

ASX Announcement

## ROCKETDNA JUNE Q2 FY2024 QUARTERLY REPORT

### HIGHLIGHTS

- Revenue from continuing operations \$1.744m, up 1% on previous quarter and up 18% on previous corresponding period (PCP)<sup>1</sup>
- Cash receipts from customers \$1.883m, down 4% on previous quarter and up 11% on PCP
- Net cash used in operating activities \$192k compared to \$104k last quarter
- Annual Recurring Revenue (ARR) was \$2.727m, down 10% on previous quarter and up 3% on PCP
- Contract renewal signed with Vedanta Zinc post quarter end – 3 year term with Total Contract Value (TCV) of \$525k and ARR of \$175k
- Roll out of new autonomous xBot® system continued with the deployment to Tier-1 customers
- The Company is progressing opportunities outside traditional resources sector, with interest from Government Authorities, Ports, Insurance, Asset Managers, Agribusinesses and Security Companies.

**29 July 2024, RocketDNA Ltd (ASX: RKT)**, a global drones-as-a-service provider, is pleased to provide its activities update for the quarter ending 30 June 2024 (Q2 FY2024) along with its Appendix 4C quarterly cash flow report.

**Commenting on the June quarter results, RocketDNA CEO Christopher Clark said:**

*"A strong pipeline of activities in the quarter resulted in a boost to project revenues for our existing business, as well as securing two important xBot® trials – the first within our traditional mining and resources sector, with a tier 1 mining customer, and a second unit deployed to a new government customer within a public infrastructure setting, representing a new growth sector for the company.*

*In addition, I am pleased with our team's progress, with regards to our manufacturing and deployment capacity of our new xBot® solution, instilling confidence within the business to continue focusing on converting our growing customer pipeline.*

*Our financial progress is bearing results, in particular with operating cash flows, which, excluding a one-off tax payment, moved closer to operating cash flow breakeven."*

<sup>1</sup> unaudited, December financial year end

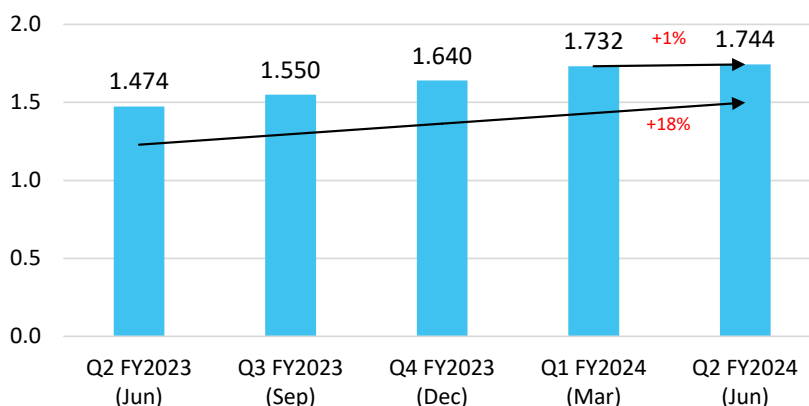
## 1. FINANCIAL OVERVIEW

**Revenue from continuing operations** (unaudited) for quarter Q2 FY2024 was \$1.744m, up 1% on Q1 FY2024 and up 18% on Q2 FY2023. Revenues from contracted work remained similar to Q1, with stronger one-off revenue.

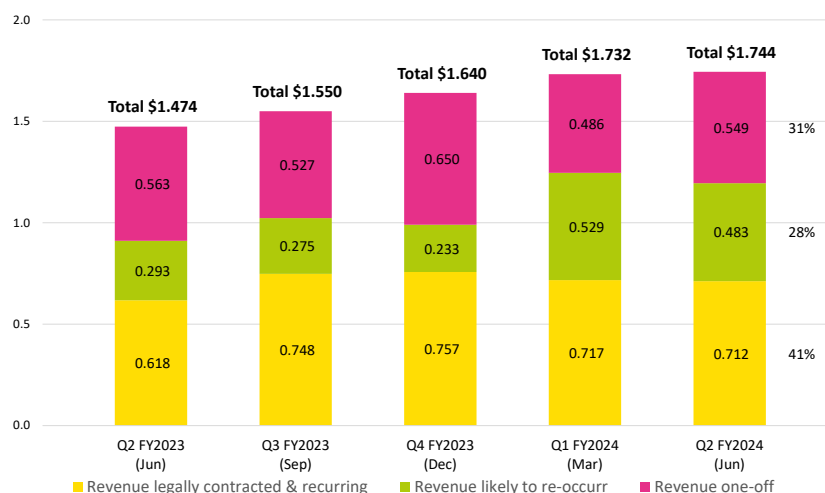
Looking at revenue by type; '**Revenue legally contracted and recurring**' achieved in the June quarter was \$0.712m, which accounted for 41% of total revenue. New contracts were offset by contracts which ended in the quarter. '**Revenue likely to re-occur**' was marginally lower with some regular work being signed up on a long-term contract basis.

Growing the ARR component of overall revenue is a focus of the Company when tendering its services. Non-ARR revenue is an important (indicative) metric to the Company's prospective revenue pipeline, leading to potential new contract wins, as customers generally conduct ad-hoc projects or proof-of-concept trials before signing on for long-term agreements, noting this revenue can be quite variable from quarter to quarter.

**Revenue from Continuing Operations - Quarterly (\$m)**



**Revenue from Continuing Operations by Type (\$m)**



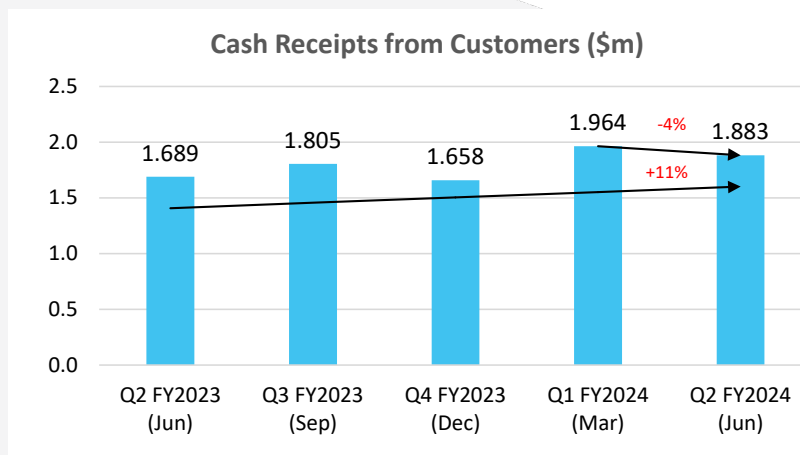
Revenue definitions by type:

**(A) Revenue legally contracted and recurring:** revenue from legal contracts with minimum original terms of 12 months, subject to normal termination provisions per each contract.

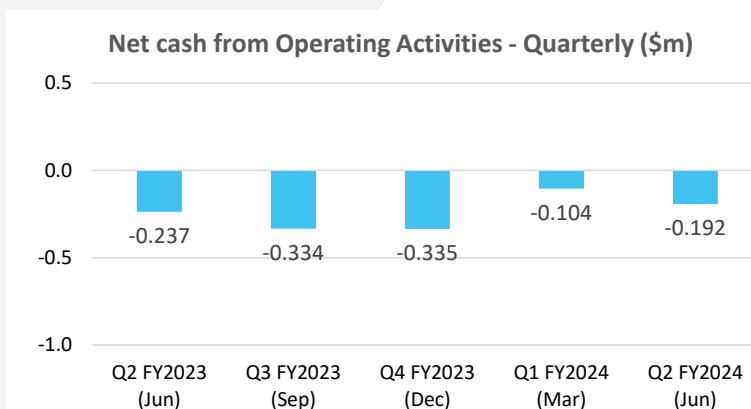
**(B) Revenue likely to re-occur:** revenue which management have a reasonable expectation will reoccur in the future either because it has been historically demonstrated to re-occur or because we hold rolling short term purchase orders or legal contracts which are less than 12 months in original length.

**(C) Revenue one-off:** revenue which does not meet the above definitions (these are typically one-off short projects).

**Cash receipts from customers** for the June quarter totalled \$1.883m, down 4% on Q1 FY2024 and up 11% on Q2 FY2023, noting that Q1 2024 was up significantly on the prior period. Differences between quarterly cash receipts and revenue may occur due to the 1) cash collection cycle and 2) the timing of revenue recognition on contracts and projects.



**Net cash used in operating activities** was \$192k in Q2 FY2024 compared to \$104k in Q1 FY2024 and \$237k in Q2 FY2023. This included a one-off payment for prior years income tax in Ghana of \$158k.



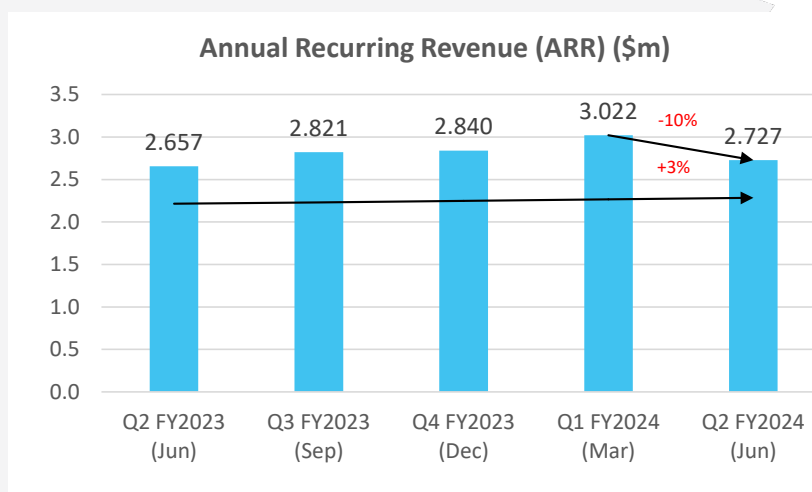
## TCV and ARR

**Annual Recurring Revenue (ARR)** was \$2.727m at the end of the Q2 FY2024, down 10% on Q1 FY2024 and up 3% on Q2 FY2023. The annualised value of contracts which ended exceeded the annualised value of those signed in the quarter.

The signing of the renewal contract with Vedanta Zinc (5 July 2024) with ARR of \$175k, and the termination of the 3-year contract with Calidus (11 July 2024) with ARR of \$115k brings current total ARR to \$2.790m. Whilst the contract with Calidus has been terminated, RKT has subsequently received a purchase order for month-to-month services (see Contracts update below).

**Total contract value (TCV)** was \$4.090m at the end of the March quarter. TCV is the total value of all remaining contracts (only contracts that had a minimum of 12 months original duration are included) and is net of monthly contract depletion (i.e. the revenue remaining to be collected until end of contract life). Key contracts can be found in recent investor presentations. After adjusting for the contracts signed and terminated in July, TCV is currently \$4.275m

ARR and TCV may be impacted by exchange rate fluctuations.



## 2. COMMERCIAL UPDATE

### Contracts update

**Vedanta Zinc (announced post quarter end):** RKT announced a renewal contract with Vedanta Zinc on 5 July 2024. The 3-year contract, with TCV of \$525k and ARR of \$175k, will see RKT continue to provide drone survey services, the previous contract having ended in May 2024.

**Calidus Resources:** On 26 March 2024, RKT announced that it had signed a 3-year contract for the xBot® autonomous drone solution with a subsidiary of Calidus. The XBot® operational implementation commenced in mid-June. RKT terminated the contract on 11 July 2024 as KordaMentha, the appointed Receiver and Manager of Calidus, announced that they were placing the mine on care and maintenance and has less than \$40k exposure for services rendered prior to 28 June 2024. RKT has

subsequently (post-quarter end) received a purchase order from KordaMentha to continue use of the xBot® on an on-going month-to-month basis.

### **xBot® Solution Roll Out**

RocketDNA raised circa \$1m in December 2023 (see ASX announcement 4 December 2023) to accelerate manufacturing of xBot® units and to increase marketing capabilities around deployment.

At the end of June, eleven xBot® units were manufactured across our Australian and African operations, with seven units deployed to paying and non-paying (trial) customers. The remaining four units are currently awaiting commissioning or regulatory (site-specific or aircraft) approvals from the local regulator.

After extensive validation testing and feedback from our first xBot® batch, the Company is now confident in both its market demand and drone manufacturing capacity for calendar year 2024 and future sales developments will dictate the introduction of additional manufacturing resources and capabilities.

Since launching the xBot® in 2023, RKT has not only received multiple enquiries from our traditional mining customer base, but we are also having discussions with Government Authorities, Ports, Insurance, Asset Managers, Agribusinesses and Security Companies.

The Company has submitted proposals for a number of public tenders that will require multi-drone and multi-year contracts, which is a positive market development for autonomous drone-in-a-box solutions. This new business development strategy, which has the Company branching out into complementary industries, has had some initial success, with RKT receiving an order (post-quarter end) to conduct a paid security and surveillance trial for a government entity requiring 24/7 monitoring of their critical assets.



*RocketDNA's xBot® ready to be deployed to site*





## Marketing update

Management continue to focus on initiatives marketing RocketDNA in investor and customer markets.

- Coffee Microcaps interview, 10 May
- NestGen Xpress FlytBase interview, 31 May
- DJI Webinar, Deploying Scalable Dock Operations in Mining, 12 June
- The Company attended the XPONENTIAL 2024 conference in San Diego, California, meeting and talking to global innovators in the autonomy supply chain.
- RKT will be presenting at the TechKnow Invest Roadshow, Tuesday 30 July (Swissôtel, 68 Market Street, Sydney). Registration is free for RKT shareholders.

Company Blogs:

- [Introducing RocketDNA's xBot: The Future of Autonomous Drone Data Capture](#)
- [Six Applications for the DJI Dock 2 in Mining Operations](#)

*More Company-related News & Blog posts can be found on our website: [www.rocketdna.com/au/blog](http://www.rocketdna.com/au/blog)*

## **3. CORPORATE**

**Board changes:** David Morton, Non-Executive Director, was appointed to the Chairman role of RKT. Chris Clark transitioned from the role of Chair to focus on his role as Managing Director and CEO.

**Annual General Meeting (AGM):** RocketDNA held its Annual General Meeting on 24 May 2024 at 9.00am (WST). The resolutions were voted in accordance with the Notice of Annual General Meeting previously advised to the Australian Securities Exchange with all resolutions being passed on a poll.

The following resolutions were passed by a sufficient majority as special resolutions:

- Resolution 3 – Approval of 7.1A Mandate; and
- Resolution 5 – Cancellation of Performance Shares.

**Performance Shareholder Meeting:** RocketDNA held a meeting of performance shareholders on 24 May 2024 at 10.00am (WST). The resolution for the Cancellation of Performance Shares was passed by a sufficient majority as a special resolution on a poll.

Following approval at both meetings, the Company subsequently cancelled 45 million Performance Shares it had on issue.

## **4. APPENDIX 4C**

The cash balance at 30 June 2024 was \$1.439m.

Net cash used in operating activities was \$192k in Q2 FY2024 compared to \$104k in Q1 FY2024 and \$237k in Q2 FY2023. This included a one-off payment for prior years income tax in Ghana of \$158k.



The total operating payments per section 1.2 of the attached 4C were \$1.931k, down 7% from \$2.076m in Q1 FY2024.

As per item 6.1 of the attached Appendix 4C, payments to related parties and their associates of \$153k comprised of \$63k to Chris Clark for director fees, with \$19k to a related party, \$57k to Paul Williamson for CFO services, and \$14k to David Morton for director fees.

This announcement has been authorised for release by the Board of RocketDNA Ltd.

-ENDS-

**For more information, please contact:**

**Corporate**

Christopher Clark  
Managing Director & CEO  
E: [contact@rocketdna.com](mailto:contact@rocketdna.com)  
P: +61 (0)8 6245 9194

---

**About RocketDNA**

**RocketDNA Ltd (ASX: RKT)**, is an ASX listed multi-national drone-based data service and technology solutions provider for the mining, agricultural and engineering industries.

**Services** are aerial surveying and mapping, security and surveillance, and blast monitoring and fragment analysis through a fully-outsourced service with AI and fast data turnaround that allows enterprise customers to focus on operations on the ground while RocketDNA takes care of everything in the air.

**Revenues** are generated through multi-year recurring revenue contracts and short projects which also have the potential to be recurring. Key customer contracts include with tier 1 and tier 2 miners, South32, Newmont Mining, Red 5 and Seriti Coal.

RocketDNA's operations are focused on Australia and Africa with regional offices in Perth, Johannesburg & Accra.

Scan this QR code to subscribe to  
RocketDNA's latest company News &  
Announcements, else [click here](#)



## Appendix 4C

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

**Name of entity**

ROCKETDNA LIMITED

**ABN**

17 618 678 701

**Quarter ended ("current quarter")**

30 June 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,883	3,847
1.2 Payments for		
(a) research and development	-	(2)
(b) product manufacturing and operating costs	(350)	(751)
(c) advertising and marketing	(68)	(154)
(d) leased assets	(30)	(60)
(e) staff costs	(809)	(1,608)
(f) administration and corporate costs	(674)	(1,432)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	(158)	(159)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	7	7
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(192)</b>	<b>(296)</b>



<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(240)	(366)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	(47)	(82)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	6	7
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(1)	(7)
2.4	Dividends received (see note 3)	-	-
2.5	Other (return of office rental deposits)	-	11
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(282)</b>	<b>(437)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	35
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(12)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(82)	(158)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(82)</b>	<b>(135)</b>

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

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,015	2,317
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(192)	(296)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(282)	(437)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(82)	(135)
4.5	Effect of movement in exchange rates on cash held	(20)	(10)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,439</b>	<b>1,439</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,398	1,890
5.2	Call deposits	41	125
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,439</b>	<b>2,015</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	153
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	200	200
7.2	Credit standby arrangements	29	21
7.3	Other (see below)	402	402
7.4	<b>Total financing facilities</b>	631	623
7.5	<b>Unused financing facilities available at quarter end</b>	8	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Item	Description	Lender	Interest Rate	Maturity Date	Security	Facility \$A'000	Drawn \$A'000
7.1	Shareholder loan	Entech Pty Ltd	0%	none	Unsecured	200	200
7.2	Credit cards	Sasfin/Nedbank/ Commonwealth	11% to 22%	none	Unsecured	29	21
7.3	Vehicle Leases	Toyota Finance	2.9% to 6.2%	9/11/25, 5/5/26, 22/5/28	Secured	127	127
7.3	Vehicle Lease	Toyota Financial Services	12.25%	1/08/2028	Secured	52	52
7.3	Insurance Premium Funding	QPR	4.15%	30/11/2024	Unsecured	25	25
7.3	Equipment Lease	GC Leasing	10.15%	1/04/2026	Secured	14	14
7.3	Sale and Leaseback	GC Leasing	12.30%	36mths from inception	Secured	100	100
7.3	Sale and Leaseback	Sunlyn	prime+3.5%	36mths from inception	Secured	84	84

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)
8.2	Cash and cash equivalents at quarter end (item 4.6)
8.3	Unused finance facilities available at quarter end (item 7.5)
8.4	Total available funding (item 8.2 + item 8.3)
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

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

Date: 29 July 2024

Authorised by: .By the board  
 (Name of body or officer authorising release – see note 4)

## Notes

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