

**ROCKETBOOTS OPERATIONS PTY LTD
(FORMERLY ROCKETBOOTS PTY LIMITED)
A.C.N. 109 750 209**

**FINANCIAL REPORT
FOR THE THE YEAR ENDED
30 June 2021**

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)
A.C.N. 109 750 209
FOR THE YEAR ENDED 30 JUNE 2021

CONTENTS	Page
Directors' report	1
Auditor's independence declaration	3
Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8
Directors' declaration	19
Independent Auditor's review report	20

General information

The financial statements cover Rocketboots Operations Pty Limited at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Rocketboots Operations Pty Limited's functional and presentation currency.

Rocketboots Operations Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Registered office

Level 11
189 Kent Street
Sydney, NSW 2000

Principal place of business

Level 11
189 Kent Street
Sydney, NSW 2000

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)
A.C.N. 109 750 209
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The directors of Rocketboots Operations Pty Ltd ("the Company") present their report, together with the financial statements, on the Company for the year ended 30 June 2021.

Directors

The following persons were directors of the Company during the year ended and up to the date of this report:

Karl Medak

Lewis George Starita (resigned on 20 November 2020)

Principal Activities

The principal activities of the Company during the year consisted of:

- connecting machine learning and computer vision knowledge with real world business problems;
- bridging the digital and physical;
- turning sterile data collected from real world physical spaces into smart, targeted answers to core questions in the retail, retail banking, workplace and other business sectors.

Results

Net loss for the year amounts to \$1,095,937 (2020: \$947,614).

Review of Operations

Total revenue for the year ended 30 June 2021 was \$675,559 (2020: \$1,103,507) .

Net loss after tax for the year ended 30 June 2021 was \$1,095,937 (2020: \$947,614).

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the year ended 30 June 2021.

Dividends

No dividend were paid or declared during the year ended 30 June 2021 (2020: \$Nil).

Likely Developments

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would likely result in unreasonable prejudice to the Company.

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)
A.C.N. 109 750 209
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Matters subsequent the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Environmental Regulation

The Company is not subject to any significant environmental legislation under Australian Commonwealth or State law.

Shares under option

There were no unissued ordinary shares of the Company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the Company issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

Indemnity and insurance of officers

The company has not, during or since the end of the year, indemnified or agreed to indemnify the officers of the company or any related entity against a liability incurred by the officers.

Indemnity and insurance of auditor

The Company has not, during or since the end of the year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

Proceedings on behalf of the Company

No person has applied to the court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or to 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.

Auditor Independence Declaration

A copy of the auditor independence declaration is set out on the following page.

This report is made in accordance with a resolution of directors.



Karl Medak
Director

22 September 2021
Sydney, NSW

RSM Australia Pty Ltd

Level 21, 55 Collins Street Melbourne VIC 3000

PO Box 248 Collins Street West VIC 8007

T +61(0) 3 9286 8000

F +61(0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Rocketboots Operations Pty Ltd (formerly Rocketboots Pty Ltd) for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian professional accounting bodies in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A stylized blue ink signature of "RSM".**RSM AUSTRALIA PTY LTD**A blue ink signature of "M Parameswaran".**M PARAMESWARAN**

Director

Dated: 22 September 2021
Melbourne, Victoria

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd 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.

RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

Liability limited by a scheme approved under Professional Standards Legislation

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)
A.C.N. 109 750 209
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
		\$	\$
	Note		
Continuing operations			
Revenue	3	675,559	1,103,507
Other income	4	50,000	50,000
Direct employee expenses	5	(138,214)	(151,383)
Direct costs	5	(272,590)	(531,137)
Gross profit / (loss)		<u>314,755</u>	<u>470,987</u>
Depreciation and amortisation	5	(3,489)	(16,532)
Employee benefit expenses		(1,072,620)	(1,153,950)
Finance costs		-	(3,347)
Other expenses		<u>(334,583)</u>	<u>(244,772)</u>
Loss before income tax		(1,095,937)	(947,614)
Income tax expense		<u>-</u>	<u>-</u>
Loss for the period		<u>(1,095,937)</u>	<u>(947,614)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss attributable to members of the company		<u>(1,095,937)</u>	<u>(947,614)</u>

The accompanying notes form part of these Financial Statements.

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)
A.C.N. 109 750 209
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	6	3,289	166,600
Trade and other receivables	7	<u>128,106</u>	<u>160,900</u>
Total current assets		<u>131,395</u>	<u>327,500</u>
Non-current assets			
Plant and equipment	8	4,040	7,402
Intangibles	9	<u>380</u>	<u>507</u>
Total non-current assets		<u>4,420</u>	<u>7,909</u>
Total assets		<u>135,815</u>	<u>335,409</u>
Current liabilities			
Trade and other payables	10	287,188	5,839,065
Deferred income	11	2,152	387,806
Employee benefits	12	<u>251,838</u>	<u>199,491</u>
Total current liabilities		<u>541,178</u>	<u>6,426,362</u>
Non-current liabilities			
Employee benefits	12	<u>95,288</u>	<u>93,761</u>
Total non-current liabilities		<u>95,288</u>	<u>93,761</u>
Total liabilities		<u>636,466</u>	<u>6,520,123</u>
Net deficiency		<u>(500,651)</u>	<u>(6,184,714)</u>
Equity			
Issued capital	13	6,783,640	3,640
Accumulated losses	14	<u>(7,284,291)</u>	<u>(6,188,354)</u>
Total equity		<u>(500,651)</u>	<u>(6,184,714)</u>

The accompanying notes form part of these Financial Statements.

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)
A.C.N. 109 750 209
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2021

	Issued capital \$	Accumulated losses \$	Total \$
Balance at 1 July 2019	3,640	(5,240,740)	(5,237,100)
Loss after income tax expense for the period	-	(947,614)	(947,614)
Other comprehensive income	-	-	-
Balance at 30 June 2020	<u>3,640</u>	<u>(6,188,354)</u>	<u>(6,184,714)</u>
Balance at 1 July 2020	3,640	(6,188,354)	(6,184,714)
Contributions of equity, net of transaction cost	6,780,000	-	6,780,000
Loss after income tax expense for the period	-	(1,095,937)	(1,095,937)
Other comprehensive income	-	-	-
Balance at 30 June 2021	<u>6,783,640</u>	<u>(7,284,291)</u>	<u>(500,651)</u>
	-	-	-

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)
A.C.N. 109 750 209
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Receipts from customers		328,983	1,438,703
Payments for goods and services		(1,688,141)	(1,838,980)
Net cash used in operating activities	20	<u>(1,359,158)</u>	<u>(400,277)</u>
Cash flows from investing activities			
Payments for plant and equipment		-	-
Net cash used in investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Loans received from related parties		1,165,847	471,851
Proceeds from issue of shares		30,000	-
Net cash provided by financing activities		<u>1,195,847</u>	<u>471,851</u>
Net increase / (decrease) in cash held		(163,311)	71,574
Cash at the beginning of the financial period		166,600	95,027
Cash at the end of the financial period	6	<u>3,289</u>	<u>166,601</u>

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)
A.C.N. 109 750 209
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 1 - Statement of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered. Revenue is determined with reference to the stage of completion of the transaction at reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)

A.C.N. 109 750 209

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Note 1 - Statement of significant accounting policies (continued)

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)

A.C.N. 109 750 209

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

Note 1 - Statement of significant accounting policies (continued)

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment (excluding land) over their expected useful lives as follows:

Computers and Equipment	2 to 5 years
-------------------------	--------------

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Intangible Assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being 3 - 5 years.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)

A.C.N. 109 750 209

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

Note 1 - Statement of significant accounting policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefit

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)

A.C.N. 109 750 209

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

Note 1 - Statement of significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2021. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Company's financial statements.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates 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 Company incurred a loss of \$1,095,937 (2020: loss of \$947,614) and had net cash outflows from operating activities of \$1,359,158 for the year ended 30 June 2021 (2020: net cash outflow of \$400,277). As at 30 June 2021, the Company had net current liabilities of \$409,783 and net liabilities of \$500,651.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Company 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 there are reasonable grounds to believe that the Company will be able to continue as a going concern, after consideration of the following factors:

- Frame Group Pty Ltd has committed to provide Rocketboots Operations sufficient working capital to enable the company to meet its debts as and when they fall due until the earlier of 12 months after the financial statements are signed or the date when the company is listed on the ASX; and
- In anticipation of being listed and in the event that the listing is successful, the Directors have a commitment from Ensogo Limited to purchase \$1.5 million of equity and a mandate with a lead manager to raise capital of circa \$4.25

Accordingly, the Directors believe that the Company 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 Company does not continue as a going concern.

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)

A.C.N. 109 750 209

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Note 2 - Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in Note 7, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Revenue recognition

Management applies its judgement in the assessment of stage of completion of contracts at reporting date, and in estimating the outcome of the contract.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

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

Employee benefits provision

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)**A.C.N. 109 750 209****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2021****Note 3 - Revenue**

	2021	2020
	\$	\$
<i>Revenue from contracts with customers</i>		
Rendering of services	675,559	1,103,507

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2021	2020
	\$	\$
<i>Major product lines</i>		
License fee	485,832	326,035
Enablement revenue	189,727	777,472
	675,559	1,103,507

Timing of revenue recognition

Services transferred over time	675,559	1,103,507
	675,559	1,103,507

Note 4 - Other income

	2021	2020
	\$	\$
Other income	50,000	50,000

Note 5 - Expenses

	2021	2020
	\$	\$
Profit before income tax includes the following specific expenses:		
Direct employee expenses	138,214	151,383
Direct costs	272,590	531,137
Depreciation and amortisation	3,489	16,532

Note 6 - Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank - CBA	3,289	166,600
	3,289	166,600

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balance as above	3,289	166,600
Balance as per statement of cash flows	3,289	166,600

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)
A.C.N. 109 750 209
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 7 - Current assets - Trade and other receivables

	2021	2020
	\$	\$
Trade receivables	79,990	54,968
Less: Provision for doubtful debts	-	-
	<u>79,990</u>	<u>54,968</u>
Accrued income	32,168	68,123
Amounts receivable from a related party	4,014	-
Sundry debtors	11,934	37,809
	<u><u>128,106</u></u>	<u><u>160,900</u></u>

Note 8 - Non-current assets - Plant and equipment

	2021	2020
	\$	\$
Computer equipment - at cost	65,382	65,382
Less: Accumulated depreciation	(63,624)	(61,624)
	<u>1,758</u>	<u>3,758</u>
Other equipment - at cost	4,237	4,237
Less: Accumulated depreciation	(4,237)	(4,237)
	<u>-</u>	<u>-</u>
Low value asset pool - at cost	39,363	39,363
Less: Accumulated depreciation	(37,081)	(35,719)
	<u>2,282</u>	<u>3,644</u>
Total property plant and equipment	<u><u>4,040</u></u>	<u><u>7,402</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Computer equipment	Other equipment	Low value asset pool	Total
Balance at 1 July 2020	3,758	-	3,644	7,402
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(2,000)	-	(1,362)	(3,362)
Balance at 30 June 2021	<u><u>1,758</u></u>	<u><u>-</u></u>	<u><u>2,282</u></u>	<u><u>4,040</u></u>

Note 9 - Non-current assets - Intangibles

	2021	2020
	\$	\$
Software - at cost	1,153	1,153
Less: Accumulated amortisation	(773)	(646)
Total Intangibles	<u><u>380</u></u>	<u><u>507</u></u>
	<u>Intangible asset</u>	
Balance at 1 July 2020	507	
Additions	-	
Disposals	-	
Amortization expense	(127)	
Balance at 30 June 2021	<u><u>380</u></u>	

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)

A.C.N. 109 750 209

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

Note 10 - Current liabilities - Trade and other payables

	2021	2020
	\$	\$
Trade creditors	87,705	185,990
GST payable	19,490	8,749
Other payables	179,993	66,457
Amounts payable to related party	-	5,577,869
	<u>287,188</u>	<u>5,839,065</u>

The loan payable at 13 May 2021 was converted to share capital.

Note 11 - Current liabilities - Deferred income

	2021	2020
	\$	\$
Deferred income	2,152	387,806
	<u>2,152</u>	<u>387,806</u>

Note 12 - Employee benefits

	2021	2020
	\$	\$
<i>Current</i>		
Annual leave provision	193,659	165,734
Long service leave provision	58,179	33,757
	<u>251,838</u>	<u>199,491</u>
<i>Non-current</i>		
Long service leave provision	95,288	93,761
	<u>95,288</u>	<u>93,761</u>

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the company does not have an unconditional right to defer settlement. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 13 - Equity - Issued capital

	2021	2020	2021	2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>6,916</u>	<u>3,640</u>	<u>6,783,640</u>	<u>3,640</u>
Details	Date	Shares	Issue price	\$
Balance	30 June 2020	3,640	\$1.00	3,640
Issue of shares	13 May 2021	2,184	\$3,090.66	6,750,000
Issue of shares	13 May 2021	<u>1,092</u>	<u>\$27.47</u>	<u>30,000</u>
Balance	30 June 2021	<u>6,916</u>		<u>6,783,640</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 14 - Accumulated losses

	2021	2020
	\$	\$
Accumulated losses at the beginning of the year	(6,188,354)	(5,240,740)
Net loss after income tax expense for the year	(1,095,937)	(947,614)
Dividends paid	-	-
Accumulated losses at the end of the year	<u>(7,284,291)</u>	<u>(6,188,354)</u>

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)

A.C.N. 109 750 209

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Note 15 - Financial instruments

Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include aging analysis for credit risk.

Market risk

Foreign currency risk

The Company is not exposed to any significant foreign currency risk.

Price risk

The Company is not exposed to any significant price risk.

Interest rate risk

The Company is not exposed to any significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. the Company has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. the Company obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. the Company does not hold any collateral.

Liquidity risk

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 16 - Key management personnel disclosures

Compensation

The aggregate compensation made to members of key management personnel of the Company is set out below:

	2021	2020
	\$	\$
Short-term employee benefits	275,230	275,230
Long-term employee benefits	4,587	4,600
	<u>279,817</u>	<u>279,830</u>

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)
A.C.N. 109 750 209
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 17 - Related party transactions

Parent entity

E8 Group Pty Ltd is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in Note 16.

Transactions with related parties

The following transactions occurred with related parties:

	2021	2020
	\$	\$
Payment made by the Frame Group Pty Ltd on behalf of the Company	1,165,847	471,851

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2021	2020
	\$	\$
Current payables:		
Other payable to Frame Group Pty Ltd	-	5,577,869
Current receivables:		
Other receivable from Frame Group Pty Ltd	4,014	-

The loan payable at 13 May 2021 was converted to share capital.

Note 18 - Contingent liabilities

The Company had no contingent liabilities as at 30 June 2021 (30 June 2020: nil).

Note 19 - Events after the reporting date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Company up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 20 - Reconciliation of loss after income tax to cash flow from operating activities

	2021	2020
	\$	\$
Loss after income tax expense	(1,095,937)	(947,614)
<i>Adjustments for:</i>		
Depreciation	3,489	16,532
<i>Changes in operating assets and liabilities</i>		
(Increase) / decrease in receivables	39,078	(13,231)
Increase / (decrease) in trade and other payables	25,992	116,966
Increase / (decrease) in deferred income	(385,654)	348,426
Increase / (decrease) in provisions	53,874	78,644
Net cash used in operating activities	(1,359,158)	(400,277)

Note 21 - Non-cash investing and financing activities

	2021	2020
	\$	\$
Issuance of share capital to settle the payable to related party	6,750,000	-

ROCKETBOOTS OPERATIONS PTY LTD (FORMERLY ROCKETBOOTS PTY LIMITED)
A.C.N. 109 750 209
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2021

In the directors' opinion:

The Directors of the Company declare that:

- the attached financial statements and notes comply with the Accounting Standards and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.



Karl Medak
Director

Sydney, NSW
Dated: 22 September 2021

RSM Australia Pty Ltd

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61(0) 3 9286 8000

F +61(0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT

To the Members of Rocketboots Operations Pty Ltd (formerly Rocketboots Pty Ltd)

Opinion

We have audited the financial report of Rocketboots Operations Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 presents fairly, in all material respects the financial position of the Company as at 30 June 2021, and its performance and cash flows for the year then ended in accordance with the Australian Accounting Standards.

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 and ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 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 1 in the financial report, which indicates that the Company incurred a net loss of \$1,109,937 and had net cash outflows from operating activities of \$1,359,158 during the year ended 30 June 2021 and, as of that date, the Company's current liabilities exceeded its current assets by \$409,783. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, 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.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd 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.

RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

Liability limited by a scheme approved under Professional Standards Legislation

Other Information (continued)

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 that gives a true and fair view in accordance with Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company 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/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.



RSM AUSTRALIA PTY LTD



M PARAMESWARAN

Director

Dated: 28 September 2021
Melbourne, Victoria