



ROCKETBOOTS
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Rocketboots Limited

Annual Report

For the year ended

30 June 2024

ABN 83 165 522 887

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Financial Statements

For the Year Ended 30 June 2024

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

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RocketBoots Limited and Controlled Entities

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Corporate Directory

30 June 2024

Directors

Hugh Bradlow

Non-Executive Independent Chair

Pang Ming Wee

Non-Executive Director

Resigned 5th February 2024

Karl Medak

Non-Executive Director

Cameron Petricevic

Non-Executive Director

Company Secretary

Cameron Petricevic

Registered Office and Principal Place of Business

Level 1

6-10 O'Connell Street

Sydney NSW 2000

Telephone:

+61 417 141 577

Email:

info@rocketboots.com

Website

www.rocketboots.com

Stock Exchange Listing

ASX Limited

20 Bridge Street

Sydney NSW 2000

ASX Code: ROC

Share Registry

Computershare Investor Services Pty Ltd

Yarra Falls, 452 Johnston Street

Abbotsford VIC 3067

Telephone:

+61 02 9415 5000

Facsimile:

+61 02 9473 2500

Website

www.computershare.com

Auditors

RSM Australia Partners

Level 27

120 Collins Street

Melbourne VIC 3000

Solicitors

K&L Gates

Level 25

525 Collins Street

Melbourne VIC 3000

RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2024

The directors present their report, together with the financial statements of the Group, being RocketBoots Limited (the "Company") and its controlled entities (the "Group"), for the financial year ended 30 June 2024.

1. General information

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Hugh Bradlow	Non-Executive Independent Chair
Qualifications	None
Experience	<p>Hugh was the former President at Australian Academy of Technology and Engineering between October 2016 and December 2022. Since June 2017 he has also been a Non- Executive Director at Silicon Quantum Computing Pty Ltd, a joint venture start- up working to commercialise the University of New South Wales' silicon quantum computing technology. In 2021, Hugh served on the Australian Government's Regional Telecommunications Independent Review Committee. Hugh previously worked at Telstra for over 22 years. He spent three years as the Chief Scientist at Telstra. Prior to that he held the role of Telstra's Chief Technology Officer for over eight years, and Head of Innovation for 3 years. Prior to joining Telstra in 1995, Hugh was Professor of Computer Engineering at the University of Wollongong. He was also Professor of Electrical Engineering (Digital Systems) at the University of Cape Town. Hugh is a graduate in electrical engineering from the University of Cape Town and has received a D.Phil. degree for research in experimental nuclear physics from the University of Oxford. He has numerous academic appointments and was awarded a Centenary Medal from the Commonwealth of Australia. In 2009, he was elected as the joint Australian Telecommunications Ambassador of the Year. Global Telecom Business has named him as one of the 100 most influential telecommunications executives in the world, and he has been named one of the 12 most influential people in Australian ICT by Smart Company</p>
Interest in shares and options	50,000 shares and no options
Contractual rights to share	None
Special responsibilities	<p>Chair of RocketBoots Inc (RocketBoots Ltd's USA subsidiary) (Appointed 26th July 2024)</p> <p>Member of the Audit & Risk Committee</p> <p>Member of the Nomination and Remuneration Committee</p>
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None

RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2024

1. General information (continued)

Information on directors (continued)

Pang Ming Wee	Non-Executive Independent Director (Resigned 5th February 2024)
Qualifications	Chartered Accountant, CAANZ
Experience	Pang Ming is a qualified Chartered Accountant with the Institute of Chartered Accountants in Australia (ICAA, now Chartered Accountants Australia and New Zealand) and graduated with a Bachelor of Commerce in University of Queensland, Australia and comes with 8 years of Audit Assurance experience with KPMG and BDO. His portfolio ranged from telecommunications, property development, print & online media, construction, retail and trading and multi-level marketing. He has worked with various advisors in the initial public offering of iCar Asia Ltd, Ensogo Ltd and Frontier Digital Ventures Ltd.
Interest in shares and options	134 shares and no options
Contractual rights to share	None
Special responsibilities	Member of the Audit & Risk Committee (Resigned 5th February 2024) Member of the Nomination and Remuneration Committee (Resigned 5th February 2024)
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None
Karl Medak	Non-Executive Director
Qualifications	Bachelor of Business & Commerce degree; Diploma in Project Management; Diploma - Company Directors Course
Experience	Karl has almost 40 years of deep experience within the information and communications technology (ICT) sector, across varied segments including corporate matters. He has worked for Telstra, Ericsson Australia, Lend Lease Communications, Communications Design & Management and is became a founding member of The Frame Group (Frame Group) in 2000. He has experience with working with some of Australia's largest corporates as well as government and defence clients. Karl has several other certifications and industry memberships, including a Fellow of the Australian Institute of Company Directors (FAICD) and is a Certified Practicing Portfolio Executive (CPPE) with the Australian Institute of Project Management. Karl is currently the head of Frame Group's consulting practice, focusing on advice and solutions that help to improve organisational performance, improve return on investment ('ROI') and increase competitiveness
Interest in shares and options	20,499,930 shares and no options
Contractual rights to share	Karl is entitled to Deferred Consideration Shares, which will be issued to E8 Group Pty Ltd (a company which is a non-controlling shareholder) on the 25 th July 2024.
Special responsibilities	Chair of the Audit & Risk Committee (Appointed 5th February 2024)
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None

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Directors' Report

30 June 2024

1. General information (continued)

Information on directors (continued)

Cameron Petricevic	Non-Executive Director
Qualifications	Actuary (AIAA), B Commerce/B Engineering (Hons) and Graduate of the Australian Institute of Company Directors (GAICD)
Experience	Cameron has spent over 18 years in the financial industry, with roles at AXA Asia Pacific Holdings (now AMP), Acorn Capital and Kentgrove Capital/Lucrum. Cameron has extensive investment banking experience, including valuations, mergers & acquisitions, initial public offerings and portfolio management. Cameron is a founder/director of Lucrum as well as other private organisations. Cameron is a qualified Actuary (AIAA) and holds a Bachelor of Commerce (Actuarial) and a Bachelor of Engineering (Electrical) from the University of Melbourne, with First Class Honours. He is also a Graduate of the Australian Institute of Company Directors (GAICD) and founder/treasurer of Brimbank ToRCH, a Royal Children's Hospital auxiliary charity.
Interest in shares and options	4,432,791 shares and no options
Contractual rights to share	Cameron is entitled to Deferred Consideration Shares, which will be issued to TTOR Pty Ltd on the 25 th July 2024.
Special responsibilities	Chair of RocketBoots Inc (RocketBoots Ltd's USA subsidiary) (Resigning 26 th July 2024) Chair of Nomination and Remuneration Committee Member of the Audit & Risk Committee
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	BTN:ASX (Chair)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

The principal activities of the Group during the financial year were to operate software as a service at scale using proprietary computer vision-based machine learning/artificial intelligence applications to optimise businesses and solve security challenges.

There were no significant changes in the nature of the Group's principal activities during the financial year.

2. Operating results and review of operations for the year

Review of operations

RocketBoots (ROC) has experienced significant progress this year, marked by successful international expansion. The sales team excelled in generating pipeline opportunities and trials, while the delivery team successfully delivered its first international software installations. Key achievements include:

- **International Customer Growth:** Increased outreach efforts resulted in a substantial pipeline of international opportunities and trials

RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2024

2. Operating results and review of operations for the year (continued)

Review of operations (continued)

- **Successful International Installations:** First international customers have successfully installed and are using RocketBoots' software, paving the way for future growth.
- **Streamlining:** The delivery team identified opportunities to streamline the onboarding process, improving efficiency, and time to value for future customers.
- **Return on investment positive:** ROC has been able to show trial customers the software can quantifiably deliver a return on investment to support scaled, multi year rollouts of the software

Today, ROC is currently at an inflection point with multiple trial customers planning & negotiating long term adoption of ROC's software. As ROC is dealing with major banks and retailers globally, the timelines and rigour required to complete contract onboarding processes are onerous, but to date no customer has stopped this process and all deals continue to move forward. Historically, any customer that has signed a long-term contract has stayed with ROC for in excess of 5 years.

At the same time as ROC supports trial customers, new client acquisition has not slowed with more trial customers being won and a continuously increasing pipeline of customers interested in ROC 's software. New clients are coming from multiple sources including, direct outreach, word or mouth references and our partners. This momentum is encouraging for management and provides a glimpse into future potential once ROC is in a position to scale its sales team.

As discussed above, this year ROC has continued to focus on international expansion and strategic investments, with the first wave of international trials. However, the Group did post a loss which amounted to \$2,954,416 for the full year ended 30 June 2024 (30 June 2023: loss of \$2,610,343).

ROC is now approaching the two-year mark of international sales and has continued to focus on progressing trials with key customers. Q2 2024 saw the first successful site installation in the UK as well as the first successful trial.

Trial progress:

- First international trial is complete and multi-year contracts are in negotiation
- Two international trials are in ROI phase, with early view of the ROI positive
- Two international trials are in progress and are approaching ROI evaluation
- Two international trials are in activation stage
- Multiple other trials are in planning phase
- No international trials have been lost at this stage.

ROC has increased overall operating revenue by 37% compared to 2023, due to trial progress in the international market. ROC is currently recognising subscription revenue across 388 sites, with an average annual recurring revenue figure of \$1,295 per site.

ROC has continued to invest in marketing and partnerships with management consultant firms to drive revenue growth, and this has been supported through successful placements and share purchase plans in 2024. ROC has raised a total of \$1,800,000 in 2024, to support working capital and finance international expansion.

RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2024

2. Operating results and review of operations for the year (continued)

Material business risks

Sufficiency of funding

The Company currently has limited financial resources to fund operations. The Company is in the process of securing new contracts, including in overseas markets, in order to become cashflow positive. The ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors.

Business strategy execution risk

The Company is reliant on retaining its current pipeline of customers as well as winning contracts and developing relationships with new customers. This includes overseas customers. Onboarding of new customers requires significant initial investment on their behalf, which may discourage them from adopting BeeHive.

Reliance on key personnel

The Company depends to a significant extent on the ability, performance and experience of its key personnel. A loss of key personnel or an inability to recruit suitable replacements can have a material impact on the Company's leadership as well as its ability to onboard new customers. RocketBoots is dependent on key personnel to increase sales and develop its sales pipeline.

Competition

The Company faces risks associated with new entrants to the market, as well as current competitors. These risks include aggressive marketing campaigns, product innovation, price discounting, advances in technology and acquisitions. If any of these risks materialise, it could have negative impact upon the Company's ability to compete in the market.

Additionally, the Company exists in a relatively fast-paced industry and is at risk of new technology becoming available that supersedes BeeHive. This may result in lower competitiveness or discounting required to continue to drive sales.

Regulatory risk

The Company and its products are subject to various laws and regulations, including accounting standards, taxes, cybersecurity and privacy laws. Changes in these laws could negatively affect financial performance. Additionally, laws are specific to each geographic location, and the Company has expanded into both the US and UK markets. There is a risk that the Company is not compliant with new, unfamiliar laws in these locations.

Cybersecurity risk

The Company stores sensitive information, such as operational data, payroll and employee information and intellectual property. A breach of security could lead to leaking of intellectual property and subsequent erosion of competitive advantage, as well as cyber fraud and loss of trust.

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Directors' Report

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3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the year.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Events after the reporting date

On 25 July 2024, the Group issued 19,000,000 ordinary shares in connection with the terms of the Share Sale Agreement of the Initial Public Offering.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Company secretary

The following person held the position of Company secretary at the end of the financial year:

Cameron Petricevic (AIAA, B Comm/Eng, GAICD) has been the company secretary since August 2022 and an entity associated with him received fees for this service.

RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2024

3. Other items (continued)

Meetings of directors

During the financial year, 8 formal meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Remuneration Committee		Changes
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	
Hugh Bradlow	5	5	2	2	1	1	Resigned from the Audit & Risk Committee on 5th February 2024 Appointed to the Audit & Risk Committee on 5th February 2024
Pang Ming Wee	3	3	1	1	-	-	
Karl Medak	5	5	2	2	1	1	
Cameron Petricevic	5	5	1	1	1	1	

Indemnification and insurance of officers and auditors

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Options

At the date of this report, the unissued ordinary shares of RocketBoots Limited and Controlled Entities under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
07 December 2021	07 December 2024	\$0.30	903,750
16 February 2022	16 February 2025	\$0.30	903,750
13 February 2024	13 February 2027	\$0.20	500,000
			<hr/> 2,307,500 <hr/>

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

For details of options issued to directors and other key management personnel as remuneration, refer to the remuneration report.

RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2024

3. Other items (continued)

Employee Incentive Plan – Award

Grant Date	Vesting Date	Performance Rights
1 July 2022	1 July 2023	813,250
		813,250

On 1 July 2023, all 788,500 employee rights vested. On 1 August 2023, all employee rights were exercised and were converted into ordinary shares. These non-cash payments were recognised at fair value in issued capital, being the closing share price of the Company on exercise date.

Proceedings on behalf of company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-audit services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to the external auditors for non-audit services provided during the year ended 30 June 2024:

	2024	2023
	\$	\$
Other services	-	18,347

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2024 has been received and can be found on page 16 of the financial report.

RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2024

Remuneration report (audited)

Remuneration policy

The remuneration policy of RocketBoots Limited and Controlled Entities has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of RocketBoots Limited and Controlled Entities believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- The remuneration policy has been developed by the Nomination and Remuneration Committee and approved by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives.
- Performance incentives are based on predetermined key performance indicators.
- Incentives paid in the form of options or rights are intended to align the interests of the KMP and the Group with those of the shareholders. In this regard, key management personnel are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Remuneration Committee reviews key management personnel packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Key management personnel receive a superannuation guarantee contribution required by the law, which is currently 11.0%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the Group and expensed.

RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2024

Remuneration report (audited) (continued)

Remuneration policy (continued)

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

Key management personnel are also entitled and encouraged to participate in the employee share and option arrangements to align their interests with shareholders' interests.

Options granted under these arrangements do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share and is valued using the Black-Scholes methodology

Key management personnel who are subject to these arrangements are subject to a policy governing the use of external hedging arrangements. Such personnel are prohibited from entering into hedge arrangements, i.e. put options, on unvested shares and options which form part of their remuneration package. Terms of employment signed by such personnel contain details of such restrictions.

Relationship between remuneration policy and company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus based on key performance indicators, and the second being the issue of options to directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy has been effective in increasing shareholder wealth.

The following table shows the gross revenue, profits and dividends for the last two years for the Company, as well as the share prices at the end of the respective financial years.

	2024	2023
	\$	\$
Revenue	729,953	532,655
Loss after tax	(2,954,416)	(2,610,343)
Share price at year-end	0.11	0.08

Performance conditions linked to remuneration

The key performance indicators (KPIs) are set annually, with a certain level of consultation with key management personnel to ensure support. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greatest potential for the Group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the Remuneration Committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

The satisfaction of the financial performance conditions are based on a review of the audited financial statements of the Group, as such figures reduce any risk of contention relating to payment eligibility. The Board does not believe that performance conditions should include a comparison with factors external to the Group at this time.

RocketBoots Limited and Controlled Entities

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Directors' Report
30 June 2024

Remuneration report (audited) (continued)

Employment details of members of key management personnel

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the Group.

Directors	Position
Hugh Bradlow	Non-executive Independent Chair
Pang Ming Wee	Non-executive Director
Karl Medak	Non-executive Director
Cameron Petricevic	Non-executive Director and Company Secretary
KMP	
Joel Rappolt	Chief Executive Officer
Harry Robin Hilliard	Chief Technology Officer

Service Agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of director.

In cases of resignation, no separation payment is made to the executive, except for amounts due and payable up to the date of ceasing employment, including accrued leave entitlements.

The remuneration and other terms of employment for the Chief Executive Officer and senior executives are set out in formal service agreements. Details of these agreements are as follows:

Name	Joel Rappolt
Title	Chief Executive Officer
Agreement Commenced	19 November 2021
Term of Agreement	Indefinite, subject to resignation or termination for any other reason
Details	Base salary for the year ending 30 June 2024 of \$180,000 plus superannuation, to be reviewed annually by the Board of Directors. 3 month termination notice via resignation, 1 month termination notice by the Company. Cash bonus of \$40,000, subject to KPI achievement and at the discretion of the Board of Directors. Non-solicitation and non-compete clauses.

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Directors' Report

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Remuneration report (audited) (continued)

Service Agreements (continued)

Name	Robin Hilliard
Title	Chief Technology Officer
Agreement Commenced	19 November 2021
Term of Agreement	Indefinite, subject to resignation or termination for any other reason
Details	Base salary for the year ending 30 June 2024 of \$180,000 plus superannuation, to be reviewed annually by the Board of Directors. 3 month termination notice via resignation, 1 month termination notice by the Company. Cash bonus of \$40,000, subject to KPI achievement and at the discretion of the Board of Directors. Non-solicitation and non-compete clauses.

Changes in KMP

Pang Ming Wee resigned as non-executive director on 5 February 2024. He was replaced as Chairman of the Audit & Risk Committee by Karl Medak.

Remuneration details for the year ended 30 June 2024

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

Table of benefits and payments

	Short-term		Post-employment	Long-term	
	Cash salary	Annual leave	Superannuation	Long service leave	
	fees				
2024	\$	\$	\$	\$	\$
Directors					
Hugh Bradlow	54,299	-	5,475	-	59,774
Pang Ming Wee	32,083	-	-	-	32,083
Karl Medak	52,083	-	-	-	52,083
Cameron Petricevic	55,000	-	-	-	55,000
KMP					
Joel Rappolt	180,000	9,396	20,790	3,475	213,661
Harry Robin Hilliard	169,615	10,717	18,658	3,168	202,158
	543,080	20,113	44,923	6,643	614,759

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Directors' Report

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Remuneration report (audited) (continued)

Remuneration details for the year (continued) ended 30 June 2024

	Short-term		Post -employ ment	Long-term	
	Cash Salary Fees	Annual Leave	Superannuat ion	Long service leave	
2023	\$	\$	\$	\$	\$
Directors					
Hugh Bradlow	54,297	-	5,724	-	60,021
Pang Ming Wee	55,000	-	-	-	55,000
Karl Medak	47,626	-	2,395	-	50,021
Cameron Petricevic	55,000	-	-	-	55,000
KMP					
Joel Rappolt	180,000	15,992	18,900	3,465	218,357
Harry Robin Hilliard	174,462	(6,889)	18,318	1,066	186,957
Leslie Smith	7,475	-	-	-	7,475
	573,860	9,103	45,337	4,531	632,831

Securities received that are not performance related

No members of key management personnel are entitled to receive securities which are not performance-based as part of their remuneration package.

Key management personnel shareholdings

The number of ordinary shares in RocketBoots Limited and Controlled Entities held by each key management person of the Group during the financial year is as follows:

30 June 2024	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
Directors				
Hugh Bradlow	50,000	-	-	50,000
Pang Ming Wee	134	-	-	134
Karl Medak	20,499,930	-	-	20,499,930
Cameron Petricevic	4,432,791	-	-	4,432,791
KMP				
Joel Rappolt	2,250,000	-	-	2,250,000
Harry Robin Hilliard	2,400,000	-	-	2,400,000
	29,632,855	-	-	29,632,855

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Directors' Report

30 June 2024

Remuneration report (audited) (continued)

Key management personnel shareholdings (continued)

	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
30 June 2023				
Directors				
Hugh Bradlow	50,000	-	-	50,000
Pang Ming Wee	134	-	-	134
Karl Medak	20,499,930	-	-	20,499,930
Cameron Petricevic	3,750,000	-	682,791	4,432,791
KMP				
Joel Rappolt	2,250,000	-	-	2,250,000
Harry Robin Hilliard	2,400,000	-	-	2,400,000
	<u>28,950,064</u>	<u>-</u>	<u>682,791</u>	<u>29,632,855</u>

KMP related party transactions

The Group undertook the following transactions with:

- Key management personnel (KMP)
- A close member of the family of that person, or
- An entity over which the key management person or family member has, directly or indirectly, control, joint control or significant influence,

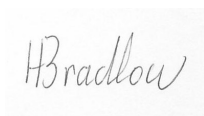
during the reporting period.

CGP Lucrum Pty Ltd, a company of which Mr Cameron Petricevic is a Director, was paid for company secretarial duties. These payments were made at arm's length and based on market pricing. Further details are outlined in Note 22 to the financial statements.

Information regarding share-based payment transactions with these persons or entities are included elsewhere in the remuneration report.

End of Audited Remuneration Report

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Director:

Hugh Bradlow

Dated 25/07/2024

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Corporate Governance Statement

30 June 2024

RocketBoots Limited (the Company) is committed to the highest standards of corporate governance. The board of directors (Board) of RocketBoots Limited supports the central principles and best practice recommendations published by the ASX Corporate Governance Council.

A description of RocketBoots Limited's current corporate governance practices, policy and statement can be found on the Company's website, under the Governance section of the Investors tab here:

<https://www.rocketboots.com/investors#Governance>

Despite being a small entity, RocketBoots continues to strive for gender diversity in the workplace:

- 27% of employees, excluding board members, are female, and 73% are male;
- 0% of Board members are female and 100% are male;
- 0% of senior executive members are female and 100% are male.

The Board endeavours to continue to define, achieve and report measurable objectives for diversity. The Diversity Charter can be found below:

https://assets.website-files.com/62858be23cceab36c8679abb/62941863437de4aaf9df1da5_Diversity-Charter-191121.pdf

The Chairman of RocketBoots Limited has developed key performance indicators for the Board of directors, its committees and individual directors in accordance with the Board charter.

As per the Board charter, the Board agreed on these metrics and processes to evaluate these metrics during the meeting on 26 June 2023, and performed a full review on 29 February 2024 after approval by the Risk and Nomination Committee, as well as conducted period and appropriate evaluations during the financial year.

The RocketBoots Limited Board Charter sets out requirements for senior management performance evaluation. The Board will meet at least once per year to review the performance of any senior executives and address any issues that may emerge from said review. The evaluation framework process for evaluation and performance evaluation was conducted reviewed and approved during the financial year.

The Board charter can be found below:

https://assets.website-files.com/62858be23cceab36c8679abb/629418e624323884844281f5_Board-Charter-191121.pdf

The Charter was updated and approved on 29 February 2024.

RocketBoots Limited has a Board skills matrix. Despite RocketBoots Limited's relatively small size, the Company is committed to improving its skills as it continues to mature. The skills matrix has been updated and added to the Governance section of the Company's website:

https://cdn.prod.website-files.com/62858be23cceab36c8679abb/64f159cb8c0f6affc0f8331c_Board%20Skills%20Matrix%2031082023.pdf

The Nomination and Remuneration Committee (NRC) are charged with reviewing and updating the skills matrix. The matrix was reviewed on 29 February 2024.

RocketBoots Limited and its subsidiary companies are committed to acting ethically and with integrity in our business relationships. In order to achieve this, RocketBoots Limited set up and adopted a Modern Slavery policy on 31 August 2023. RocketBoots Limited's Modern Slavery policy outlines company values and conduct standards for all employees, service providers and contractors to abide by. Any breach of these values and conduct standards can be considered a material breach of contract with RocketBoots Limited.

The Company also is committed to fair wages for all employees, contractors and suppliers by paying at least the minimum Award wage. The Company's Modern Slavery policy can be found here:

https://assets-global.website-files.com/62858be23cceab36c8679abb/64f15935c8234434bbcee4c0_Modern%20Slavery%20Policy%2031082023.pdf

The Audit and Risk Committee (ARC) Charter of the Company requires the risk management framework to be reviewed by the Board at least annually. The ARC reviewed and signed off on the risk management matrix/plan on 28 August 2023 but regularly review and update this document during Board meetings.

The ARC is responsible for identifying environmental and social risks and how those risks are to be managed. To assist with this, ARC maintains a risk matrix document which is reviewed regularly during Board meetings and which was most recently formally reviewed during the Board meeting on 28 August 2023. It has been assessed that the Company does not have any material exposure to environmental or social risks. ARC charter can be found below:

https://assets.website-files.com/62858be23cceab36c8679abb/6310684a2d7ed53119c79b8f_Audit%20%26%20Risk%20Committee%20Charter%20240822.pdf

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Rocketboots Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads "RSM".**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink that appears to read "M Parameswaran".**M PARAMESWARAN**

Partner

Dated: 25 July 2024

Melbourne, Victoria

THE POWER OF BEING UNDERSTOOD**AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2024

		2024	2023
	Note	\$	\$
Revenue	4	729,953	532,655
Other income	4	314,247	306,220
Direct costs		(605,549)	(174,359)
Employee benefits expense		(1,816,230)	(2,003,172)
Finance expenses		(2,748)	-
Marketing expense		(12,540)	(100,962)
Professional fees		(917,766)	(635,395)
Share based payments expense		(24,747)	(102,085)
Subscriptions		(243,408)	(177,973)
Other expenses		(375,628)	(255,272)
Loss before income tax		(2,954,416)	(2,610,343)
Income tax expense	5	-	-
Loss for the year		(2,954,416)	(2,610,343)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(2,954,416)	(2,610,343)
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)		(4.54)	(4.69)
Diluted earnings per share (cents)		(4.54)	(4.69)

The accompanying notes form part of these financial statements

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Consolidated Statement of Financial Position As At 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	555,789	1,637,781
Trade and other receivables	8	12,689	24,798
Contract assets	9	27,558	23,031
Other assets	11	42,802	54,973
TOTAL CURRENT ASSETS		638,838	1,740,583
NON-CURRENT ASSETS			
Plant and equipment	10	12,498	23,509
TOTAL NON-CURRENT ASSETS		12,498	23,509
TOTAL ASSETS		651,336	1,764,092
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	620,384	323,247
Contract liabilities	9	209,759	398,094
Employee entitlements	13	491,398	468,587
TOTAL CURRENT LIABILITIES		1,321,541	1,189,928
NON-CURRENT LIABILITIES			
Employee entitlements	13	49,282	69,562
TOTAL NON-CURRENT LIABILITIES		49,282	69,562
TOTAL LIABILITIES		1,370,823	1,259,490
NET ASSETS		(719,487)	504,602
EQUITY			
Issued capital	14	13,532,602	11,763,942
Reserves		114,948	192,286
Retained earnings		(14,367,037)	(11,451,626)
TOTAL EQUITY		(719,487)	504,602

The accompanying notes form part of these financial statements.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2024

2024

	Issued Capital	Retained Earnings	Option Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2023	11,763,942	(11,451,626)	192,286	504,602
Loss for the year	-	(2,954,416)	-	(2,954,416)
Transactions with owners in their capacity as owners				
Shares issued during the year	1,807,500	-	-	1,807,500
Capital raise costs	(101,920)	-	-	(101,920)
Options/rights exercised	63,080	39,005	(102,085)	-
Options recognised	-	-	24,747	24,747
Balance at 30 June 2024	13,532,602	(14,367,037)	114,948	(719,487)

2023

	Issued Capital	Retained Earnings	Option Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2022	11,763,942	(8,841,283)	90,201	3,012,860
Loss for the year	-	(2,610,343)	-	(2,610,343)
Transactions with owners in their capacity as owners				
Fair value of options issued	-	-	102,085	102,085
Balance at 30 June 2023	11,763,942	(11,451,626)	192,286	504,602

The accompanying notes form part of these financial statements.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Consolidated Statement of Cash Flows For the Year Ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers (inclusive of GST)	570,314	869,892
Payments to suppliers and employees (inclusive of GST)	(3,676,857)	(3,138,573)
Interest received	9,437	52,144
Interest paid	-	(1,844)
Receipt from grants	304,810	-
Net cash provided by/(used in) operating activities	23 (2,792,296)	(2,218,381)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	(13,276)	(40,468)
Net cash provided by/(used in) investing activities	(13,276)	(40,468)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	1,807,500	-
Payment of capital raise costs	(83,920)	-
Net cash provided by/(used in) financing activities	1,723,580	-
Net increase/(decrease) in cash and cash equivalents held	(1,081,992)	(2,258,849)
Cash and cash equivalents at beginning of year	1,637,781	3,896,630
Cash and cash equivalents at end of financial year	7 555,789	1,637,781

The accompanying notes form part of these financial statements.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements For the Year Ended 30 June 2024

The financial report covers RocketBoots Limited ('the Company') and its controlled entities ('the Group'). RocketBoots Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2024 were to operate at scale using proprietary computer vision-based machine learning applications to optimise businesses and solve security challenges.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Material Accounting Policy Information

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity.

All controlled entities have the same financial year end as the parent.

A list of controlled entities is contained in Note 20 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material Accounting Policy Information (continued)

(b) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

(c) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Group presents the contract as a contract asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group recognises a receivable.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material Accounting Policy Information (continued)

(c) Revenue and other income (continued)

Statement of financial position balances relating to revenue recognition (continued)

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Group presents the contract as a contract liability.

Contract cost assets

The Group recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

Contract assets are recognised when the Group has purchased goods for delivery to a customer under a pre-paid customer contract. Contract assets are treated as financial assets for impairment purposes.

Costs to obtain a contract

Costs to obtain a contract are only capitalised when they are directly related to a contract and it is probable that they will be recovered in the future. Costs incurred that would have been incurred regardless of whether the contract was won are expensed, unless those costs are explicitly chargeable to the customer in any case (whether or not the contract is won).

The capitalised costs are amortised on a straight line basis over the expected life of the contract.

Set-up / mobilisation costs

Costs required to set up the contract, including mobilisation costs, are capitalised provided that it is probable that they will be recovered in the future and that they do not include expenses that would normally have been incurred by the Group if the contract had not been obtained. They are recognised as an expense on the basis of the proportion of actual output to estimated output under each contract. If the above conditions are not met, these costs are taken directly to profit or loss as incurred.

Costs to fulfil a contract

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if appropriate), otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the Group that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract costs assets and released to the profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements **For the Year Ended 30 June 2024**

2 Material Accounting Policy Information (continued)

(d) Income tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(e) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements For the Year Ended 30 June 2024

2 Material Accounting Policy Information (continued)

(f) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Plant and equipment is depreciated on a straight-line basis over the asset's useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Computer Equipment	2 to 5 years
Computer Software	3 to 5 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

Classification

On initial recognition, the Group classifies its financial assets as those measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material Accounting Policy Information (continued)

(g) Financial instruments (continued)

Financial assets (continued)

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements For the Year Ended 30 June 2024

2 Material Accounting Policy Information (continued)

(g) Financial instruments (continued)

Financial assets (continued)

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise of trade and other payables.

(h) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements **For the Year Ended 30 June 2024**

2 Material Accounting Policy Information (continued)

(j) Employee entitlements

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(k) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(l) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(m) Equity-settled compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements For the Year Ended 30 June 2024

2 Material Accounting Policy Information (continued)

(n) Foreign currency transactions and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

(o) Going concern

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss for the year-ended 30 June 2024 of \$2,954,416 and had net cash operating outflows of \$2,792,296. As at that date the Group had net current liabilities of \$682,703.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Company has demonstrated that it can raise capital when required, evidenced through the \$1,800,000 that has been raised in FY24. Management is confident that future cash can be raised when it is required.
- Management has reviewed the cashflow forecasts and has assessed that there is sufficient cash reserves and incoming cash to continue operations for a period of greater than 12 months from the date of this report. This assessment is based on potential upcoming contracts with customers.

Accordingly, the Directors believe that Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material Accounting Policy Information (continued)

(p) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2024, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

(q) New accounting standards and interpretations issued but not yet effective

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Group.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - revenue recognition

When determining the nature, timing and amount of revenue to be recognised, the following critical estimates and judgements were applied and are considered to be those that have the most significant effect on revenue recognition.

Licences are generally considered a distinct single performance obligation. Revenue related to license fee is recognised evenly over the contracted term in which the customer is entitled to receive the services.

Enablement revenue is recognised when control over the hardware and software are installed and delivered on customer premises. Determination of when controls has passed depends on whether the customer has legal title over the products or whether the customer has obtained possession of the products.

Key estimates - Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it probable that future taxable amounts will be available to utilise these temporary differences and losses.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements For the Year Ended 30 June 2024

4 Revenue and Other Income

	2024	2023
	\$	\$
Revenue from contracts with customers		
- Enablement revenue	147,031	84,438
- License fee	582,922	448,217
	<u>729,953</u>	<u>532,655</u>

Major Customers

The Group has a number of key customers to whom it provides products and services. For the year ended 30 June 2024, 43% (2023: 65%) of the group's external revenue was derived from sales to a major Australian retailer. The second largest customer, also located in Australia, accounted for 27% of revenue (2023: 30%) The next most significant customer accounts for 18% of revenue (2023: 5%).

	2024	2023
	\$	\$
Timing of revenue recognition		
Services transferred over time	582,922	448,217
Services at a point in time	147,031	84,438
	<u>729,953</u>	<u>532,655</u>

	2024	2023
	\$	\$
Revenue by location		
Australia	654,736	532,655
New Zealand	42,963	-
United Kingdom	23,394	-
United States	8,860	-
	<u>729,953</u>	<u>532,655</u>

	2024	2023
	\$	\$
Other Income		
- Interest income	9,437	48,295
- Other income	-	6,002
- R&D grant	304,810	251,923
	<u>314,247</u>	<u>306,220</u>

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 30 June 2024

5 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2024	2023
	\$	\$
Profit	(2,954,416)	(2,610,343)
Tax	25.00%	25.00%
	(738,604)	(652,586)
Add:		
Tax effect of:		
- Permanent differences; Share based payments	6,187	25,521
- Permanent differences; Entertainment expenses	3,835	584
- Permanent differences not brought to account	(81,202)	-
- Temporary differences not brought to account	(80,444)	11,441
	(890,228)	(615,040)
Recoupment of prior year tax losses not previously brought to account	890,228	615,040
Income tax expense	-	-

The Company decided not to recognise a deferred tax asset in respect of the Group losses, given its financial outlook for the 2024 financial year and future financial years in the short term.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following:

	2024	2023
	\$	\$
Tax losses	10,658,468	7,670,873
	10,658,468	7,670,873

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therein.

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 30 June 2024

6 Operating Segments

Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers ('CODM')) in assessing performance and determining the allocation of resources.

Operating segments are presented using the 'management approach' where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the avocation of resources to operating segments and assessing their performance.

The Group's principal activities are those of a software Company and therefore identifies only one corporate reportable segment. The results of this segment are the same as the Group's results.

The Group established business in two new markets in 2023 – the United States and the United Kingdom (subsequently expanding into Europe). The Group shall report results by geographical segment when results and cash flow from these two markets become material to the Group.

7 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash at bank and in hand	555,789	1,637,781
	<u>555,789</u>	<u>1,637,781</u>

8 Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
Trade receivables	12,689	-
Sundry debtors	-	24,798
	<u>12,689</u>	<u>24,798</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Impairment of receivables

The Group applies the simplified approach to expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2024 is determined as follows, the expected credit losses incorporate forward looking information.

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 30 June 2024

9 Contract Balances

Contract assets and liabilities

The Group has recognised the following contract assets and liabilities from contracts with customers:

	2024	2023
	\$	\$
CURRENT		
Contract assets	27,558	23,031
CURRENT		
Contract liabilities	209,759	398,094

Reconciliation of liabilities

Reconciliation of the written down values:

	2024	2023
	\$	\$
Opening balance	398,094	154,616
Payments received in advance	533,760	793,064
Cumulative catch-up adjustment	1,840	-
Transfer to revenue – included in the opening balance	(223,291)	(154,615)
Transfer to revenue – performance obligations satisfied during the year	(500,644)	(394,971)
	209,759	398,094

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$209,759 as at 30 June 2024 (\$398,094 as at 30 June 2023) and is expected to be recognised as revenue in future periods as follows:

	2024	2023
	\$	\$
Within 6 months	98,689	116,234
6 to 12 months	83,680	107,556
12 to 18 months	11,550	72,100
18 to 24 months	9,900	86,364
24 months +	5,940	15,840
	209,759	398,094

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 30 June 2024

10 Plant and Equipment

	2024 \$	2023 \$
Plant and equipment		
At cost	132,913	153,607
Accumulated depreciation	(120,415)	(130,098)
	<u>12,498</u>	<u>23,509</u>
Computer software		
At cost	1,153	1,153
Accumulated depreciation	(1,153)	(1,153)
	<u>-</u>	<u>-</u>
	<u>12,498</u>	<u>23,509</u>

Movements in carrying amounts of plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment \$	Computer Software \$	Total \$
Year ended 30 June 2024			
Balance at the beginning of the year	23,509	-	23,509
Additions	19,048	-	19,048
Disposals	(13,522)	-	(13,522)
Depreciation expense	(16,537)	-	(16,537)
Balance at the end of the year	<u>12,498</u>	<u>-</u>	<u>12,498</u>

	Plant and Equipment \$	Computer Software \$	Total \$
Year ended 30 June 2023			
Balance at the beginning of the year	4,538	335	4,873
Additions	42,619	-	42,619
Depreciation expense	(23,648)	(335)	(23,983)
Balance at the end of the year	<u>23,509</u>	<u>-</u>	<u>23,509</u>

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 30 June 2024

11 Other Assets

	2024	2023
	\$	\$
CURRENT		
Prepayments	42,802	54,973

12 Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade payables	329,341	142,831
Sundry payables and accrued expenses	248,894	145,048
Wage payable	42,149	35,368
	620,384	323,247

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Employee Entitlements

	2024	2023
	\$	\$
CURRENT		
Long service leave	229,126	192,546
Annual leave	262,272	276,041
	491,398	468,587
NON-CURRENT		
Long service leave	49,282	69,562

14 Issued Capital

	2024	2023
	\$	\$
81,193,532 (2023: 60,250,032) Ordinary Shares	13,532,602	11,763,942

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 30 June 2024

14 Issued Capital (continued)

(a) Ordinary shares

	2024 No.	2023 No.
At the beginning of the reporting period	60,250,032	60,250,032
Shares issued during the year	20,155,000	-
Rights exercised during the year	788,500	-
At the end of the reporting period	<u>81,193,532</u>	<u>60,250,032</u>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(b) Capital management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

15 Reserves

Share-based payments reserve

This reserve records the cumulative value of corporate advisor service received for the issue of share options. When the option is exercised the amount in the share option reserve is transferred to share capital.

16 Earnings Per Share

(a) Reconciliation of earnings to profit or loss from continuing operations

	2024 \$	2023 \$
Loss for the year	(2,954,416)	(2,610,343)
Earnings used in the calculation of dilutive EPS from continuing operations	<u>(2,954,416)</u>	<u>(2,610,343)</u>

(b) Earnings used to calculate overall earnings per share

	2024 \$	2023 \$
Earnings used to calculate overall earnings per share	<u>(2,954,416)</u>	<u>(2,610,343)</u>

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 30 June 2024

16 Earnings Per Share (continued)

(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2024	2023
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	65,087,225	55,617,432

17 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Trade and other payables

	2024	2023
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	555,789	1,637,781
Trade and other receivables	12,689	24,798
Total financial assets	568,478	1,662,579
Financial liabilities		
Financial liabilities measured at amortised cost	620,384	323,247
Total financial liabilities	620,384	323,247

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 30 June 2024

17 Financial Risk Management (continued)

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated statement of financial position due to the effect of discounting.

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 30 June 2024

17 Financial Risk Management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables and contract assets

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group review includes external ratings, if they are available, financial statements, credit agency information and industry information. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The Board receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Group's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

On a geographical basis, the Group has significant credit risk exposures in Australia given the location of its operations in those regions.

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 30 June 2024

18 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2024	2023
	\$	\$
Short-term employee benefits	563,193	626,031
Long-term benefits	6,642	4,531
Post-employment benefits	44,923	45,337
	<u>614,758</u>	<u>675,899</u>

19 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor [RSM Australia Partners], for:)		
- auditing or reviewing the financial statements	75,000	72,750
- other services	-	18,347
	<u>75,000</u>	<u>91,097</u>

20 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) [*] 2024	Percentage Owned (%) [*] 2023
Subsidiaries:			
RocketBoots Operation Pty Ltd	Australia	100	100
RocketBoots Inc.	United States	100	100
RocketBoots Operations UK Limited	United Kingdom	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023:None).

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements
For the Year Ended 30 June 2024

22 Related Parties

The Group's main related parties are as follows:

The ultimate parent entity, which exercises control over the Group, is RocketBoots Limited which is incorporated in Australia.

Key management personnel - refer to Note 18.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions with related parties:

The following transactions occurred with related parties:

	2024	2023
	\$	\$
Payment to CGP Lucrum Pty Ltd for company secretary services	58,050	45,337
	<u>58,050</u>	<u>45,337</u>

Transactions with related parties:

The following payables remain outstanding with related parties:

	2024	2023
	\$	\$
Payable to CGP Lucrum Pty Ltd	7,500	3,950
	<u>7,500</u>	<u>3,950</u>

Terms and conditions:

All transactions were made on normal commercial terms and conditions and at market rates.

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 30 June 2024

23 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2024	2023
	\$	\$
Profit for the year	(2,954,416)	(2,610,343)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	16,537	23,983
- net loss on disposal of property, plant and equipment	13,522	-
- share based payment	24,746	102,085
- other	-	(356)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	12,212	21,433
- (increase)/decrease in prepayments	12,172	2,562
- (increase)/decrease in contract assets	(4,527)	16,279
- increase/(decrease) in deferred income	(188,335)	243,479
- increase/(decrease) in trade and other payables	273,262	(32,970)
- increase/(decrease) in employee entitlement	2,531	15,467
Cashflows from operations	<u>(2,792,296)</u>	<u>(2,218,381)</u>

24 Share-Based Payments

At 30 June 2024 the Group has the following share-based payment schemes:

A summary of the Company options issued is as follows:

2024						
Grant Date	Expiry Date	Exercise price	Start of the year	Granted during the year	Balance at the end of the year	Vested and exercisable at the end of the year
07 December 2021	07 December 2024	0.30	903,750	-	903,750	-
16 February 2022	16 February 2025	0.30	903,750	-	903,750	-
13 February 2024	09 February 2027	0.20	-	500,000	500,000	-

A summary of the Company's Employee Incentive Plan Awards is as follows:

2024			
Grant Date	Expiry Date	Start of the year	Balance at the end of the year
1 July 2022	1 August 2023	788,500	-

On 1 July 2023, all 788,500 employee rights vested. On 1 August 2023, all employee rights were exercised and were converted into ordinary shares. These non-cash payments were recognised at fair value in issued capital, being the closing share price of the Company on exercise date.

Total expenses recognised in profit or loss for the year relating to share-based payment arrangements are \$24,747 (2023:\$102,850).

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 30 June 2024

24 Share-Based Payments (continued)

The weighted average fair value of the options granted during the year was \$ 192,286.00 (2023: \$ 90,201.00). These values were calculated by using a Black-Scholes option pricing model applying the following inputs:

	1	2	3
Number of options granted	903,750	903,750	500,000
Grant date:	07 December 2021	16 February 2022	13 February 2024
Expiry date:	07 December 2024	08 March 2025	09 February 2027
Exercise price (\$):	0.30	0.30	0.20
Fair value (\$)	0.0320	0.0680	0.0495

The weighted average fair value of the employee awards granted during the year was \$ nil (2023: \$102,085).

	1
Number of options granted	813,250
Grant date:	01 July 2022
Vesting date:	01 July 2023
Exercise price (\$):	-
Fair value (\$)	0.12

Only Tranche 2 has Voluntary escrow for 2 years.

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future movements.

The share price at 30 June 2024 was \$ 0.11.

25 Events Occurring After the Reporting Date

On 25 July 2024, the Group issued 19,000,000 ordinary shares in connection with the terms of the Share Sale Agreement of the Initial Public Offering.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

26 Parent Entity

The following information has been extracted from the books and records of the parent, RocketBoots Limited and Controlled Entities and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, RocketBoots Limited and Controlled Entities has been prepared on the same basis as the financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 30 June 2024

26 Parent Entity (continued)

	2024	2023
	\$	\$
Statement of Financial Position		
Assets		
Current assets	44,160	1,514,760
Non-current assets	5,435,496	2,796,025
Total Assets	5,479,656	4,310,785
Liabilities		
Current liabilities	161,123	81,416
Total Liabilities	161,123	81,416
Equity		
Issued capital	168,829,746	167,061,086
Retained earnings	(163,625,805)	(163,023,647)
RocketBoots Inc. incorporation fees	(356)	(356)
Share based payment reserve	114,948	192,286
Total Equity	5,318,533	4,229,369
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	(641,163)	(564,420)
Total comprehensive income	(641,163)	(564,420)

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2024 or 30 June 2023.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2024 or 30 June 2023.

27 Statutory Information

The registered office and principal place of business of the company is:

RocketBoots Limited and Controlled Entities

Level 1

6-10 O'Connell Street

Sydney NSW 2000

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Consolidated Entity Disclosure Statement
As At 30 June 2024

Consolidated Entity Disclosure

Entity Name	Entity Type	Place formed / Country of Incorporation	Ownership (%)*	Tax Residency
RocketBoots Operation Pty Ltd	Body Corporate	Australia	100	Australia
RocketBoots Inc.	Body Corporate	United States	100	United States
RocketBoots Operations UK Limited	Body Corporate	United Kingdom	100	United Kingdom

RocketBoots Limited and Controlled Entities

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Directors' Declaration

The directors of the Company declare that:

- 1. the financial statements and notes for the year ended 30 June 2024 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in basis of preparation, Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the consolidated group;
 - c. the information disclosed in the attached consolidated entity disclosure statement is true and correct.
- 2. the Chief Executive Officer and Chief Finance Officer have given the declarations required by Section 295A that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
- 3. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

This declaration is made in accordance with a resolution of the Board of Directors.



Director
Hugh Bradlow

Dated 25/07/2024

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT To the Members of Rocketboots Limited

Opinion

We have audited the financial report of Rocketboots Limited (the Company), and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a loss for the year ended 30 June 2024 of \$2,954,416 and had net operating cash outflows of \$2,792,296. As at that date the Group had net current liabilities of \$682,703. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Recognition of Revenue Refer to Note 4 in the financial statements	
Revenue is considered to be a Key Audit Matter given it is material to the financial statements. We have considered the recognition of revenue due to its size and magnitude in the financial statements. The nature and timing of recognition of deferred revenue at year end involves management judgement.	Our audit procedures included, among others: <ul style="list-style-type: none"> • Obtaining a understanding of the process and internal controls over revenue recognition; • Obtaining a sample of contracts and agreements to assess whether revenue is recognised in accordance with the Group's policies and AASB 15; • Evaluating the appropriateness of significant judgments and estimates related to revenue recognition, including the identification of performance obligations and ensuring revenue is recognised in the correct accounting period; • Assessing the accuracy of deferred revenue balances with reference to supporting documentation. • Review of sales transactions before and after year-end to ensure that revenue is recognised in the correct period

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Rocketboots Limited., for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that reads 'M Parameswaran'.

M PARAMESWARAN

Partner

Dated: 25 July 2024
Melbourne, Victoria

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Additional Information for Listed Public Companies

30 June 2024

ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 26 July 2024.

Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Shareholders	Number of shares
E8 INVESTMENTS PTY LIMITED	20,250,000
NJK PEARSE TRUSTEES LIMITED <TEK A/C>	5,111,500
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	4,981,674
TTOR PTY LTD <H M & C PETRICEVIC S/F A/C>	4,432,791
CITICORP NOMINEES PTY LIMITED	4,193,319

Voting rights

Ordinary Shares

At meetings of members each member entitled to vote, may vote in person or by proxy or attorney or, in the case of a member which is a body corporate, by representative duly authorised.

On a show of hands, every member entitled to vote and present at a meeting in person or by proxy or attorney or representative duly authorised shall have one vote and upon a poll each share shall have one vote.

Options

No voting rights.

Distribution of equity security holders

Holding	Ordinary shares	
	Shares	Options
1 - 1,000	181,101	2,307,500
1,001 - 5,000	408,714	-
5,001 - 10,000	732,884	-
10,001 - 100,000	6,530,243	-
100,000 and over	73,340,590	-

There were 817 holders of less than a marketable parcel of ordinary shares.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Additional Information for Listed Public Companies

30 June 2024

Twenty largest shareholders

	Ordinary shares	
	Number held	% of issued shares
E8 INVESTMENTS PTY LIMITED	20,250,000	24.94
NJK PEARSE TRUSTEES LIMITED <TEK A/C>	5,111,500	6.30
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	4,981,674	6.14
TTOR PTY LTD <H M & C PETRICEVIC S/F A/C>	4,432,791	5.46
CITICORP NOMINEES PTY LIMITED	4,193,319	5.16
SERET NOMINEES PTY LTD <TOPTEC SUPER NO 3 A/C>	2,270,000	2.80
HARRY ROBIN HILLIARD	2,250,000	2.77
RAPPOLT INVESTMENTS PTY (ACN 626 554 587) <RAPPOLT FAMILY A/C>	2,250,000	2.77
JOY A DRYER	1,527,500	1.88
LAUREN KEIF	1,527,500	1.88
MR ALEX FERGUSON KNOWLES	1,250,000	1.54
GE EQUITY INVESTMENTS PTY LTD	1,200,500	1.48
MR STUART MORGAN BROWN <STUART BROWN FAMILY A/C>	1,200,000	1.48
SERET NOMINEES PTY LTD <TOPTEC SUPER NO 2 A/C>	1,187,999	1.46
VIVRE INVESTMENTS PTY LTD	1,170,000	1.44
E&A BELINA INVESTMENTS LIMITED	1,021,516	1.26
MR JOSHUA CHARLES PRICE	989,292	1.22
SPA SPECIAL INVESTMENT FUND LP	737,138	0.91
ODALISQUE PTY LTD <SUPER FUND A/C>	700,000	0.86
MR JOEL DAVID WEBB	630,000	0.78
	<u>58,880,729</u>	<u>72.53</u>

Remaining shareholders account for 22,312,803 shares which is 27.47% of the total issued shares.

Twenty largest option holders

	Options	
	Number held	% of issued options
Exercise Price AUD0.300 Expiry 07Dec2024	903,750	39.16
Exercise Price AUD0.300 Expiry 16Feb2025	903,750	39.16
Exercise Price AUD0.200 Expiry 13Feb2027	500,000	21.68
	<u>2,307,500</u>	<u>100.00</u>

Only Tranche 2 options are subject to voluntary escrow for 2 years from issue date.

Unissued equity securities

Options issued -.

Securities exchange

The Company is listed on the Australian Securities Exchange.