

31 August 2023

ASX ANNOUNCEMENT

FY23 Results Announcement

We are pleased to present the annual report for Future First Technologies Ltd (ASX:FFT) (FFT, the Company or the Group). As we reflect on the past year's accomplishments and set our sights on the future, we are delighted to share the progress we have made.

Key Financial Highlights

- ▲ **69%** increase on FY22 Asset Vision Annual Recurring License Revenue (ARR): \$3.0m
- ▲ **38%** increase on FY22 Asset Vision Licensing Revenue: \$2.5m
- ▲ **8.6%** increase on FY22 Asset Vision Licensing Gross Margin: 57.2%
- ▼ **38%** decrease on FY22 Group Operating Expenses: \$5.6m
- FY23 Closing Group Cash Balance: \$715k

A Year of Transformation and Focus

FY23 was a highly transformative year for FFT, and our activities and financial statements reflect the scale of change that has been undertaken. During FY23 we shifted our focus to an Asset Vision (AV) centric business with a simplified corporate structure and reduced operating expenditure. This included completing the sale of the assets of farmbuy.com, completing the integration of the Artificial Intelligence IP into the AV Team and shutting down the EagleSoft business, reducing the number of corporate staff and advisors, and co-locating the FFT corporate office within the AV office in Mulgrave.

In March 2023, AV's CEO and Co-Founder Damian Smith was appointed as Group CEO, taking over from Adrian Rudman reflecting our change towards an AV centric business. Damian's entrepreneurial and technical background has seen him spend the past 20 years in the asset management technology space, growing multiple businesses servicing Enterprise, State and Local Government clients across Australia and New Zealand. Scott Coles resigned from the Board and was replaced by Lucas Murtagh who brings strong experience in ASX listed companies and capital markets and has consulted to many of AV's clients including Victoria's Department of Transport and Ventia.

AV's vision is to revolutionise the way assets are inspected and maintained in the \$23.9b global infrastructure maintenance market. AV delivers considerable productivity and safety benefits to Infrastructure/Asset Owners and Maintenance Contractors who are responsible for maintaining trillions of dollars of assets each day and ensuring assets are kept operationally compliant, safe, and reliable for the community.

With AV becoming the sole focus of FFT, the Company is undertaking steps to formally change its name to Asset Vision Co Limited (ASX:ASV), subject to shareholder approval at our Annual General Meeting in October 2023.

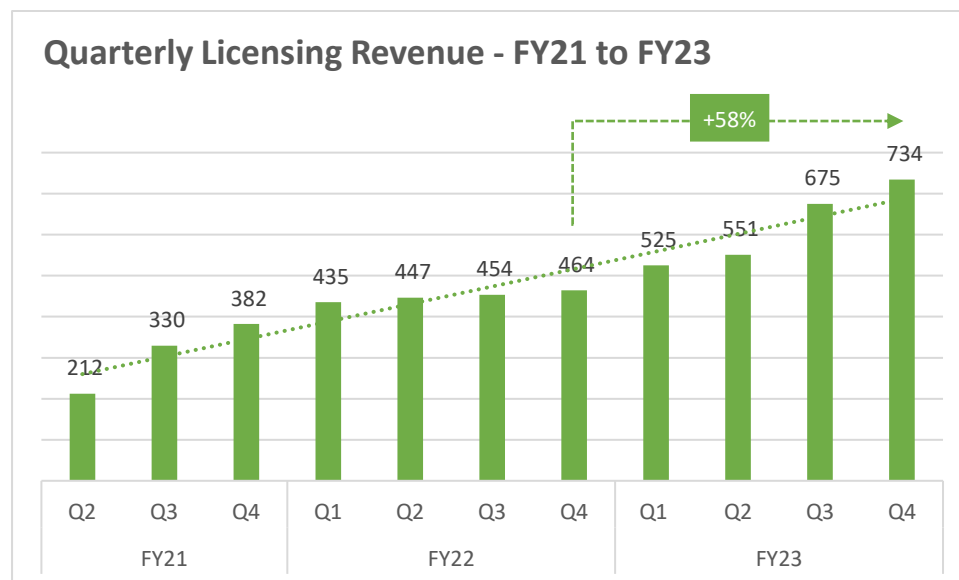
Post year end we moved to a Co-CEO leadership structure, where Damian Smith, Group CEO, became Co-CEO with a responsibility focused on Product and Client Delivery, alongside Lucas Murtagh leading Growth and Strategy.

The Group also announced the appointment of Luke Donnellan as Non-Executive Director. Luke is a former member of the Victorian Parliament. He was a Labor Party Member of the Victorian Legislative Assembly from 2002 to 2022, representing Narre Warren North. Luke served as the Minister for Roads and Road Safety and Minister for Ports from December 2014 to 2018 and the Minister for Child Protection and the Minister for Disability, Ageing and Carers from December 2018 until October 2021. Luke's government experience – particularly as the former Minister for Roads and Road Safety in Victoria – brings an in depth understanding to the challenges faced by infrastructure asset owners and contractors.

Financial Highlights:

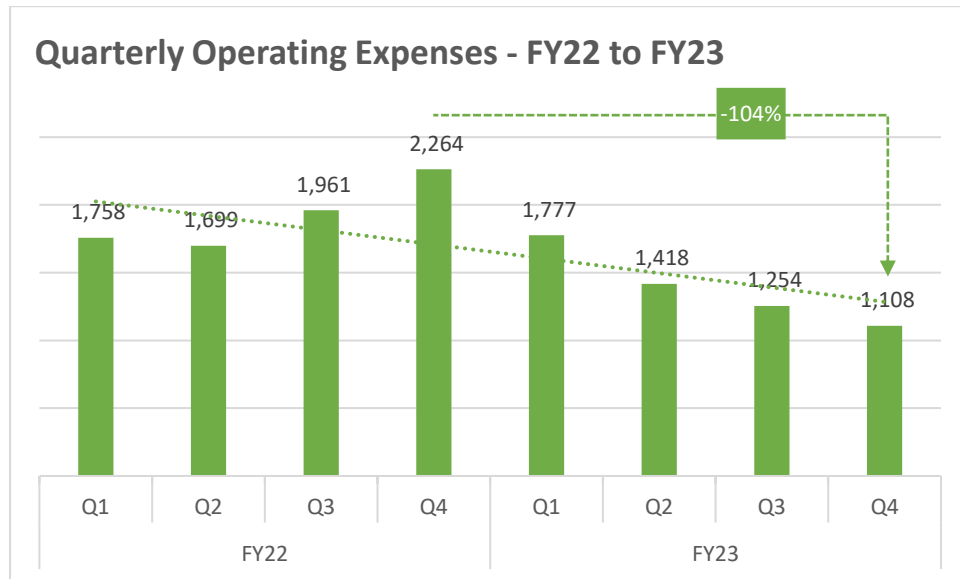
We are proud to report that FFT has achieved strong financial results in the past year.

Our core business AV has achieved a 69% increase to its ARR compared to the end of FY22, and in the same period AV's Licensing Revenue increased by 58%, with the delivery of key major projects being a strong contributor.



Due to the Group's transformation activities, the full year FY23 operating expenses of \$5.6m (total Group) represents a reduction of 38% against pcip (FY22: \$7.7m). We are targeting a further \$900k reduction in total Group expenses in FY24.

Within the year, we renegotiated the deferred consideration owing to the vendors of Eaglesoft. The consideration will now be spread across the next six quarters commencing 1 July 2023 and concluding October 2024. The new payment terms deliver an improved cash forecast and enables AV to remain focused on growing ARR both locally and internationally. Cash at the end of the year totalled \$715k.



Customer Success:

Our customers are at the centre of everything we do, and we remain dedicated to delivering exceptional customer experiences through continuous product enhancements and personalised support.

A standout achievement for FY23 was the growth of users within Victoria. Regional Roads Victoria, a Department of Transport and Planning agency, tendered five major regional road maintenance contracts as part of a substantial transition to performance-based contracts. The five contracts are spread across three major contractors and AV was independently selected by all three contractors to underpin these new performance-based contracts, resulting in a significant outcome for AV.

We start FY24 with well progressed contract negotiations with the Victorian and NSW State Governments which will see us through to 2027/28, and we were recently awarded a four-year contract by the South Australian Government's Department of Infrastructure and Transport.

Market Expansion:

In FY23 we saw a number of green shoots in new markets including local government, utilities and non-linear assets. In the local government space, our platform was selected by the City of Melton in Victoria and implemented in the Shire of East Pilbara in Western Australia as their council wide maintenance management system. These were important wins, as the implementations include our platform being used to manage all asset types including facilities, open spaces, fleet and footpaths in addition to just roads.

In FY23, we have seen significant interest from both existing customers and prospects to use AV across other linear asset types, including rail, telecommunications and utilities and we plan to put sales effort into these new asset areas as we move forward.

In geographical terms, FY23 saw excellent growth across Australia and New Zealand. We also continue to operate a small footprint in the USA and Europe, which we will look to grow in the near future.

In late FY23, a sales transformation program was implemented across the business. This program delivered a best practice sales framework and increased sales capacity which we believe will accelerate our expansion into new markets.

Innovation and Product Development:

Our success hinges on our ability to stay ahead of industry trends and meet evolving customer needs. Over the past year, we invested in research and development, resulting in the development of several new innovative features and products. This innovation has been driven by listening to our clients and understanding the challenges they face in their day-to-day operations managing complex linear and point assets.

An example of this research and development is AutoPilot, which creates a digital twin of the road network each time a route is driven. This digital twin can be reviewed in real-time from the safety of the office and serves as a point in time digital snapshot of the road pavement, allowing for further analysis in the areas of compliance, asset inventory/condition, defects, safety risks and forward works programmes.

There are multiple other use cases where AutoPilot delivers significant benefits including disaster recovery efforts, accident investigations and insurance claims. Autopilot is an important part of our innovation road map which also includes the use of computer vision AI to analyse digital imagery to automatically identify potential issues in our customer's networks.

Sustainability and Corporate Responsibility:

The Group is committed to environmental sustainability and social responsibility. We've taken significant steps to minimise our carbon footprint, and contribute positively to the communities we operate in. This is evidenced by our commitment to ISO certification, in particular ISO 14001. Our commitment to diversity and inclusion continues to shape our corporate culture and decision-making processes.

Outlook and Future Plans:

Asset Vision's key priorities in FY24 are:

1. Release our new innovative products, including AutoPilot and AutoPilot + AI, to the global market
2. Drive ARR growth in our existing road maintenance market
3. Grow our pipeline in new asset verticals (Telco, Utilities, Facilities)
4. Build partnerships to enhance our value proposition and channels to market
5. Become cash flow positive on a monthly recurring basis
6. Support our people to learn and grow
7. Rename company to Asset Vision Co Limited (ASX:ASV).

It has been a big year and we would like to extend our gratitude to our dedicated employees, supportive shareholders, and loyal customers who have contributed to our success in FY23. With your continued support and our unwavering commitment to excellence, we are confident that we will achieve new heights in the coming year.

This announcement has been authorised for release by the Board of Directors.

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