

ASX Announcement

RocketBoots Limited

Quarterly Activities Report and Appendix 4C

January 2023

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Level 11, 189 Kent Street, Sydney NSW 2000 | ABN 83 165 522 887

ASX:ROC | 31st Jan 2023

Financial Review Q2 FY 2023



Cashflow Highlights

- ▶ Total quarterly cash receipts from customers of \$354K
- ▶ Existing contracts yet to be invoiced approximately \$54,677
- ▶ Net cash from operating activities of (\$376K)
- ▶ RocketBoots held \$2.88M in cash and cash equivalents at quarter's end
- ▶ 1.5+ Years of cash runway (assuming no new contract wins)

Business Progress

- ▶ Continued growth in the qualified international pipeline (USA and UK) with Multiple international trial proposals supplied and in negotiation
- ▶ UK and US market validation for both retail & retail banking complete & with positive feedback
- ▶ US Consultant hired, trained and launching direct sales to complement consulting company partner driven sales
- ▶ UK consultant trained on customer success manager role to drive timely trial delivery
- ▶ Multiple international trial proposals supplied and in negotiation
- ▶ New IP complete that improves the value of our retail banking proposition
- ▶ 25 qualified customers in the pipeline (+2 on Q1 23FY)
- ▶ 6 international trial proposals in negotiation (+6 on Q1 23FY)

Outlook

- ▶ Continued growth in pipeline resulting from increased sales outreach activities
- ▶ First trials in the larger USA and UK markets to be secured
- ▶ Decisions on trials previously announced expected Q3
- ▶ Revenue growth expected to begin Q3 and Q4
- ▶ RocketBoots will hold an investor presentation post submitting half year results



RocketBoots CEO comments

After a sustained period of sales outreach activities through partners and directly, RocketBoots has completed its market validation for its retail banking proposition in the US and UK, and its retail propositions in the UK. The response has been positive and allowed us to refine our propositions communications to meet local expectations as we are accelerating sales activities in these markets.

With multiple opportunities in flight with our management consulting company partners, we have hired a new RocketBoots consultant in the US who will be responsible for progressing these opportunities, onboarding new partners and running a mass outreach campaign to our entire US retail banking target market over the coming months.

In the UK, as opportunities progress through the pipeline, we have anticipated the need for customer success consultants and have begun the training of our existing UK consultant to also take on some of these tasks to enable trials to progress smoothly.

Locally in Australia and NZ our trials with previously announced clients also continue with none lost to date. We have also been re-engaged by customers that had COVID impacted trials in 2020, with positive and swift progress given previously established levels of trust

Everything is pointed in the right direction; good products, good team, markets that value our propositions, partnerships and staff located in the markets we expect to grow. With a growing pipeline and maturity in our sales processes we are buoyant about the signing of new customers and achieving revenue growth in the near term.

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Financial Review Q1 FY 2023



Total quarterly customer cash receipts

The cash receipts from customers were \$354K. These were for licence, maintenance and support contracts plus the enablement of the software at new sites.

Cash flows from operating activities

Total cash decreased by \$376K during the quarter; this is down from Q1 which was \$596K. This change is the result of a decrease in irregular expenses.

Use of Funds

The following is a Use of Funds Statement as outlined in the replacement Prospectus dated 27 October 2021. In accordance with applicable accounting standards the Actual Expenditure is for the period from the completion date of the acquisition, 19 November 2021 to the end of the quarter.

To provide maximum runway of cash, RocketBoots has effectively kept its Sales Team costs low due to the increased sales activities of its partner network. However, as new contracts are won, the sales team will need to expand rapidly with the following staff:

1. Customer Success Managers who will be responsible for professionally managing trials and converting these into large, long term contracts
2. Account managers who will be responsible for looking after contracted clients and up selling other software products into those accounts

There will also be an increase in Sales team expenditure as a result of the investment in our sales team in North America which launched in December 2022.

Details	Prospectus	Actual Expenditure
	\$K	\$K
Sales Team – new hires	2,920	712
Marketing / CRM	600	229
Technology Team – new hires	750	176
Cost of Offer	280	243
Working Capital and Other	700	2,062
Total	5,250	3,422

Related Party Statement

In accordance with Listing Rule 4.7C.3 the payments to related parties in the quarter were \$64,827 which were all related to Director's Board/Company Secretarial fees.

Financial Review Q1 FY 2023



Investor presentation

RocketBoots is happy to inform that it is planning to deliver an investor presentation post the submission of its 4D - half yearly results. An announcement will be made through the ASX portal and through our new investor email service.

Forward looking statements

The above information is not and is not intended to constitute financial advice, or an offer or an invitation, solicitation or recommendation to acquire or sell RocketBoots Limited shares or other financial products in any jurisdiction and is not a disclosure document or other offering document under Australian law or any other law.

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, any forward-looking statements contained herein. This advice is for information purposes only and readers are cautioned not to place undue reliance on forward-looking statements.

Contact details

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End of Announcement

Authorised for release by the board of RocketBoots Limited

About RocketBoots

RocketBoots takes a first principles approach to solving fundamental business problems — applying the power of mathematics, computer science and machine learning to create compelling, disruptive software.

RocketBoots portfolio of Beehive software helps retail banking and retail customers to:

- Optimise workforce costs across both physical and virtual channels
- Deliver better customer experiences across physical and virtual channels
- Reduce property refurbishment and leasing costs
- Improve profitability by stemming fraud and loss



Appendix 4C

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

Name of entity

RocketBoots Limited

ABN

83 165 522 887

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..6..months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	354	686
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(190)	(404)
(c) advertising and marketing	(28)	(67)
(d) leased assets	-	-
(e) staff costs	(496)	(1,096)
(f) administration and corporate costs	(37)	(123)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	21	31
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(376)	(974)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(40)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..6..months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(40)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..6..months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,260	3,897
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(376)	(972)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(40)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,884	2,884

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,884	260
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Term Deposit ¹	-	3,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,884	3,260

¹A term deposit of \$3.0m matured on 21 December 2022 and was partially rolled-over in January 2023.

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	65
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	Nil	-
7.2 Credit standby arrangements	Nil	-
7.3 Other (please specify)	Nil	-
7.4 Total financing facilities		Nil
7.5 Unused financing facilities available at quarter end		NIL
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(376)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,884
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,884
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	8
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

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

Date: 31st January 2022

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.