

ASX Announcement

RocketBoots Limited
Quarterly Activities Report and Appendix 4C

September 2022

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Financial Review Q1 FY 2023

Highlights

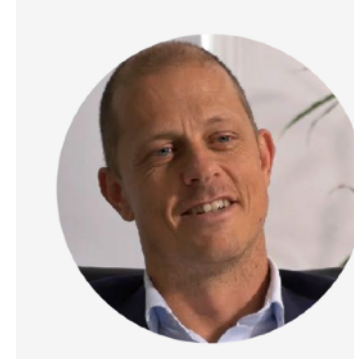
- ▶ Total quarterly cash receipts from customers of \$333K
- ▶ Existing contacts yet to be invoiced approximately \$400K
- ▶ Net cash from operating activities of (\$596K), including large, irregular cashflows due to:
 - ▶ International launch business activities and one-offs (\$234K)
 - ▶ Purchase of hardware for existing contract rollout delivery (\$40K)
- ▶ RocketBoots held \$3.26M in cash and cash equivalents at quarter's end
- ▶ Approximately 18 months of cash runway (assuming no new contract wins or extensions)

Business Progress

- ▶ New international opportunities have entered the pipeline (USA and UK)
- ▶ Multiple international trials in negotiation
- ▶ Three new trials approved for our loss prevention software Beehive Sting in A&NZ region
- ▶ Security uplift continued towards ISO 27001 accreditation which we expect to reduce the time required for technical and security reviews before customers sign new contracts
- ▶ New proprietary machine learning IP research approaching completion, we expect this to enable the delivery of our workforce optimisation proposition into more complex environments such as multi-line queue supermarkets; growing our addressable market
- ▶ 23 qualified customers in the qualified pipeline (+5 on Q4 22FY)

Outlook

- ▶ Continued growth in pipeline resulting from ongoing business development activities, both 'direct' and through partners
- ▶ Employ a Relationship/Customer Success Manager to tightly manage trials and benefits realisation timelines to reduce the time to multi-year contract decisions
- ▶ Decisions on trials previously announced expected in Q2 and Q3 FY22
- ▶ First trials in the larger USA and UK markets to be secured.



RocketBoots CEO comments

It was positive period for RocketBoots with continuing market validation and business development activities occurring internationally. We also increased short term investments in sales and marketing as we push our software propositions into these markets.

Our management consulting company partners were also able to independently validate that the challenges we solve are strategic priorities for our main target industries of retail banking and retail. We expect this confirmation to result in increased confidence in our offerings and therefore increased introductions to their client base and ultimately more trial activity.

We have also seen good progress in the Australian and New Zealand markets with many opportunities moving through our pipeline stages resulting in an increase of contracts in negotiation and in trials, with three new trials won.

At the same time as we progress our plans, the business environment has continued to change with increases in inflation and interest rates. This is putting pressures on profitability and as a result, we expect more businesses to be scrutinising their cost base and looking for efficiencies which is a promising market cycle for our software which is focused on optimising operations to reduce costs and or more effectively utilise existing staff.

Financial Review Q1 FY 2023



Total quarterly customer cash receipts

The cash receipts from customers were \$333K. These were for licence, maintenance and support contracts plus the enablement of the software at new sites.

Cash flows from operating activities

Total cash decreased by \$596K during the quarter; comprising operating flows as follows:

1. Customer inflows increased to \$333K from \$141K in Q4 22FY
2. Total outflows experienced an irregular increase of approximately \$234K due to:
 - a. \$87K for international sales/marketing activity
 - b. \$24K once off legal fees for international compliance of customer contracts and international company establishment
 - c. \$73K catchup payroll
 - d. \$30K full-year audit fees
 - e. \$20K of pre-payments for annual subscriptions

Use of Funds

The 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 the end of the quarter.

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 post the Prospectus date. As new contracts are won, the sales team will need to expand, specifically the Relationship/Customer Success Managers who will be responsible for converting trials into large, long term contracts.

Details	Prospectus	Actual Expenditure
	\$K	\$K
Sales Team – new hires	2,920	524
Marketing / CRM	600	174
Technology Team – new hires	750	138
Cost of Offer	280	243
Working Capital and Other	700	1,541
Total	5,250	2,620

Related Party Statement

In accordance with Listing Rule 4.7C.3 the payments to related parties in the quarter were \$56,542 which were all related to Director's Board/Company Secretarial fees.

Financial Review Q1 FY 2023

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 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000**
1. Cash flows from operating activities		
1.1 Receipts from customers	333	333
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs [^]	(214)	(214)
(c) advertising and marketing [^]	(39)	(39)
(d) leased assets	-	-
(e) staff costs	(599)	(599)
(f) administration and corporate costs	(85)	(85)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	9
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(596)	(596)
[^] 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.		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000**
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(40)	(40)
(j) investments	-	-
(k) intellectual property	-	-
(l) 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	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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	-	-
3.10 Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	3,897	3,897
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(596)	(596)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(40)	(40)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,260	3,260

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	260	260
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Term Deposit*	3,000	3,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,260	3,260

*A Term Deposit of \$3.0M 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	65
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.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
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)	(596)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,260
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,260
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	5
<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 October 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.