

ASX Announcement

RocketBoots Limited
Quarterly Activities Report and Appendix 4C

June 2022

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Financial Review Q4 FY 2022

Highlights

- ▶ \$331K in Total Contract Value converted
- ▶ Total quarterly customer cash receipts of \$141K
- ▶ Net cash from operating activities of (\$664K)
- ▶ Increases in cash payments mainly due to:
 - ▶ Once off sales and marketing services in preparation of international sales launch
 - ▶ Purchase of trial hardware inventory to mitigate supply chain risks
- ▶ RocketBoots held \$3.897M in cash and cash equivalents
- ▶ Circa 20 months of runway with current cash and contracts

Business Progress

- ▶ Sales activities commenced in North America, UK and EU
- ▶ CEO in USA working on partnership agreements, supply chain and market validation
- ▶ Security uplift and plan commenced towards ISO 27001 accreditation
- ▶ 18 customers in pipeline (+3 on Q3)

Outlook

- ▶ Operating cash flow expected to improve in Q1 FY23 with contact renewals
- ▶ Move from market validation exercises in overseas markets to sales conversion
- ▶ Growth in partner agreements in overseas markets will assist in accelerating pipeline growth and conversion



RocketBoots CEO comments

It has been a high paced quarter for RocketBoots as we started putting our plans into action to accelerate growth, with business development activities focused on the high value markets of North America, UK and EU.

Through extensive international partner and customer meetings in both our retail and retail banking target segments we have validated that the challenges we solve are strategic priorities for our target buyers and as a result have established a pipeline in these markets.

I have personally overseen the market validation exercises in North America and am encouraged by the contributions our partner network are providing to assist RocketBoots sell and deliver its software in these markets.

At the same time as we progress our plans, we have witnessed a major change in the business environment with increases in inflation and interest rates. As a result of this we expect more businesses to be scrutinising their cost base and looking for efficiencies, this is a promising market cycle for our software which is focused on optimising operations to reduce costs.

As a result of all these activities combined, our 24 month outlook has strengthened and we look forward to delivering increased shareholder value during this period.

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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 twelve months to 30 June 2022
2. Rocketboots Limited for the period 19 November 2021 (listing transaction completion date) – 30 June 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 Q4 of FY22 were \$141K. These were for licence, maintenance and support contracts, the enablement of the software at new sites.

Cash flows from operating actives

Total cash decreased by \$664K during the quarter; comprising operating flows as follows:

1. Customer inflows of \$141K
2. Inline with our forecast in our Q3 4C, operating cash outflows increased. Total outflows were \$805k of which we paid one offs of \$209K:
 - a. \$152K for marketing
 - b. \$35K for hardware inventory to use in trials to mitigate potential supply chain delays
 - c. \$22K for the onboarding of our contracted Chief Information Security Officer

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 30 June 2022.

To provide maximum runway of cash, RocketBoots has been able to keep Sales Team costs low due to the increased sales activities of its partner network. As new contracts are won, the sales team will need to expand, specifically the Customer Success Managers who will be responsible for converting trials into large, long term contracts. At this time we expect the Sales Team expenditure to increase.

Details	Per replacement Prospectus dated 27 October 2021	Actual Expenditure
	\$k	\$k
Sales Team – new hires	2,920	289
Marketing /CRM	600	168
Technology Team – new hires	750	83
Cost of Offer	280	243
Working Capital and Other	700	1000
Total	5,250	1783

Related Party Statement

In accordance with Listing Rule 4.7C.3 the payments to related parties in the quarter were \$47,000 which were all related to Director's Board fees.

Financial Review Q4 FY 2022



Customer Retention

In Q4 22FY RocketBoots signed a contract variation with Suncorp to extend the term of its contract from May FY23 to May FY25. This brings the full term of this contract to in excess of 5 years and demonstrates the long term value the software can provide to retail banks once embedded.

Trials

Multiple trials are ongoing or have restarted as organisations are no longer impacted by Covid lockdowns. From positive results in these trials we have multiple pipeline opportunities that have moved to advanced stages i.e. larger scale contract proposals and negotiations.

One of these trials was for new software which is now complete and has successfully moved to negotiations. The speed at which RocketBoots won, delivered and is now negotiating this contract is encouraging at a time when we are focused on acceleration.

Strategic Alliance Strategy

Since engaging the Strategic Alliance Manager in Q3, RocketBoots partnership opportunities have increased. During Q4, globally known management consulting companies and system integrators have completed detailed diligence on RocketBoots value propositions and also conducted their own market validation exercises internationally. These activities have progressed positively and RocketBoots is currently in partnership negotiations that cover the US, EU and Australia.

Intellectual Property

As we prepare to enter new markets the technology team has been focused on:

- ▶ Preparing systems that enable system integrator partners to securely provision hardware that is deployed into each customer site
- ▶ Ongoing computer vision research and development that will assist port our retail banking workforce optimisation proposition into retail, especially supermarkets
- ▶ Ensuring our solutions can meet the increased security and privacy requirements of overseas markets e.g. GDPR

Note of facial recognition: RocketBoots has had no deployments or revenue from facial recognition since IPO

Investor Relations

- In Q4 RocketBoots launched its investor page on the website [Link](#)
- A webinar was conducted to update investors on business progress.
- The RocketBoots LinkedIn page is also a source of information as we have begun releasing frequent updates [LinkedIn link](#). We will be using this more often for announcements that are not required to put through the ASX platform. This approach is in direct response to the trading halt situation we experienced in Q4.

Finally, for any investor that was unable to attend the webinar, RocketBoots will be posting a recording on the “In the media” section of its webpage in the coming weeks and will announce it on their LinkedIn page.

Financial Review Q4 FY 2022

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

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End of Announcement

Authorised for release by the board of RocketBoots Limited

About RocketBoots

RocketBoots takes a first principles approach to solving fundamental business problems — applying the power of mathematics, computer science and machine learning to create compelling, disruptive software.

RocketBoots portfolio of Beehive software helps retail banking and retail customers to:

- Optimise workforce costs across both physical and virtual channels
- Deliver better customer experiences across physical and virtual channels
- Reduce property refurbishment and leasing costs
- Improve profitability by stemming fraud and loss



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")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000**
1. Cash flows from operating activities		
1.1 Receipts from customers	141	942
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs [^]	(139)	(390)
(c) advertising and marketing [^]	(152)	(168)
(d) leased assets	-	-
(e) staff costs	(445)	(1,032)
(f) administration and corporate costs	(69)	(210)
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)
1.9 Net cash from / (used in) operating activities	(664)	(1,127)
[^] Cash flows from Items 1.2(b) and (c) have been separately disclosed for the first time to provide additional information to the reader. This disclosure includes the reallocation of YTD cash flows.		

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	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000**
(e) intellectual property	-	-
(f) other non-current assets	-	-
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 twelve months to 30 June 2022; and
- Rocketboots Limited for the period 19 November 2021 to 30 June 2022.
- 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 (12 months) \$A'000**
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4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,561	3
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(664)	(1,127)
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	3,897	3,897

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	897	4,561
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Term Deposit*	3,000	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,897	4,561

*A Term Deposit of \$3M matures on 23 August 2022 but can be called in a matter of days with minimal financial impact.

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	47
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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)	(664)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,897
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,897
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	6
<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: 29 July 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.