

ASX Announcement

RocketBoots Limited

Quarterly Activities Report and Appendix 4C

March 2022

Level 11, 189 Kent Street,
Sydney NSW 2000
ABN 83 165 522 887

Why RocketBoots



INNOVATIVE OFFERINGS

SaaS IP branded Beehive, that solves multiple business optimisation challenges from a single device

MASSIVE MARKET

Addressable market of \$113B CAGR forecast to 2025 is 41.6%

PROVEN AND SCALABLE

Deployed to 350+ sites in Australia & New Zealand

RECURRING REVENUE

First national retailer and retail bank customers delivering circa \$500K of recurring revenue

Q3 FY22 Cashflow Highlights

- Total quarterly customer cash receipts of \$552K
- Net cash from operating activities of (\$296K)
- One-off catch up cash payments of \$269K
- RocketBoots held \$4.56M in cash and cash equivalents
- An increased accounts receivables position heading into Q4

Q3 FY22 Business Highlights

- Customer retention - major client renews annual licences and increases the number of sites. No lost clients or trials.
- New trials within our target markets
- Global strategic alliance strategy complete, implementation commenced
- Marketing strategy complete, implementation commenced
- Started development of systems to support international partners in selling, installing and supporting Beehive software
- Chief Information Security Officer (CISO) contracted
- 8 pre existing trial deployments
- 1 new trial deployed and another approved and in planning
- 15 customers in pipeline (+4 on Q2)

CEO Overview

RocketBoots made good progress in Q3 FY22 completing the underlying playbook and marketing collateral required to support a new sales team and our channel partners create awareness and sell our Beehive propositions in our target markets both in Australia and Internationally. With these activities now nearing completion, RocketBoots has commenced hiring activities for:

- Sales team to support our channel partners co-sell to our target market and;
- Customer Success team to deliver and convert new trials to larger contracts

International marketing campaigns, both direct and through partner channels will commence in May 2022, initially targeting North American banks with branch networks exceeding 100 branches. This is in addition to the ongoing discussions our partners have in motion with North American retail banks.

RocketBoots is looking forward to making meaningful connections and growing our pipeline with new opportunities.

In addition to our growth preparations, ongoing conversion activities on our existing pipeline have resulted in opportunities advancing through stages of our pipeline with trial and contract negotiations ongoing.

Quarterly Activities

Customer Retention

In Q3 22FY RocketBoots received pre-payment for Suncorp's 12 month Beehive licence extension (June 2022 to May 2023). This is their 3rd annual extension and included installation at new branches (previously announced).

Trials

As per announcements in Q3, RocketBoots secured new trials with a major supermarket in New Zealand which are now being installed and tested by the customer. Feedback on existing trials has been positive with contract decisions expected in the near term

Strategic Alliance Strategy

In addition to RocketBoots' in-house sales team, RocketBoots sells their BeeHive software through partners. A review and update of our approach to onboarding partners has resulted in faster inter company diligence which brings forward introductions to new customers. Testament to this, the RocketBoots software was introduced to new customers within 4 weeks of partnership discussions starting across three different partners.

With this strategy in place, the Strategic Alliance Manager who started in February has been able to deliver new partner opportunities and in mid-March began collaborative campaigning of our target markets through our partner's client lists.

Marketing Strategy

RocketBoots engaged a marketing agency who collaboratively worked on the marketing strategy required to support our channel partners, sales teams and to also help RocketBoots create awareness of its thought leadership, in regard to key challenges faced by our target markets.

In addition to the strategy the Beehive brand has been improved, with delivery of a Beehive logo refresh, client brochures, and presentation slides for the sales team and partners already complete and being used.

Revisions to the website, investor page, a series of articles, and direct marketing campaigns are currently in development and are anticipated to be in place by the end of May in time for a hard launch into North America in Q4 FY22.

Channel Partner Sales and Delivery Systems

The RocketBoots software team has been planning, designing and delivering systems that will help our local and international sales and delivery partners deliver a Beehive software enablement project with minimal input from the RocketBoots team.

Outlook

Major activities planned for Q4 FY22 include:

1. Ongoing conversion of existing pipeline and trials
2. Commencement of trial (win previously announced)
3. Installation at new sites with existing customers (previously announced)
4. Completing two major annual renewals which fall due during the quarter
5. Commencement of next phase of accelerating RocketBoots growth plan which focuses on retail banks first before moving onto our retail catalogue. This will entail using our marketing plan and partner relationships to:
 - Run mass awareness campaigns for our retail banking propositions
 - Connect and present to our target market
 - Aim to grow the number of pipeline opportunities and trials

To support these efforts, RocketBoots staff will travel to the US for an initial period of up to 3 months to:

- Make presentations to the target market being introduced by our partners
- Support and train partners with conversion activities
- Explore retail industry opportunities with partners
- Complete supply chain agreements
- Identify potential sales staff for employment
- Identify and formalise relationships with new partners

Investor Relations

RocketBoots Limited (ASX: ROC) (“RocketBoots”) is pleased to invite shareholders and investors to attend a webinar where management will provide an overview of the Company’s Quarterly Report and Appendix 4C for first full quarter since completion of a successful capital raise under the terms of the Replacement Prospectus dated 27 October 2021 and a Share Sale and Purchase Agreement to establish the Rocketboots Group.

Details of the event are:

Event: RocketBoots Limited March Quarter FY22 Report

Presenters: Chief Executive Officer, Joel Rappolt

When: Week of the 23rd of May

Where: Google Meet - details to be provided upon registration

Register your interest in the webinar by email: investors@rocketboots.com

Summary of Cash Receipts and Outflows

Pursuant to the Company's prospectus, the RocketBoots business (RocketBoots Operations Pty Ltd) was legally acquired by RocketBoots Ltd following the completion of the capital raising in November 2021. In accordance with Australian Accounting standards, given the acquisition is deemed to be a "reverse acquisition" in accordance with AASB 3, the Appendix 4C has been prepared on the following basis.

It is noted that, due to the AASB 3 treatment of the acquisition, the attached compliance Appendix 4C has been prepared on the following basis: It reflects the cash flows of:

1. Rocketboots Operations Limited Pty Ltd for the nine months to 31 March 2022
2. Rocketboots Limited for the period 19 November 2021 (listing transaction completion date) – 31 March 2022
3. The cash balance of Rocketboots Limited as at 19 November 2021 is treated as cash acquired as part of the acquisition.

Total quarterly customer cash receipts

The receipts from customers in Q3 of FY22 were \$552K. These were for licence, maintenance and support contracts, the enablement of the software at new sites and the project to integrate BeeHive with a global loss prevention software platform.

Cash flows from operating actives

Total cash decreased by \$296k during the quarter; comprising operating flows as follows:

1. Receipts from Customers \$552k
2. Operating outflows of \$848k, of which \$269K were for one-off catch up payments for audit, tax, prospectus, IPO, legals, PAYG and Super. \$102K was for the annual D&O insurance.
3. RocketBoots expects to increase the use of cash in Q4 for new staff, marketing activities completed to date and new international campaigns and to hold an inventory of trial hardware to enable selected partners to quickly stand up trials.

Use of Funds

Following is a Use of Funds Statement as outlined in the replacement Prospectus dated 27 October 2021. In accordance with applicable accounting standards the Actual Expenditure is for the period from the completion date of the acquisition, 19 November 2021 to 31 March 2022.

Details	Per replacement Prospectus dated 27 October 2021	Actual Expenditure
	\$k	\$k
Sales Team – new hires	2,920	131
Marketing /CRM	600	114
Technology Team – new hires	750	49
Cost of Offer	280	243
Working Capital and Other	700	435
Total	5,250	972

Related Party Statement

In accordance with Listing Rule 4.7C.3 the payments to related parties in the quarter were \$67,000 which were all related to Director's Board fees (including paid invoices for the previous quarter)

It is noted that the Company's contractual commitments for future director's fees will be approximately \$55,000 a quarter.

Forward looking statements

The above information is not and is not intended to constitute financial advice, or an offer or an invitation, solicitation or recommendation to acquire or sell RocketBoots Limited shares or other financial products in any jurisdiction and is not a disclosure document or other offering document under Australian law or any other law.

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, any forward-looking statements contained herein. This advice is for information purposes only and readers are cautioned not to place undue reliance on forward-looking statements.

Contact details

Joel Rappolt
Chief Executive Officer
investors@rocketboots.com

End of Announcement

Authorised for release by the board of RocketBoots Limited



About RocketBoots

RocketBoots is a software product business that uses machine learning, advanced analytics and its mass deployment platform to deliver out of the box software applications (branded Beehive) to organisations that operate a large network of physical sites e.g. retail banks, retailers, shopping centres and offices.

Using Beehive, clients can identify opportunities to optimise the costs and performance of the physical site network which enables prioritisation of change programs to realise quantifiable and proven benefits.



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Rocketboots Limited

ABN

83 165 522 887

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000**
1.	Cash flows from operating activities		
1.1	Receipts from customers	552	802
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(74)	(267)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(383)	(587)
	(f) administration and corporate costs	(122)	(142)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	(269)	(269)
1.9	Net cash from / (used in) operating activities	(296)	(463)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(2)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000**
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	(2)

**On 19th November 2021 Rocketboots Limited (formerly ENSOGO Limited) completed the acquisition of 100% of the issued capital of Rocketboots Operations Pty Ltd. Under AASB3 Business Combinations this acquisition is treated as a reverse acquisition. Consolidated financial prepared following a reverse acquisition are issued under the name of the legal parent (Rocketboots Limited) but essentially are a continuation of the financial statements of the legal subsidiary (Rocketboots Operations Pty Ltd).

Accordingly this Appendix 4C reflects the cash flows of :

- Rocketboots Operations Pty Ltd for the nine months to 31 March 2021; and
- Rocketboots Limited for the period 19 November 2021 to 31 March 2021.
- The cash balance of Rocketboots Limited at the date of acquisition is treated as cash acquired on reverse acquisition.

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,250
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(243)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other – Acquired's cash balance at completion	-	1,016
3.10 Net cash from / (used in) financing activities	-	5,023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000**
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,857	3
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(296)	(463)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	5,023
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,561	4,561

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,561	4,857
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,561	4,857

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	67
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	Nil	
7.2 Credit standby arrangements	Nil	
7.3 Other (please specify)	Nil	
7.4 Total financing facilities		Nil
7.5 Unused financing facilities available at quarter end		Nil
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(296)
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,561
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,561
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	15
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2022

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.