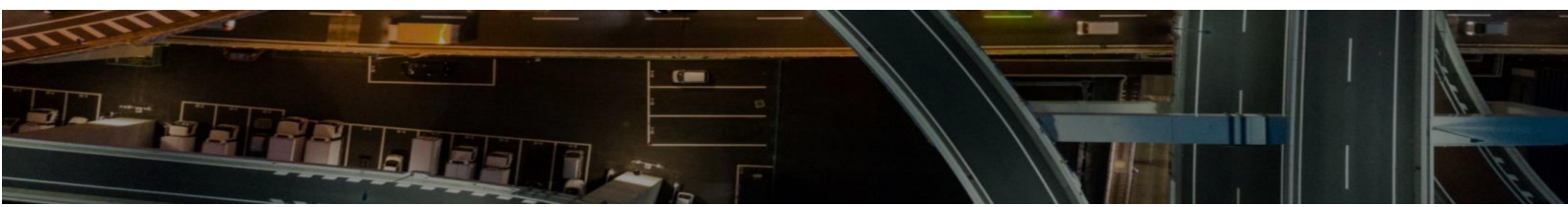
## **Victorian Roads Maintenance Contracts**

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

The department has also selected Asset Vision's CoPilot option to perform efficient surveillance of these contracts.

## **Artificial Intelligence IP**

We have substantially reduced the cost base of the EagleSoft business from 1 December by around \$100,000 per month and will continue to focus on leveraging the Intellectual Property of the EagleSoft capability into forthcoming Asset Vision products. We expect this will help in generating additional Subscription Revenue in late FY23.





### **Board Changes**

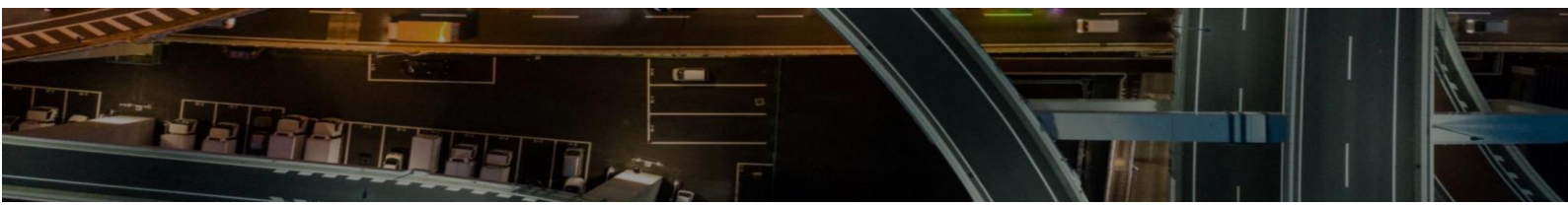
To complement the ongoing focus on FFT's Software as a Service business line, a highly experienced software sector executive, Scott Coles, was appointed to the FFT board in Q1. Also in Q1, non-executive director Nicole Ferro resigned from the board leaving FFT with a right-sized and highly aligned board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

### **farmbuy.com Divestment**

The company completed the sale of the of the assets of farmbuy.com to Australian Community Media. All payments have been received. The sale substantially improved the forward cash position and operating profile of the company.

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

**END**



## 1. Company details

|                   |  |
|-------------------|--|
| Name of entity:   | Future First Technologies Ltd            |
| ABN:              | 50 164 718 361                           |
| Reporting period: | For the half-year ended 31 December 2022 |
| Previous period:  | For the half-year ended 31 December 2021 |

## 2. Results for announcement to the market

|  |    |          | \$          |
|--|----|----------|-------------|
| Revenues from ordinary activities  | up | 14.0% to | 1,883,039   |
| Revenues from continuing operations  | up | 24.5% to | 1,803,049   |
| Loss from continuing operations after tax attributable to the members of Future First Technologies Ltd | up | 91.3% to | (8,261,412) |
| Loss from ordinary activities after tax attributable to the members of Future First Technologies Ltd   | up | 68.5% to | (8,390,358) |
| Loss for the half-year attributable to the members of Future First Technologies Ltd                    | up | 68.5% to | (8,390,358) |

### 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 attributable to continuing operations amounted to \$8,261,412 (31 December 2021: loss \$4,319,141).

## 3. Net tangible assets

|   | Reporting<br>period<br>Cents | Previous<br>period<br>Cents |
|---|------------------------------|-----------------------------|
| Net tangible assets per ordinary security | 0.18                         | 0.13                        |

## 4. Control gained over entities

Not applicable.

## 5. Loss of control over entities

Not applicable.

## 6. 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.

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**7. Dividend reinvestment plans**

Not applicable.

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**8. Audit qualification or review**

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Report.

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**9. Attachments**

*Details of attachments (if any):*

The Half Year Report of Future First Technologies Ltd for the half-year ended 31 December 2022 is attached.

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**10. Signed**

Signed



Adrian Rudman  
Managing Director

Date: 28 February 2023

# **Future First Technologies Ltd**

**ABN 50 164 718 361**

**Half Year Report - 31 December 2022**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Future First Technologies Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

#### Directors

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

##### Non-Executive Directors

Renata Sguario  
Nicole Ferro (resigned 31 August 2022)  
Scott Coles (appointed 15 August 2022)

##### Executive Directors

Adrian Rudman

#### Principal activities

During the financial half-year the principal continuing activities of the Group consisted of:

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

#### Dividends

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

#### Review of operations

The loss for the Group after providing for income tax amounted to \$8,390,358 (31 December 2021: \$4,979,081).

Please refer to the accompanying commentary in the ASX announcement.

#### Significant changes in the state of affairs

On 1 September 2022, the Group completed the successful sale of all of the business assets associated with farmbuy.com to Australian Community Media for a purchase price of \$800,000 allowing the Group to focus on its core business.

During the half, the Group successfully integrated the engineering capability of EagleSoft with the Asset Vision team and has shutdown the EagleSoft business unit. This has reduced operational costs by >\$1 million per annum. The integration of AI into Asset Vision's core product offering will further strengthen the Group's position as an innovative leader in their field, and help to make road maintenance simpler and safer for their clients and members of the public. The changes became effective 1 December 2022.

#### Matters subsequent to the end of the financial half-year

On 3 January 2023, the Group issued 29,411,765 ordinary shares to the vendors in satisfaction of the remaining consideration pertaining to the acquisition of EagleSoft Pty Ltd. This extinguishes \$1,000,000 of deferred consideration that was outstanding as at 31 December 2022.

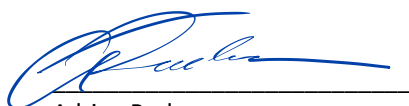
No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

#### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Adrian Rudman  
Managing Director

28 February 2023

**Auditor's independence declaration**

As lead auditor for the review of the interim financial report of Future First Technologies Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Future First Technologies Limited and the entities it controlled during the period.

HLB Mann Judd

**HLB Mann Judd**  
**Chartered Accountants**

Melbourne  
28 February 2023



**Michael Gummery**  
**Partner**

[hlb.com.au](http://hlb.com.au)

**HLB Mann Judd (VIC Partnership) ABN 20 696 861 713**

Level 9, 550 Bourke Street, Melbourne VIC 3000 | GPO Box 2850, Melbourne VIC 3001

**T:** +61 (0) 3 9606 3888 **F:** +61 (0) 3 9606 3800 **E:** [mailbox@hlbvic.com.au](mailto:mailbox@hlbvic.com.au)

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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 half-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:

Suite 4, 799 Springvale Road, Mulgrave VIC 3170

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2023.

**Future First Technologies Ltd**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2022**

|   |             | <b>Consolidated</b> |                    |
|---|-------------|---------------------|--------------------|
|   | <b>Note</b> | <b>31 Dec 2022</b>  | <b>31 Dec 2021</b> |
|   |             | <b>\$</b>           | <b>\$</b>          |
| <b>Revenue from continuing operations</b>   | 3           | 1,803,049           | 1,448,282          |
| Other income  | 4           | 1,000,184           | 83,066             |
| <b>Expenses</b>   |             |                     |                    |
| Third party materials and labour  |             | (484,611)           | (104,753)          |
| Acquisition expenses  |             | (152,010)           | (104,312)          |
| Employee benefits expense   |             | (1,923,412)         | (1,363,947)        |
| Depreciation and amortisation expense   |             | (382,215)           | (465,549)          |
| Impairment of goodwill and intangibles  |             | (7,221,803)         | (1,660,583)        |
| Loss on disposal of assets  |             | (17,383)            | (1,149)            |
| Impairment of assets  |             | (76,079)            | -                  |
| Other expenses  |             | (908,498)           | (1,334,681)        |
| Finance costs   |             | (2,969)             | (163,438)          |
| <b>Loss before income tax (expense)/benefit from continuing operations</b>  |             | (8,365,747)         | (3,667,064)        |
| Income tax (expense)/benefit  |             | 104,335             | (652,077)          |
| Loss after income tax (expense)/benefit from continuing operations  |             | (8,261,412)         | (4,319,141)        |
| Loss after income tax (expense)/benefit from discontinued operations  | 5           | (128,946)           | (659,940)          |
| <b>Loss after income tax (expense)/benefit for the half-year attributable to the members of Future First Technologies Ltd</b> |             | (8,390,358)         | (4,979,081)        |
| Other comprehensive income for the half-year, net of tax  |             | -                   | -                  |
| <b>Total comprehensive income for the half-year attributable to the members of Future First Technologies Ltd</b>              |             | <u>(8,390,358)</u>  | <u>(4,979,081)</u> |
| Total comprehensive income for the half-year is attributable to:  |             |                     |                    |
| Continuing operations   |             | (8,261,412)         | (4,319,141)        |
| Discontinued operations   |             | (128,946)           | (659,940)          |
|   |             | <u>(8,390,358)</u>  | <u>(4,979,081)</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  |             | (1.32)              | (1.02)             |
| Diluted earnings per share  |             | (1.32)              | (1.02)             |
| <b>Earnings per share for loss attributable to the members of Future First Technologies Ltd</b>                               |             |                     |                    |
| Basic earnings per share  |             | (1.35)              | (1.18)             |
| Diluted earnings per share  |             | (1.35)              | (1.18)             |

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

Future First Technologies Ltd  
Consolidated statement of financial position  
As at 31 December 2022

|   |      | Consolidated     |                   |
|---|------|------------------|-------------------|
|   | Note | 31 Dec 2022      | 30 Jun 2022       |
|   |      | \$               | \$                |
| <b>Assets</b>   |      |                  |                   |
| <b>Current assets</b>   |      |                  |                   |
| Cash and cash equivalents   |      | 596,058          | 2,684,661         |
| Trade and other receivables   | 6    | 717,176          | 483,061           |
| Other   |      | 280,834          | 517,087           |
|   |      | <u>1,594,068</u> | <u>3,684,809</u>  |
| Assets classified as held for sale                                      |      | -                | 783,718           |
| Total current assets  |      | <u>1,594,068</u> | <u>4,468,527</u>  |
| <b>Non-current assets</b>   |      |                  |                   |
| Financial assets at fair value through other comprehensive income       | 7    | 2,676,467        | 2,676,467         |
| Property, plant and equipment   | 8    | 10,079           | 124,508           |
| Right-of-use assets   |      | 63,442           | 161,721           |
| Intangibles   | 9    | 5,157,099        | 12,586,302        |
| Deferred tax  |      | 193,941          | 118,792           |
| Total non-current assets  |      | <u>8,101,028</u> | <u>15,667,790</u> |
| <b>Total assets</b>   |      | <u>9,695,096</u> | <u>20,136,317</u> |
| <b>Liabilities</b>  |      |                  |                   |
| <b>Current liabilities</b>  |      |                  |                   |
| Trade and other payables  | 10   | 546,347          | 662,976           |
| Lease liabilities   |      | 63,698           | 140,864           |
| Employee benefits   |      | 372,882          | 347,702           |
| Deferred consideration  | 12   | 2,000,000        | 3,000,000         |
| Other   |      | 176,054          | 421,454           |
|   |      | <u>3,158,981</u> | <u>4,572,996</u>  |
| Liabilities directly associated with assets classified as held for sale |      | -                | 25,628            |
| Total current liabilities   |      | <u>3,158,981</u> | <u>4,598,624</u>  |
| <b>Non-current liabilities</b>  |      |                  |                   |
| Lease liabilities   |      | -                | 24,793            |
| Deferred tax  |      | 112,500          | 125,000           |
| Employee benefits   |      | 47,351           | 44,398            |
| Contingent consideration  | 13   | -                | 949,880           |
| Deferred consideration  |      | -                | 1,000,000         |
| Other   |      | 8,871            | 8,871             |
| Total non-current liabilities   |      | <u>168,722</u>   | <u>2,152,942</u>  |
| <b>Total liabilities</b>  |      | <u>3,327,703</u> | <u>6,751,566</u>  |
| <b>Net assets</b>   |      | <u>6,367,393</u> | <u>13,384,751</u> |
| <b>Equity</b>   |      |                  |                   |
| Issued capital  | 14   | 94,373,131       | 93,069,131        |
| Reserves  |      | 2,247,600        | 2,320,600         |
| Accumulated losses  |      | (90,253,338)     | (82,004,980)      |
| <b>Total equity</b>   |      | <u>6,367,393</u> | <u>13,384,751</u> |

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

Future First Technologies Ltd  
Consolidated statement of changes in equity  
For the half-year ended 31 December 2022

| Consolidated   | Issued capital<br>\$ | Reserves<br>\$   | Accumulated losses<br>\$ | Total equity<br>\$ |
|--|----------------------|------------------|--------------------------|--------------------|
| Balance at 1 July 2021   | 85,410,272           | 1,852,000        | (67,797,389)             | 19,464,883         |
| Loss after income tax expense for the half-year                | -                    | -                | (4,979,081)              | (4,979,081)        |
| Other comprehensive income for the half-year, net of tax       | -                    | -                | -                        | -                  |
| Total comprehensive income for the half-year                   | -                    | -                | (4,979,081)              | (4,979,081)        |
| <i>Transactions with members in their capacity as members:</i> |                      |                  |                          |                    |
| Contributions of equity, net of transaction costs              | 2,604,398            | -                | -                        | 2,604,398          |
| Share-based payments   | 2,020,000            | -                | -                        | 2,020,000          |
| Balance at 31 December 2021                                    | <u>90,034,670</u>    | <u>1,852,000</u> | <u>(72,776,470)</u>      | <u>19,110,200</u>  |
| Consolidated   | Issued capital<br>\$ | Reserves<br>\$   | Accumulated losses<br>\$ | Total equity<br>\$ |
| Balance at 1 July 2022   | 93,069,131           | 2,320,600        | (82,004,980)             | 13,384,751         |
| Loss after income tax benefit for the half-year                | -                    | -                | (8,390,358)              | (8,390,358)        |
| Other comprehensive income for the half-year, net of tax       | -                    | -                | -                        | -                  |
| Total comprehensive income for the half-year                   | -                    | -                | (8,390,358)              | (8,390,358)        |
| <i>Transactions with members in their capacity as members:</i> |                      |                  |                          |                    |
| Issue of shares - EagleSoft acquisition                        | 1,000,000            | -                | -                        | 1,000,000          |
| Options granted  | -                    | 69,000           | -                        | 69,000             |
| Transfer of expired share options to retained earnings         | -                    | (142,000)        | 142,000                  | -                  |
| Issue of shares to current and former employees                | 304,000              | -                | -                        | 304,000            |
| Balance at 31 December 2022                                    | <u>94,373,131</u>    | <u>2,247,600</u> | <u>(90,253,338)</u>      | <u>6,367,393</u>   |

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

Future First Technologies Ltd  
Consolidated statement of cash flows  
For the half-year ended 31 December 2022

|   |      | Consolidated |             |
|---|------|--------------|-------------|
|   | Note | 31 Dec 2022  | 31 Dec 2021 |
|   |      | \$           | \$          |
| <b>Cash flows from operating activities</b>                           |      |              |             |
| Receipts from customers (inclusive of GST)                            |      | 2,044,995    | 1,942,293   |
| Payments to suppliers and employees (inclusive of GST)                |      | (3,860,144)  | (3,546,552) |
|   |      | (1,815,149)  | (1,604,259) |
| Interest received   |      | 129          | 9,195       |
| Other revenue   |      | -            | 23,907      |
| Interest and other finance costs paid                                 |      | (2,602)      | (10,331)    |
| Income taxes refunded   |      | 49,808       | -           |
| Net cash used in operating activities                                 |      | (1,767,814)  | (1,581,488) |
| <b>Cash flows from investing activities</b>                           |      |              |             |
| Payment for purchase of business, net of cash acquired                |      | -            | (1,500,000) |
| Payments for prior period's business acquisition                      |      | (1,000,000)  | (2,000,000) |
| Acquisition Costs   |      | (8,010)      | (114,743)   |
| Payments for property, plant and equipment                            | 8    | (78,459)     | (82,900)    |
| Proceeds from disposal of business                                    | 5    | 600,000      | -           |
| Final proceeds from prior period's business disposal                  |      | -            | 10,000      |
| Proceeds from disposal of property, plant and equipment               | 8    | 21,818       | -           |
| Proceeds from release of security deposits                            |      | 245,821      | -           |
| Net cash used in investing activities                                 |      | (218,830)    | (3,687,643) |
| <b>Cash flows from financing activities</b>                           |      |              |             |
| Proceeds from issue of shares   | 14   | -            | 2,772,688   |
| Share issue transaction costs   | 14   | -            | (168,290)   |
| Repayment of leases   |      | (101,959)    | (217,101)   |
| Net cash from/(used in) financing activities                          |      | (101,959)    | 2,387,297   |
| Net decrease in cash and cash equivalents                             |      | (2,088,603)  | (2,881,834) |
| Cash and cash equivalents at the beginning of the financial half-year |      | 2,684,661    | 5,932,518   |
| Cash and cash equivalents at the end of the financial half-year       |      | 596,058      | 3,050,684   |

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

## Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

### 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 half-year ended 31 December 2022, the Group incurred a net loss after tax of \$8,390,358 (2021: loss of \$4,979,081). The result for the current year was impacted by:

- A goodwill and software impairment charge associated with the changes to the EagleSoft business;
- An impairment charge to the goodwill of the Asset Vision CGU as a result of change to the macro-economic environment; and
- The performance of the Group's discontinued operations.

As at 31 December 2022, the Group's current liabilities exceeded current assets by \$1,564,913 (2021: \$2,299,007). The deficiency is impacted by the deferred consideration amounts owing from the recent EagleSoft acquisition of \$2,000,000.

In determining that the going concern basis is appropriate, the directors have had regard to:

- The Group's ability to raise equity;
- The Group's ability to issue shares in satisfaction of some of the deferred consideration;
- The Group's ability to divest business segments;
- The Group's ability to reduce Corporate costs further given the current business structure; and
- The Group's cash flow forecast and budgets for the next 12 months for the remaining operations are expected to show positive operating cash flows.

The impact of the COVID-19 pandemic has resulted in the Group experiencing challenging and uncertain times during the reporting period. The situation has now stabilised, and 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 report.

The Group's ability to continue to operate as a going concern is dependent upon the items listed above. Should these events not occur as anticipated, there exists a material uncertainty as to whether the Group may be able to pursue its business objectives and will have difficulty continuing to operate as a going concern, including realising its assets and extinguishing its liabilities at the amounts shown in the financial statements.

## Note 2. Operating segments

### *Identification of reportable operating segments*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

The Group's continuing operations are organised into two operating segments: Asset Vision and EagleSoft.

The farmbuy.com business was divested during the period and is reported as Discontinued Operations in the current and prior period.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

### *Types of products and services*

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

|                     |   |
|---------------------|---|
| <b>Asset Vision</b> | The Asset Vision segment comprises Asset Vision Pty Ltd, 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. |
| <b>EagleSoft</b>    | The EagleSoft segment comprises EagleSoft Pty Ltd, an Intelligent Data Capture Platform that automatically detects both road defects and asset inventory using Artificial Intelligence (AI) and Machine Learning (ML).  |

### *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 is 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.

Note 2. Operating segments (continued)

Operating segment information

|   | Asset Vision     | EagleSoft          | Corporate          | Discontinued Operations | Total              |
|---|------------------|--------------------|--------------------|-------------------------|--------------------|
|   | \$               | \$                 | \$                 | \$                      | \$                 |
| <b>Consolidated - 31 Dec 2022</b>           |                  |                    |                    |                         |                    |
| <b>Revenue</b>                              |                  |                    |                    |                         |                    |
| Sales to external customers                 | 1,796,032        | 7,017              | -                  | 79,990                  | 1,883,039          |
| <b>Total revenue</b>                        | <u>1,796,032</u> | <u>7,017</u>       | <u>-</u>           | <u>79,990</u>           | <u>1,883,039</u>   |
| <b>EBITDA</b>                               | 31,596           | (491,118)          | (944,142)          | (75,704)                | (1,479,368)        |
| Depreciation and amortisation               | (200,725)        | (77,486)           | (104,004)          | (56)                    | (382,271)          |
| Impairment of goodwill / intangibles        | -                | (889,100)          | (6,332,703)        | -                       | (7,221,803)        |
| Loss on disposal of discontinued operations | -                | -                  | -                  | (36,500)                | (36,500)           |
| Interest revenue                            | 12               | 117                | -                  | -                       | 129                |
| Finance costs                               | (1,647)          | -                  | (1,322)            | -                       | (2,969)            |
| Transaction costs                           | -                | -                  | (212,010)          | -                       | (212,010)          |
| Loss on disposal of fixed assets            | (17,325)         | -                  | (58)               | -                       | (17,383)           |
| Contingent consideration adjustment         | -                | -                  | 950,247            | -                       | 950,247            |
| Asset impairment                            | -                | (76,079)           | -                  | -                       | (76,079)           |
| <b>Loss before income tax benefit</b>       | <u>(188,089)</u> | <u>(1,533,666)</u> | <u>(6,643,992)</u> | <u>(112,260)</u>        | <u>(8,478,007)</u> |
| Income tax benefit                          |                  |                    |                    |                         | 87,649             |
| <b>Loss after income tax benefit</b>        |                  |                    |                    |                         | <u>(8,390,358)</u> |
| <b>Assets</b>                               |                  |                    |                    |                         |                    |
| Segment assets                              | 3,452,060        | 80,158             | 6,160,947          | 1,931                   | 9,695,096          |
| <b>Total assets</b>                         |                  |                    |                    |                         | <u>9,695,096</u>   |
| <b>Liabilities</b>                          |                  |                    |                    |                         |                    |
| Segment liabilities                         | 944,909          | 1,287              | 2,351,517          | 29,990                  | 3,327,703          |
| <b>Total liabilities</b>                    |                  |                    |                    |                         | <u>3,327,703</u>   |



**Note 2. Operating segments (continued)**

|   | Asset Vision     | EagleSoft       | Corporate          | Discontinued Operations | Total              |
|---|------------------|-----------------|--------------------|-------------------------|--------------------|
|   | \$               | \$              | \$                 | \$                      | \$                 |
| <b>Consolidated - 31 Dec 2021</b>             |                  |                 |                    |                         |                    |
| <b>Revenue</b>                                |                  |                 |                    |                         |                    |
| Sales to external customers                   | 1,072,000        | 352,375         | 23,907             | 203,913                 | 1,652,195          |
| <b>Total revenue</b>                          | <u>1,072,000</u> | <u>352,375</u>  | <u>23,907</u>      | <u>203,913</u>          | <u>1,652,195</u>   |
| <b>EBITDA</b>                                 | (359,219)        | 24,692          | (797,728)          | (598,946)               | (1,731,201)        |
| Depreciation and amortisation                 | (198,816)        | (61,419)        | (205,313)          | (226,186)               | (691,734)          |
| Impairment of goodwill                        | -                | -               | (1,660,583)        | -                       | (1,660,583)        |
| Profit on disposal of discontinued operations | -                | -               | -                  | 10,000                  | 10,000             |
| Interest revenue                              | -                | 14              | 9,181              | -                       | 9,195              |
| Finance costs                                 | (3,050)          | (1)             | (160,387)          | -                       | (163,438)          |
| Transaction costs                             | -                | -               | (253,286)          | -                       | (253,286)          |
| Loss on disposal of fixed assets              | -                | -               | (1,149)            | -                       | (1,149)            |
| <b>Loss before income tax expense</b>         | <u>(561,085)</u> | <u>(36,714)</u> | <u>(3,069,265)</u> | <u>(815,132)</u>        | <u>(4,482,196)</u> |
| Income tax expense                            |                  |                 |                    |                         | (496,885)          |
| <b>Loss after income tax expense</b>          |                  |                 |                    |                         | <u>(4,979,081)</u> |
| <b>Consolidated - 30 Jun 2022</b>             |                  |                 |                    |                         |                    |
| <b>Assets</b>                                 |                  |                 |                    |                         |                    |
| Segment assets                                | 3,700,531        | 1,078,460       | 14,365,716         | 991,610                 | 20,136,317         |
| <b>Total assets</b>                           |                  |                 |                    |                         | <u>20,136,317</u>  |
| <b>Liabilities</b>                            |                  |                 |                    |                         |                    |
| Segment liabilities                           | 849,301          | 277             | 5,556,703          | 345,285                 | 6,751,566          |
| <b>Total liabilities</b>                      |                  |                 |                    |                         | <u>6,751,566</u>   |

**Note 3. Revenue**

|  | <b>Consolidated</b> |                    |
|--|---------------------|--------------------|
|  | <b>31 Dec 2022</b>  | <b>31 Dec 2021</b> |
|  | \$                  | \$                 |
| <b>From continuing operations</b>            |                     |                    |
| <i>Revenue from contracts with customers</i> |                     |                    |
| Sale of services                             | 1,803,049           | 1,424,375          |
| <i>Other revenue</i>                         |                     |                    |
| Professional fees                            | -                   | 23,907             |
| <b>Revenue from continuing operations</b>    | <u>1,803,049</u>    | <u>1,448,282</u>   |

### Note 3. Revenue (continued)

#### Disaggregation of revenue

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

|                                      | Consolidated     |                  |
|--------------------------------------|------------------|------------------|
|                                      | 31 Dec 2022      | 31 Dec 2021      |
|                                      | \$               | \$               |
| <i>Major product lines</i>           |                  |                  |
| Licensing                            | 1,059,627        | 881,971          |
| Consulting Fees                      | 740,122          | 435,548          |
| Customisation & Configuration        | 3,300            | 106,856          |
|                                      | <u>1,803,049</u> | <u>1,424,375</u> |
| <i>Geographical regions</i>          |                  |                  |
| Australia                            | <u>1,803,049</u> | <u>1,424,375</u> |
| <i>Timing of revenue recognition</i> |                  |                  |
| Goods transferred at a point in time | 743,422          | 542,406          |
| Services transferred over time       | 1,059,627        | 881,969          |
|                                      | <u>1,803,049</u> | <u>1,424,375</u> |

### Note 4. Other income

|                                      | Consolidated     |               |
|--------------------------------------|------------------|---------------|
|                                      | 31 Dec 2022      | 31 Dec 2021   |
|                                      | \$               | \$            |
| Interest income                      | 129              | 9,195         |
| Contingent consideration adjustments | 950,247          | -             |
| Other revenue                        | 49,808           | 73,871        |
|                                      | <u>1,000,184</u> | <u>83,066</u> |

The consideration for the acquisition of the EagleSoft business included deferred consideration that was contingent upon the achievement of future milestones. The milestones are no longer expected to be achieved and the contingent consideration liability has been released to the statement of profit or loss.

### Note 5. Discontinued operations

#### Description

##### Current Period

On 1 July 2022, the Group announced that 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 purchased all of the business assets for a purchase price of \$800,000. The formal Sale of Business Agreement was executed on 3 August 2022 and the sale successfully completed on 1 September 2022. Consideration will be paid across six instalments with \$600,000 paid by 31 December 2022 with the remaining \$200,000 to be paid by 28 February 2023.

##### Prior Period

The \$10,000 reported as a gain on disposal in the prior period relates to an adjustment from the sale of the GlassandCo segment which was sold on 31 January 2020.

**Note 5. Discontinued operations (continued)**

As a result of the sale transactions 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 both in the current and prior periods. This impacts the comparative financial information for what was previously disclosed as the farmbuy.com segment.

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*

|  | <b>Consolidated</b> |                    |
|--|---------------------|--------------------|
|  | <b>31 Dec 2022</b>  | <b>31 Dec 2021</b> |
|  | <b>\$</b>           | <b>\$</b>          |
| Revenue from discontinued operations                                 | 79,990              | 203,913            |
| Operating expenses from discontinued operations                      | (155,694)           | (802,859)          |
| Depreciation and amortisation expense from discontinued operations   | (56)                | (226,186)          |
| Total expenses   | (155,750)           | (1,029,045)        |
| Loss before income tax (expense)/benefit                             | (75,760)            | (825,132)          |
| Income tax (expense)/benefit   | (16,686)            | 155,192            |
| Loss after income tax (expense)/benefit                              | (92,446)            | (669,940)          |
| Gain on disposal of discontinued operations                          | -                   | 10,000             |
| Loss on disposal of discontinued operations                          | (36,500)            | -                  |
| Income tax expense   | -                   | -                  |
| Gain/(loss) on disposal after income tax expense                     | (36,500)            | 10,000             |
| Loss after income tax (expense)/benefit from discontinued operations | (128,946)           | (659,940)          |

*Cash flow information*

|   | <b>Consolidated</b> |                    |
|---|---------------------|--------------------|
|   | <b>31 Dec 2022</b>  | <b>31 Dec 2021</b> |
|   | <b>\$</b>           | <b>\$</b>          |
| Net cash from/(used in) operating activities                                      | (188,203)           | 72,362             |
| Net cash from/(used in) investing activities                                      | (101,816)           | 684,721            |
| Net increase/(decrease) in cash and cash equivalents from discontinued operations | (290,019)           | 757,083            |

**Note 5. Discontinued operations (continued)**

*Carrying amounts of assets and liabilities disposed*

|                               | <b>Consolidated</b> |                    |
|-------------------------------|---------------------|--------------------|
|                               | <b>31 Dec 2022</b>  | <b>31 Dec 2021</b> |
|                               | <b>\$</b>           | <b>\$</b>          |
| Trade and other receivables   | 94,435              | -                  |
| Other current assets          | 454                 | -                  |
| Property, plant and equipment | 2,934               | -                  |
| Intangibles                   | 713,677             | -                  |
| Total assets                  | <u>811,500</u>      | <u>-</u>           |
| Net assets                    | <u>811,500</u>      | <u>-</u>           |

*Details of the disposal*

|   | <b>Consolidated</b> |                    |
|---|---------------------|--------------------|
|   | <b>31 Dec 2022</b>  | <b>31 Dec 2021</b> |
|   | <b>\$</b>           | <b>\$</b>          |
| Total sale consideration                    | 800,000             | -                  |
| Carrying amount of net assets disposed      | (811,500)           | -                  |
| Post acquisition adjustment for debtors     | (25,000)            | -                  |
| Working capital adjustment - Glass business | -                   | 10,000             |
| Gain/(loss) on disposal before income tax   | <u>(36,500)</u>     | <u>10,000</u>      |
| Gain/(loss) on disposal after income tax    | <u>(36,500)</u>     | <u>10,000</u>      |

**Note 6. Current assets - trade and other receivables**

|                   | <b>Consolidated</b> |                    |
|-------------------|---------------------|--------------------|
|                   | <b>31 Dec 2022</b>  | <b>30 Jun 2022</b> |
|                   | <b>\$</b>           | <b>\$</b>          |
| Trade receivables | 542,008             | 482,408            |
| Other receivables | <u>175,168</u>      | <u>653</u>         |
|                   | <u>717,176</u>      | <u>483,061</u>     |

Other receivables in the current period includes \$175,000 due from Australian Community Media. This amount represents the final consideration payments for the purchase of the farmbuy.com business assets of \$200,000 offset by a post-acquisition credit note of \$25,000. A payment of \$100,000 was received on 12 January 2023 with the final instalment payment of \$75,000 received on 3 February 2023.

**Note 7. Non-current assets - financial assets at fair value through other comprehensive income**

|                          | <b>Consolidated</b> |                    |
|--------------------------|---------------------|--------------------|
|                          | <b>31 Dec 2022</b>  | <b>30 Jun 2022</b> |
|                          | <b>\$</b>           | <b>\$</b>          |
| Unlisted ordinary shares | <u>2,676,467</u>    | <u>2,676,467</u>   |

This represents shares held in The 1derful Group Pty Ltd (1derful). An assessment is made at each measurement date as to the most appropriate valuation methodology. As of 31 December 2022:

- Financial assets measured using the valuation methodology from the most recent raise the Group participated in were \$2.68 million (30 June 2022: \$2.68 million).

The fair value measurement has been categorised as a Level 2 fair value based on the observable inputs to the valuation technique used.

**Note 8. Non-current assets - property, plant and equipment**

|                                  | <b>Consolidated</b> |                    |
|----------------------------------|---------------------|--------------------|
|                                  | <b>31 Dec 2022</b>  | <b>30 Jun 2022</b> |
|                                  | <b>\$</b>           | <b>\$</b>          |
| Leasehold improvements - at cost | -                   | 168,987            |
| Less: Accumulated depreciation   | -                   | (158,190)          |
|                                  | <u>-</u>            | <u>10,797</u>      |
| Motor vehicles - at cost         | -                   | 46,582             |
| Less: Accumulated depreciation   | -                   | (5,126)            |
|                                  | <u>-</u>            | <u>41,456</u>      |
| Computer equipment - at cost     | 30,514              | 67,250             |
| Less: Accumulated depreciation   | (22,740)            | (31,038)           |
|                                  | <u>7,774</u>        | <u>36,212</u>      |
| Office equipment - at cost       | 6,746               | 140,497            |
| Less: Accumulated depreciation   | (5,764)             | (136,343)          |
|                                  | <u>982</u>          | <u>4,154</u>       |
| Computer software - at cost      | 183,732             | 192,932            |
| Less: Accumulated depreciation   | (182,409)           | (161,043)          |
|                                  | <u>1,323</u>        | <u>31,889</u>      |
|                                  | <u>10,079</u>       | <u>124,508</u>     |

**Note 8. Non-current assets - property, plant and equipment (continued)**

*Reconciliations*

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

| <b>Consolidated</b>                       | Leasehold<br>Improvements<br>\$ | Computer<br>Equipment<br>\$ | Office<br>Equipment<br>\$ | Motor<br>Vehicles<br>\$ | Computer<br>Software<br>\$ | Total<br>\$ |
|---|---------------------------------|-----------------------------|---------------------------|-------------------------|----------------------------|-------------|
| Balance at 1 July 2022                    | 10,797                          | 36,212                      | 4,154                     | 41,456                  | 31,889                     | 124,508     |
| Additions                                 | -                               | 78,459                      | -                         | -                       | -                          | 78,459      |
| Disposals net of accumulated depreciation | -                               | -                           | (1,074)                   | (39,143)                | -                          | (40,217)    |
| Impairment of assets                      | -                               | (76,079)                    | -                         | -                       | -                          | (76,079)    |
| Depreciation expense                      | (10,797)                        | (30,818)                    | (2,098)                   | (2,313)                 | (30,566)                   | (76,592)    |
| Balance at 31 December 2022               | -                               | 7,774                       | 982                       | -                       | 1,323                      | 10,079      |

The Group has successfully integrated the engineering capability of EagleSoft with the Asset Vision team and has shutdown the EagleSoft business unit. The EagleSoft property, plant and equipment, a total of \$76,079, has been impaired during the half-year ended 31 December 2022. Please refer to note 9 on intangible assets for further information.

**Note 9. Non-current assets - intangibles**

|                                | <b>Consolidated</b> |                    |
|--------------------------------|---------------------|--------------------|
|                                | <b>31 Dec 2022</b>  | <b>30 Jun 2022</b> |
|                                | <b>\$</b>           | <b>\$</b>          |
| Goodwill - at cost             | 16,191,737          | 16,191,737         |
| Less: Impairment               | (13,464,538)        | (7,131,835)        |
|                                | 2,727,199           | 9,059,902          |
| Customer contracts - at cost   | 601,000             | 601,000            |
| Less: Accumulated amortisation | (130,217)           | (100,167)          |
|                                | 470,783             | 500,833            |
| Software - at cost             | 3,547,000           | 3,547,000          |
| Less: Accumulated amortisation | (698,783)           | (521,433)          |
| Less: Impairment               | (889,100)           | -                  |
|                                | 1,959,117           | 3,025,567          |
|                                | 5,157,099           | 12,586,302         |

**Note 9. Non-current assets - intangibles (continued)**

*Reconciliations*

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

| <b>Consolidated</b>         | Goodwill<br>\$   | Website<br>\$ | Trademarks<br>\$ | Intellectual<br>Property<br>\$ | Developmen<br>t<br>\$ | Software<br>\$   | Customer<br>Contracts<br>\$ | Total<br>\$      |
|-----------------------------|------------------|---------------|------------------|--------------------------------|-----------------------|------------------|-----------------------------|------------------|
| Balance at 1 July 2022      | 9,059,902        | -             | -                | -                              | -                     | 3,025,567        | 500,833                     | 12,586,302       |
| Impairment of software      | -                | -             | -                | -                              | -                     | (889,100)        | -                           | (889,100)        |
| Impairment of goodwill      | (6,332,703)      | -             | -                | -                              | -                     | -                | -                           | (6,332,703)      |
| Amortisation expense        | -                | -             | -                | -                              | -                     | (177,350)        | (30,050)                    | (207,400)        |
| Balance at 31 December 2022 | <u>2,727,199</u> | <u>-</u>      | <u>-</u>         | <u>-</u>                       | <u>-</u>              | <u>1,959,117</u> | <u>470,783</u>              | <u>5,157,099</u> |

The Group has successfully integrated the engineering capability of EagleSoft with the Asset Vision team and has shutdown the EagleSoft business unit. There are no recoverable amounts for non-financial assets, and, given there are no future cash flows to be received from the intangible assets recognised in the EagleSoft CGU, the value in use of the asset is deemed to be nil.

The EagleSoft goodwill, a total of \$4,420,914 and the EagleSoft software, a total of \$889,100 have been impaired in full during the half-year ended 31 December 2022.

Changes to the macro-economic environment in the past six months, namely interest rate increases impacting the risk-free rate have triggered the need to review the inputs to the model and re-assess for impairment at the half-year.

The key assumptions used in the value in use calculation for Asset Vision were as follows:

|  |                            |
|--|----------------------------|
| Pre-tax discount rate                              | 23.75% (June 2022: 17.85%) |
| Terminal value growth rate                         | 2.50% (June 2022: 2.50%)   |
| Revenue growth rate (average over next five years) | 26.36% (June 2022: 41.9%)  |

There were no other key assumptions for the Asset Vision division.

The review has resulted in an impairment charge of \$1,911,789 to the goodwill of the Asset Vision CGU.

**Note 10. Current liabilities - trade and other payables**

|                | <b>Consolidated</b> |                    |
|----------------|---------------------|--------------------|
|                | <b>31 Dec 2022</b>  | <b>30 Jun 2022</b> |
|                | <b>\$</b>           | <b>\$</b>          |
| Trade payables | 157,800             | 93,730             |
| BAS payable    | 81,649              | 19,762             |
| Other payables | 306,898             | 549,484            |
|                | <u>546,347</u>      | <u>662,976</u>     |

#### Note 11. Current liabilities - borrowings

##### Financing arrangements

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

|                              | Consolidated |             |
|------------------------------|--------------|-------------|
|                              | 31 Dec 2022  | 30 Jun 2022 |
|                              | \$           | \$          |
| Total facilities             |              |             |
| Credit card facility         | 95,000       | 95,000      |
| Used at the reporting date   |              |             |
| Credit card facility         | 16,298       | 22,578      |
| Unused at the reporting date |              |             |
| Credit card facility         | 78,702       | 72,422      |

The facilities with ANZ bank contractually expired on 30 December 2020. The lender has agreed to keep the credit card facilities in place.

#### Note 12. Current liabilities - deferred consideration

|                        | Consolidated |             |
|------------------------|--------------|-------------|
|                        | 31 Dec 2022  | 30 Jun 2022 |
|                        | \$           | \$          |
| Deferred Consideration | 2,000,000    | 3,000,000   |

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.

The balance of \$2,000,000 relates to the EagleSoft acquisition. \$1,000,000 of the total owing to the vendors of EagleSoft Pty Ltd was settled on the 3 January 2023 via the issue of 29,411,765 ordinary shares in the Group. The remaining \$1,000,000 is currently due for settlement on 1 July 2023.

#### Note 13. Non-current liabilities - contingent consideration

|                          | Consolidated |             |
|--------------------------|--------------|-------------|
|                          | 31 Dec 2022  | 30 Jun 2022 |
|                          | \$           | \$          |
| Contingent consideration | -            | 949,880     |

##### 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 the statement of profit or loss.

The Group has successfully integrated the engineering capability of EagleSoft with the Asset Vision team and has shutdown the EagleSoft business unit. There are no recoverable amounts for non-financial assets, and, given there are no future cash flows to be received from the intangible assets, the value in use is deemed to be nil. Milestones are no longer expected to be met and contractual obligations will not be paid therefore the contingent consideration has been reversed to the statement of profit or loss during the half-year ended 31 December 2022.



**Note 13. Non-current liabilities - contingent consideration (continued)**

*Movements in provisions*

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

|   | Contingent<br>Consideration<br>\$ |
|---|-----------------------------------|
| <b>Consolidated - 31 Dec 2022</b>             |                                   |
| Carrying amount at the start of the half-year | 949,880                           |
| Unwinding of discount                         | 367                               |
| Unused amounts reversed                       | (950,247)                         |
| Carrying amount at the end of the half-year   | -                                 |

**Note 14. Equity - issued capital**

|                              | 31 Dec 2022<br>Shares | 30 Jun 2022<br>Shares | Consolidated<br>31 Dec 2022<br>\$ | 30 Jun 2022<br>\$ |
|------------------------------|-----------------------|-----------------------|-----------------------------------|-------------------|
| Ordinary shares - fully paid | 679,724,800           | 640,813,035           | 94,373,131                        | 93,069,131        |

**Movements in ordinary share capital**

| Details   | Date             | Shares      | Issue price | \$         |
|---|------------------|-------------|-------------|------------|
| Balance   | 1 July 2022      | 640,813,035 |             | 93,069,131 |
| Issue of shares on acquisition of EagleSoft     | 12 July 2022     | 29,411,765  | \$0.03      | 1,000,000  |
| Issue of shares to Adrian Rudman                | 4 October 2022   | 5,000,000   | \$0.03      | 160,000    |
| Issue of shares to ex staff of Respring Pty Ltd | 4 October 2022   | 4,500,000   | \$0.03      | 144,000    |
| Balance   | 31 December 2022 | 679,724,800 |             | 94,373,131 |

The shares issued on 4 October 2022 were issued for nil consideration.

**Note 15. Events after the reporting period**

On 3 January 2023, the Group issued 29,411,765 ordinary shares to the vendors in satisfaction of the remaining consideration pertaining to the acquisition of EagleSoft Pty Ltd. This extinguishes \$1,000,000 of deferred consideration that was outstanding as at 31 December 2022.

No other matter or circumstance has arisen since 31 December 2022 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.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Adrian Rudman  
Managing Director

28 February 2023

## **Independent Auditor's Review Report to the Members of Future First Technologies Limited**

### **Report on the Half-Year Financial Report**

#### **Conclusion**

We have reviewed the half-year financial report of Future First Technologies Limited ("the company"), which comprises the consolidated interim statement of financial position as at 31 December 2022, the consolidated interim statement of profit or loss and other comprehensive income, the consolidated interim statement of changes in equity and the consolidated interim statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note 1 Going Concern in the interim financial report, which indicates that the Group incurred a loss after tax of \$8,390,358 for the 6-month period ended 31 December 2022 (2021: loss of \$4,979,081) and, as of that date, its current liabilities exceed its current assets by \$1,564,913 (2021: \$2,299,007). As stated in Note 1 Going Concern, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### **Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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**HLB Mann Judd (VIC Partnership) ABN 20 696 861 713**

Level 9, 550 Bourke Street, Melbourne VIC 3000 | GPO Box 2850, Melbourne VIC 3001

T: +61 (0) 3 9606 3888 F: +61 (0) 3 9606 3800 E: [mailbox@hlbvic.com.au](mailto:mailbox@hlbvic.com.au)

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### **Responsibility of the Directors for the Financial Report**

The directors of the Group are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

HLB Mann Judd

**HLB Mann Judd**  
**Chartered Accountants**

Melbourne  
28 February 2023

A handwritten signature in black ink, appearing to read 'M Gummery', with a stylized flourish at the end.

**Michael Gummery**  
**Partner**