

**RocketDNA Ltd.**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity:	RocketDNA Ltd.
ABN:	17 618 678 701
Reporting period:	For the half-year ended 30 June 2024
Previous period:	For the half-year ended 30 June 2023

**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	up	16.9% to	3,515,322
Loss from ordinary activities after tax attributable to the owners of RocketDNA Ltd.	up	13.1% to	(872,643)
Loss for the half-year attributable to the owners of RocketDNA Ltd.	up	13.1% to	(872,643)

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

Further explanation of the results is contained in the attached announcement and interim financial report.

**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.40	0.67

**4. Control gained over entities**

Not applicable.

**5. Loss of control over entities**

Not applicable.

**6. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

**7. Dividend reinvestment plans**

Not applicable.

## **8. Details of associates and joint venture entities**

Not applicable.

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## **9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Foreign entity accounting information is prepared and complies with International Financial Reporting Standards (IFRS).

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## **10. Audit qualification or review**

This report is based on accounts that have been subject to an audit review. The Auditor has issued an Independent Auditor's Review Report with an unqualified opinion. The attached half-year financial report has been prepared on a going concern basis. There are no items of dispute with the auditor and the audit review is not subject to a qualification.

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## **11. Signed**

Signed 

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Date: 28 August 2024

Christopher Clark  
Chief Executive Officer

**RocketDNA Ltd.**

**ABN 17 618 678 701**

**Interim Report - 30 June 2024**

**RocketDNA Ltd.**  
**Corporate directory**  
**30 June 2024**

Directors	Mr David Morton Mr Christopher Clark Mr Paul Williamson	Chairman, Non-Executive Director Executive Director, Chief Executive Officer Executive Director, Chief Financial Officer
Company secretary	Mr Stephen Buckley	
Registered office	75 Thomas Street Subiaco WA 6008 Email: <a href="mailto:contact@rocketdna.com.au">contact@rocketdna.com.au</a>	
Principal place of business	75 Thomas Street Subiaco WA 6008	
Share register	Automic Registry Services Level 5, 191 St Georges Terrace Perth WA 6000 Email: <a href="mailto:hello@automic.com.au">hello@automic.com.au</a> Web: <a href="http://www.automic.com.au">www.automic.com.au</a>	
Auditor	Hall Chadwick Audit (WA) Pty Ltd 283 Rokeby Road Subiaco WA 6008	
Legal Advisers (Australia)	Eaton Hall 20/210 Queen Victoria Street North Fremantle WA 6159	
Legal Advisers (South Africa)	Rodl & Partner 1 Eastgate Lane Bedfordview South Africa 2007	
Stock exchange listing	RocketDNA Ltd. shares are listed on the Australian Securities Exchange (ASX code: DLT) ASX Limited Level 40, Central Park 152-158 St Georges Terrace Perth WA 6005	
Website	Web: <a href="http://www.rocketdna.com/">www.rocketdna.com/</a>	
Corporate Governance Statement	RocketDNA Limited's Corporate Governance Statement can be viewed at: <a href="http://www.rocketdna.com/corporate-governance"><b>www.rocketdna.com/corporate-governance</b></a>	

**RocketDNA Ltd.  
Directors' report  
30 June 2024**

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of RocketDNA Ltd. (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2024.

**Directors**

Name	Title	Appointed
Mr David Morton	Chairman, Non-Executive Director	29 March 2023
Mr Christopher Clark	Executive Director, Chief Executive Officer	3 December 2020
Mr Paul Williamson	Executive Director, Chief Financial Officer	23 June 2022

David Morton was appointed Chairman on 10 April, 2024 and Christopher Clark resigned as Chairman on 10 April, 2024.

**Principal activities**

RocketDNA provides drone based geo-data and automation solutions. Leveraging AI and autonomous drone technology, the Group helps decision makers obtain practical insights in fast-changing environments. Focused on the mining, agriculture and critical asset industries, RocketDNA is committed on capturing growth in these sectors through its differentiated digital and automation solutions.

RocketDNA provides services such as contract aerial surveying and mapping; surveillance and reconnaissance; mining pit conformance, optimisation and de-risking; blast monitoring and fragment analysis; and video, photographic and thermal inspections. In 2023, the Group received civil aviation authorities' approvals for autonomous drone flights operated from its remote operations centres in Johannesburg, Perth and Adelaide and now offers autonomous-drone-based versions of the above services across Australia and South Africa. The Group also provides drone related training and consulting services as well as providing drone hardware for customers who operate their own drone programmes.

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

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

**Review of operations**

Key financial outcomes for the 6 month period to 30 June 2024 were:

- Revenue was \$3,475,982 up 8% on the second half of 2023 and up 15% on the first half of 2023.
- Loss after income tax was \$883,980 down by \$243,028 or 21% on the second half of 2023.
- Loss before interest, tax, depreciation, amortisation and impairment charges (EBITDA) was \$255,158 down by \$94,018 or 29% on the second half of 2023 and down \$76,652 (25%) on the first half of 2023. This measure, in particular, is encouraging, given the Board's focus on reaching operating cash flow break-even.
- Our Australian business made great progress in recovering from the head-winds experienced in late 2023, in particular as it begins to benefit from the new Xbot product. Results were broadly in line with the first half of 2023. EBITDA was a loss of \$225,158 versus a loss of \$654,700 in the second half of 2023.
- Total operating expenses were \$2,322,494 down 3% against the second half of 2023, but up 15% on first half of 2023, driven mainly by an inflationary backdrop in Africa offset by tight cost control across the group.

Cash balance was \$1,439,243 down \$877,834 (38%) from 31 December 2023 \$2,317,077

The majority of the capital raising in December 2023 (and final receipts in January 2024) of \$1,100,000 has been expended on capital equipment including completed xBots, investment into our data delivery software platform and xBot component inventory.

Net cash used in operating activities was broadly in line with the first half of 2023 in total at \$296,952. This included a one-off payment of prior years' income taxes and associated interest in Ghana of \$158,956, and hence an improved underlying figure. Compared to the second half of 2023 (\$671,320), net cash used in operating activities improved significantly.

Unless otherwise stated, all figures in this report are in the Company's presentation currency, the Australian Dollar ("A\$")

Key operational developments during the six month period have been primarily focused around the xBot® Solution Roll Out:

- As noted above RocketDNA raised circa \$1m in 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 having discussions with Government Authorities , Ports, Insurance Asset managers , Agribusinesses and Security Companies.
- The Group 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 30 June 2024) to conduct a paid security and surveillance trail for a government entity requiring 24/7 monitoring of their critical assets.

Key governance developments included:

- Appointment of Mr David Morton to the role of Chairman on 10 April 2024, with Christopher Clark transitioning from the role of Chairman to focus on his role as Managing Director and CEO.
- Cancellation of historic performance shares on 27 June 2024.

From a risk management perspective, the Board continues to monitor and manage key business risks, within a risk management framework which can be summarised as:

- Zero target appetite risks, such as safety, fraud, and data and equipment protection.
- Strategic risks, such as staff retention and engagement, market and product developments, regulation and financial.
- External risks, such as overseas political risks, inflation, exchange rate and customer and supplier credit risk.

#### **Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Group during the half year ended 30 June 2024.

#### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



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Christopher Clark  
Chief Executive Officer

28 August 2024

To the Board of Directors

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the half-year financial report of RocketDNA Ltd and its controlled entities for the half-year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,



**HALL CHADWICK AUDIT (WA) PTY LTD**  
**ABN 42 163 529 682**



**NIKKI SHEN CA**  
**Director**

Dated this 28<sup>th</sup> day of August 2024  
Perth, Western Australia

**RocketDNA Ltd.****Contents****30 June 2024**

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**General information**

RocketDNA Ltd. is a listed public company limited by shares, incorporated and domiciled in Australia. A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 August 2024.



**RocketDNA Ltd.**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2024**

	<b>Note</b>	<b>Consolidated 2024 \$</b>	<b>2023 \$</b>
Revenue	3	3,475,982	2,947,481
Cost of sales		<u>(1,704,921)</u>	<u>(1,487,026)</u>
Gross profit		<u>1,771,061</u>	<u>1,460,455</u>
Other income		45,828	16,307
Gains from disposals of assets		(6,488)	42,792
<b>Expenses</b>			
Operating expense		(2,322,494)	(2,065,670)
Impairment	4	27,766	(22,903)
Depreciation expense		(201,831)	(148,046)
Amortisation of intangible assets		<u>(21,259)</u>	<u>-</u>
<b>Operating loss</b>		<u>(707,417)</u>	<u>(717,065)</u>
Finance income		16,000	18,506
Finance expense	5	<u>(140,490)</u>	<u>(16,184)</u>
<b>Loss before income tax expense</b>		<u>(831,907)</u>	<u>(714,743)</u>
Income tax expense		<u>(52,073)</u>	<u>(25,441)</u>
<b>Loss after income tax expense for the half-year</b>		<u>(883,980)</u>	<u>(740,184)</u>
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(23,456)</u>	<u>(173,467)</u>
Other comprehensive loss for the half-year, net of tax		<u>(23,456)</u>	<u>(173,467)</u>
<b>Total comprehensive loss for the half-year</b>		<u><u>(907,436)</u></u>	<u><u>(913,651)</u></u>
Loss for the half-year is attributable to:			
Non-controlling interest		(11,337)	31,374
Owners of RocketDNA Ltd.		<u>(872,643)</u>	<u>(771,558)</u>
		<u><u>(883,980)</u></u>	<u><u>(740,184)</u></u>
Total comprehensive loss for the half-year is attributable to:			
Non-controlling interest		(31,788)	45,837
Owners of RocketDNA Ltd.		<u>(875,648)</u>	<u>(959,488)</u>
		<u><u>(907,436)</u></u>	<u><u>(913,651)</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	10	(0.13)	(0.15)
Diluted loss per share	10	(0.13)	(0.15)

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**RocketDNA Ltd.**  
**Consolidated statement of financial position**  
**As at 30 June 2024**

	<b>Note</b>	<b>Consolidated 2024 \$</b>	<b>2023 \$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,439,243	2,317,078
Trade and other receivables		1,421,713	1,494,142
Inventories		296,332	60,832
Deposits		48,939	59,207
Total current assets		<u>3,206,227</u>	<u>3,931,259</u>
<b>Non-current assets</b>			
Property, plant and equipment		1,297,194	1,264,914
Right-of-use assets		359,313	421,641
Intangibles		271,841	216,802
Deferred tax		11,342	18,620
Goodwill	6	<u>969,602</u>	<u>955,223</u>
Total non-current assets		<u>2,909,292</u>	<u>2,877,200</u>
<b>Total assets</b>		<u>6,115,519</u>	<u>6,808,459</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		1,052,562	800,934
Contract liabilities		188,950	151,986
Borrowings		41,152	107,922
Lease liabilities		180,435	186,663
Income tax		40,512	53,439
Total current liabilities		<u>1,503,611</u>	<u>1,300,944</u>
<b>Non-current liabilities</b>			
Borrowings		200,000	200,000
Lease liabilities		<u>575,922</u>	<u>680,024</u>
Total non-current liabilities		<u>775,922</u>	<u>880,024</u>
<b>Total liabilities</b>		<u>2,279,533</u>	<u>2,180,968</u>
<b>Net assets</b>		<u><u>3,835,986</u></u>	<u><u>4,627,491</u></u>
<b>Equity</b>			
Issued capital	7	14,402,113	14,367,691
Reserves	8	(1,324,636)	(1,411,229)
Accumulated losses		<u>(8,913,143)</u>	<u>(8,032,411)</u>
Equity attributable to the owners of RocketDNA Ltd.		4,164,334	4,924,051
Non-controlling interest		<u>(328,348)</u>	<u>(296,560)</u>
<b>Total equity</b>		<u><u>3,835,986</u></u>	<u><u>4,627,491</u></u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**RocketDNA Ltd.**  
**Consolidated statement of changes in equity**  
**For the half-year ended 30 June 2024**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Foreign currency translation reserve \$</b>	<b>Reserves \$</b>	<b>Share based payment reserve \$</b>	<b>Accumulated losses \$</b>	<b>Non-controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 January 2023	13,207,118	(253,029)	(968,570)	107,879	(6,504,734)	64,866	5,653,530
(Loss)/profit after income tax expense for the half-year	-	-	-	-	(771,558)	31,374	(740,184)
Other comprehensive (loss)/income for the half-year, net of tax	-	(141,620)	-	-	(46,310)	14,463	(173,467)
Total comprehensive (loss)/income for the half-year	-	(141,620)	-	-	(817,868)	45,837	(913,651)
Change in percentage of non-controlling interest	-	-	-	-	41,608	(41,608)	-
Share based payments	-	-	-	(16,206)	-	-	(16,206)
Exercise of options	17,247	-	-	-	-	-	17,247
Share issue costs	(3,210)	-	-	-	-	-	(3,210)
Shares issued to employees (non-KMP)	9,000	-	-	(9,000)	-	-	-
Shares issued to KMP under loan funded share plan	205,500	-	-	(205,500)	-	-	-
Balance at 30 June 2023	<u>13,435,655</u>	<u>(394,649)</u>	<u>(968,570)</u>	<u>(122,827)</u>	<u>(7,280,994)</u>	<u>69,095</u>	<u>4,737,710</u>

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Foreign currency translation reserve \$</b>	<b>Reserves \$</b>	<b>Share based payment reserve \$</b>	<b>Accumulated losses \$</b>	<b>Non-controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 January 2024	14,367,691	(417,029)	(968,570)	(25,630)	(8,032,411)	(296,560)	4,627,491
Loss after income tax expense for the half-year	-	-	-	-	(872,643)	(11,337)	(883,980)
Other comprehensive (loss)/income for the half-year, net of tax	-	5,083	-	-	(8,088)	(20,451)	(23,456)
Total comprehensive (loss)/income for the half-year	-	5,083	-	-	(880,731)	(31,788)	(907,436)
Issue of shares	35,000	-	-	-	-	-	35,000
Share issue costs	(578)	-	-	-	-	-	(578)
Share-based payments	-	-	-	81,510	-	-	81,510
Balance at 30 June 2024	<u>14,402,113</u>	<u>(411,946)</u>	<u>(968,570)</u>	<u>55,880</u>	<u>(8,913,142)</u>	<u>(328,348)</u>	<u>3,835,987</u>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**RocketDNA Ltd.**  
**Consolidated statement of cash flows**  
**For the half-year ended 30 June 2024**

	<b>Note</b>	<b>Consolidated 2024 \$</b>	<b>2023 \$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		3,846,328	3,383,219
Payments to suppliers (inclusive of GST)		(4,007,368)	(3,722,264)
		(161,040)	(339,045)
Interest received		15,987	19,465
Other revenue		7,057	19,145
Income taxes refunded		-	1,104
Prior years' income tax settlement, Ghana		(58,041)	-
Interest paid on prior years' income tax settlement, Ghana		(100,915)	-
Net cash used in operating activities		(296,952)	(299,331)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(366,018)	(197,105)
Payments for intangibles		(81,802)	-
Other		4,115	(10,153)
Proceeds from disposal of business		-	788,164
Proceeds from disposal of property, plant and equipment		6,912	48,350
Net cash from/(used in) investing activities		(436,793)	629,256
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	7	35,000	-
Proceeds from exercise of options		-	17,247
Transaction costs		-	(1,260)
Proceeds from borrowings		139	-
Share issue transaction costs		(11,599)	-
Repayment of borrowings		(157,434)	(98,732)
Net cash used in financing activities		(133,894)	(82,745)
Net increase/(decrease) in cash and cash equivalents		(867,639)	247,180
Cash and cash equivalents at the beginning of the financial half-year		2,317,077	2,253,877
Effects of exchange rate changes on cash and cash equivalents		(10,195)	(35,603)
Cash and cash equivalents at the end of the financial half-year		<u>1,439,243</u>	<u>2,465,454</u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

**RocketDNA Ltd.**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 1. Material accounting policy information**

**Going concern**

During the period, the Group generated a loss after tax from continuing operations of \$883,980 (2023: \$740,184), is reporting a net working capital of \$1,702,616 (2023 : \$2,753,945), has incurred net cash outflows from operations of \$296,952 (2023 outflow of \$299,331). As at 30 June 2024, the Group had \$1,439,243 in cash (2023 : \$2,317,078) and consolidated net assets of \$3,835,986 (2023 : \$4,737,710).

The Group has prepared the financial statements for the financial period ended 30 June 2024 on a going concern basis, which assumes continuity of current business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

**Note 2. Operating segments**

*Identification of reportable operating segments*

The Group is organised into 3 continuing operating segments. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments. The segments are aligned with the geographical locations of the Group's main business, namely Australia and Africa.

*Operating segment information*

	Australia	Africa	Corporate	Total
	\$	\$	\$	\$
<b>Consolidated - 2024</b>				
<b>Revenue</b>				
Revenue from external customers	826,485	2,649,497	-	3,475,982
Other income	33,201	12,627	-	45,828
Gain on sale of assets	(12,734)	6,246	-	(6,488)
<b>Total revenue</b>	<b>846,952</b>	<b>2,668,370</b>	<b>-</b>	<b>3,515,322</b>
<b>EBITDA</b>	(200,348)	620,284	(645,094)	(225,158)
Depreciation and amortisation	(156,550)	(323,459)	(30,015)	(510,024)
Impairment	(35,138)	62,904	-	27,766
Interest revenue	-	10,530	5,470	16,000
Finance income and expense	(19,094)	(119,094)	(2,304)	(140,492)
<b>(Loss)/profit before income tax expense</b>	<b>(411,130)</b>	<b>251,165</b>	<b>(671,943)</b>	<b>(831,908)</b>
Income tax expense	-	(52,073)	-	(52,073)
<b>Loss after income tax expense</b>				<b>(883,981)</b>
	Australia	Africa	Corporate	Total
Segment assets	2,100,534	3,250,391	764,594	6,115,519
Segment liabilities	1,097,131	985,024	197,378	2,279,533

**RocketDNA Ltd.**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 2. Operating segments (continued)**

	Australia	Africa	Corporate	Total
	\$	\$	\$	\$
<b>Consolidated - 2023</b>				
<b>Revenue</b>				
Revenue from external customers	940,864	2,006,595	-	2,947,459
Other income	-	16,306	-	16,306
Gain on sale of assets	-	42,791	-	42,791
<b>Total revenue</b>	<b>940,864</b>	<b>2,065,692</b>	<b>-</b>	<b>3,006,556</b>
<b>EBITDA</b>	(240,991)	522,316	(583,135)	(301,810)
Depreciation and amortisation	(105,652)	(256,003)	(30,719)	(392,374)
Impairment	-	(22,903)	-	(22,903)
Interest revenue	-	7,232	11,274	18,506
Finance income and expense	(6,846)	(5,489)	(3,827)	(16,162)
<b>(Loss)/profit before income tax expense</b>	<b>(353,489)</b>	<b>245,153</b>	<b>(606,407)</b>	<b>(714,743)</b>
Income tax expense	-	(25,441)	-	(25,441)
<b>Loss after income tax expense</b>				<b>(740,184)</b>
	Australia	Africa	Corporate	Total
Segment assets	1,727,281	2,441,560	1,896,298	6,065,139
Segment liabilities	757,843	288,624	280,962	1,327,429

**Note 3. Revenue**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Timing of revenue recognition		
At a point in time	1,281,366	1,245,579
Over time	2,194,616	1,701,902
	<b>3,475,982</b>	<b>2,947,481</b>

**Note 4. Impairment**

The loss allowance for trade receivables as at 30 June 2024 reconciled to the opening loss allowance as follows:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Expected credit loss on trade receivables recognised through P&L	(27,766)	22,903

**RocketDNA Ltd.**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 5. Finance expense**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Interest on motor vehicle and equipment leases	26,034	6,982
Interest on liabilities relating to right-of-use assets	14,902	2,665
Realised and unrealised foreign currency (gains)/losses	(1,361)	6,537
Interest on prior years' income tax settlement, Ghana	100,915	-
	<u>140,490</u>	<u>16,184</u>

**Note 6. Non-current assets - Goodwill**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Goodwill	<u>969,602</u>	<u>955,223</u>

Goodwill relates to the acquisition of Africa, and RocketDNA (WA) Pty Ltd (formerly Rocketmine WA Pty Ltd or Arvista Pty Ltd).

The recoverable amount of all cash-generating units is based on the higher of its value-in-use or fair value less costs to sell which require use of assumptions. For the purpose of impairment testing, goodwill is allocated to two (2) cash-generating units (CGU), being Africa and RocketDNA (WA) Pty Ltd. In assessing goodwill impairment for the period ended 30 June 2024, both CGUs used a discounted cash flow model in accordance with the value-in-use (VIU) method, which reflect the present value of the future cash flows to be derived from each CGUs.

**Note 7. Equity - issued capital**

	<b>2024</b>	<b>Consolidated</b>	
	<b>Shares</b>	<b>2023</b>	<b>2024</b>
		<b>Shares</b>	<b>\$</b>
Ordinary shares - fully paid	<u>656,114,841</u>	<u>652,225,953</u>	<u>14,402,113</u>
			<u>14,367,691</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 January 2024	652,225,953		14,367,691
Issuance of shares to Directors re: December 2023 placement	30 January 2024	3,888,888	\$0.0090	35,000
Share issue costs	30 January 2024			(578)
Balance	30 June 2024	<u>656,114,841</u>		<u>14,402,113</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.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

**Note 8. Equity - reserves**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Predecessor accounting reserves	(968,570)	(968,570)
Foreign currency translation reserve	(411,946)	(417,029)
Share-based payments reserve	55,880	(25,630)
	<u>(1,324,636)</u>	<u>(1,411,229)</u>

*Foreign currency translation reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

*Predecessor accounting reserve*

The predecessor accounting reserve comprises the excess of purchase price over the fair value of net assets when the common controlled entity, RocketDNA Training and Consulting (Pty) Ltd was acquired by Delta Drone SA France.

**Note 9. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Note 10. Earnings per share**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(883,980)	(740,184)
Non-controlling interest	11,337	(31,374)
Loss after income tax attributable to the owners of RocketDNA Ltd.	<u>(872,643)</u>	<u>(771,558)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	655,562,321	514,134,235
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>655,562,321</u>	<u>514,134,235</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(0.13)	(0.15)
Diluted loss per share	(0.13)	(0.15)

**Note 11. Share-based payments**

During the period, there were no shares or options granted to staff or directors and there were no changes in the estimates for the number of performance rights expected to vest for rights issued in previous years.

The Performance rights granted on 24 June 2021 did not meet the required milestones by 24 June 2024 as estimated at 31 December 2023, hence these rights will lapse with no change to the share-based payment estimate.



**Note 11. Share-based payments (continued)**

Details of the share-based payment recognition for existing instruments are set out below:

	<u>Recipient</u>	<u>Instrument</u>	<u>Number</u>	<u>Conditions</u>	<u>Grant Date</u>	<u>Recognition</u>	<u>Fair Value</u>
(i)	Christopher Clark	Performance Rights	6,000,000	2023 new milestones	25 May 2023	Pro-rata to 31 Dec 2024 and 31 Dec 2025	1.1c per right
(ii)	Paul Williamson	Performance Rights	3,000,000	2023 New Milestones	25 May 2023	Pro-rata to 31 Dec 2024 and 31 Dec 2025	1.1c per right
(iii)	Paul Williamson	Performance Rights	4,000,000	2022 New Milestones	25 May 2023	Pro-rata to 31 Dec 2024 and 31 Dec 2025	1.1c per right
(iv)	Christopher Clark	Loan Funded Shares	10,000,000	2 year escrow	19 June 2023	Equity option pro-rata to 18 June 2028	0.665c per option
(v)	Paul Williamson	Loan Funded Shares	5,000,000	2 year escrow	19 June 2023	Equity option pro-rata to 18 June 2028	0.665c per option
(vi)	African employees	Share options	6,500,000	future employment	23 May 2023	Pro-rata to 23 May 2024, 23 May 25 and 23 May 2026	0.591c 0.632c 0.654c
(vii)	Christopher Clark	Performance Rights	8,000,000	2022 new milestone	3 June 2022	Pro-rata to 31 Dec 2024 and 31 Dec 2025	1.4c per right

(viii) Of the 2,000,000 share options (fair value 0.69c per option) granted to Christopher Clark on 3 June 2022, 666,667 options vested during the period. Vesting of the Share options occurs based on employment conditions between 1 July 2022 and 1 July 2024.

The details of holdings of performance rights as at 30 June 2024 and the milestones are described in the tables below:

<b>Name</b>	<b>No. of Performance Rights</b>	<b>Milestones</b>
Christopher Clark	8,000,000	2022 Milestones
Christopher Clark	6,000,000	2023 Milestones
Paul Williamson	4,000,000	2022 Milestones
Paul Williamson	3,000,000	2023 Milestones

**2022 New Milestones**

<b>Milestone</b>	<b>Description</b>
New Milestone 1	The Group achieving total consolidated EBIT of not less than A\$nil (i.e. break-even) in a single financial year (being 1 Jan to 31 Dec) based on audited accounts having been prepared by an external auditor or other suitable expert.
New Milestone 2	The Group achieving total consolidated revenue of not less than A\$15,000,000 in a single financial year (being 1 Jan to 31 Dec) based on audited accounts having been prepared by an external auditor or other suitable expert.
New Milestone 3	The Group achieving total consolidated EBIT of more than A\$2,000,000 in a single financial year (being 1 Jan to 31 Dec) based on audited accounts having been prepared by an external auditor or other suitable expert.

**Note 11. Share-based payments (continued)**

**2023 New Milestones**

<b>Milestone</b>	<b>Description</b>
New Milestone 1	Reaching operating cashflow break even as measured by the total of four consecutive positive quarters as disclosed in the Company's ASX Appendix 4C item 1.9, excluding revenue received in the form of government grants, allowances, rebates or other hand outs.
New Milestone 2	Total Shareholder Return (TSR) of 100% as measured by the 10 day Volume Weighted Average Price (VWAP) of the Company's shares at the date of issuing the Performance Rights (Base Price) and the 10 day VWAP of the Company's shares at any given date (Milestone Price) up until the Performance Rights lapse. The VWAP of trading in the Company's securities on the ASX market and Chi-X market, excludes block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises. The formula for calculating the TSR is: $((\text{Milestone Price} - \text{Base}) + \text{dividends}) / \text{Base Price}$ .

**Reconciliation of expense and share-based payment reserve**

During the period to 30 June 2024, \$81,510 (2023: (\$16,206)) has been recognised as set out below:

Share based payments recognised cumulatively to 31 December 2023	148,870
Recognition of pro-rata expense for Performance rights granted 25 May 2023 (i) (ii) (iii)	29,640
Recognition of pro-rata expense for Loan funded share scheme (iv) (v)	24,835
Recognition of pro-rata expense for options issued to African employees (vii)	9,139
Recognition of pro-rata expense for Performance rights granted 3 June 2022 (xi)	15,596
Recognition of options granted 4 June 2022, vested 1 April 2024 and 1 July 2024 (xii)	2,300
Share-based payments recognised during the period to 30 June 2024	81,510
Share-based payment recognised cumulatively through P&L to 30 June 2024	230,380
Options issued cumulatively to 31 December 2023 for share issuance services	40,000
Loan funded and free shares issued cumulatively to 31 December 2023	(214,500)
Share-based payment reserve as at 30 June 2024	55,880
Share-based payment reserve as at 31 December 2024	(25,630)
Share-based payments recognised during the period to 30 June 2024	81,510
Share-based payment reserve at 30 June 2024	55,880

**RocketDNA Ltd.**  
**Directors' declaration**  
**30 June 2024**

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial half-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 made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



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Christopher Clark  
Chief Executive Officer

28 August 2024

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ROCKETDNA LTD AND ITS CONTROLLED ENTITIES

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of RocketDNA Ltd and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Directors' Responsibility for the half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 30 June 2024 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



**HALL CHADWICK AUDIT (WA) PTY LTD**  
**ABN 42 163 529 682**



**NIKKI SHEN CA**  
**Director**

Dated this 28<sup>th</sup> day August 2024  
Perth, Western Australia