

Rocketboots Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Rocketboots Limited
ABN:	83 165 522 887
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	24.2% to	256,901
Results from ordinary activities after tax attributable to the owners of Rocketboots Limited	down	259.2% to	(1,434,893)
Results for the half-year attributable to the owners of Rocketboots Limited	down	259.2% to	(1,434,893)

Dividends

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

Comments

Rocketboots Limited's first sales team member in the UK executed a retail outreach and market validation campaign that targeted a large number of retailers. On the USA front, Rocketboots Limited's CEO spent 3 months in New York working with globally recognized management consulting companies that have expertise in retail branch strategy and transformation. Locally in A&NZ, we have seen good progress in our starting pipeline and encouragingly, in reinitiating relationships with clients we had trials with that were impacted by COVID and have restarted multiple opportunities.

3. Net tangible assets

	Reporting period \$	Previous period \$
Net tangible assets per ordinary security	<u>(0.02324)</u>	<u>(0.02091)</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable.

7. Audit qualification or review

The financial statements were subject to a review by the auditors and the auditor's review report is attached as part of the Interim Report.

8. Attachments

The Interim Report of Rocketboots Limited for the half-year ended 31 December 2022 is attached.

9. Signed

Signed

H Bradlow

Hugh Bradlow
Director
Sydney

Date: 28 February 2023

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Rocketboots Limited

Interim financial statements

For the half-year ended

31 December 2022

ABN 83 165 522 887

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GENERAL INFORMATION

The financial statements cover Rocketboots Limited as a Consolidated Entity consisting of Rocketboots Limited and the entities it controlled at the end of, or during the half-year. The financial statements are presented in Australian dollars, which is Rocketboots Limited's functional and presentation currency.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorized for issue, in accordance with a resolution of the directors on 28 February 2023.

CORPORATE DIRECTORY

DIRECTORS

Hugh Bradlow
Pang Ming Wee
Karl Medak
Cameron Petricevic

Chair and Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

COMPANY SECRETARY

Cameron Petricevic

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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STOCK EXCHANGE LISTINGS

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AUDITORS

RSM Australia Partners
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55 Collins Street
Melbourne VIC 3000

SOLICITORS

K&L Gates
Level 25
525 Collins Street
Melbourne VIC 3000

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the Consolidated Entity (Referred to hereafter as the '**Consolidated Entity**') consisting of Rocketboots Limited (referred to hereafter as the '**Company**') and the entity it controlled at the end of, or during the half-year ended 31 December 2022.

DIRECTORS

The following persons were directors of Rocketboots Limited during the whole of the financial half-year and up to the date of this report unless otherwise stated:

Hugh Bradlow	Chair
Pang Ming Wee	Non-Executive Director
Karl Medak	Non-Executive Director
Cameron Petricevic	Non-Executive Director

PRINCIPAL ACTIVITIES

Evidence-based change and risk management: through a portfolio of AI-based software that businesses & consultants rely on to accurately transform & operate a large network of distributed sites.

REVIEW OF OPERATIONS

The loss for the group amounted to \$1,434,893 for the half-year (31 December 2021 half-year: loss of \$399,493.) In line with the prospectus, Rocketboots Limited has successfully bolstered its workforce and has proceeded with expansion into global markets.

Rocketboots Limited continues to progress the sales pipeline and negotiated a 12-month Beehive subscription renewal from a major retailer worth \$309,835.

As a result of Rocketboots Limited ramping up sales activities in the large potential markets of the USA and the UK from 1H23, a large increase in customer meetings and pipeline growth was achieved. From a sales perspective, it was the busiest period in the Company's history with our sales team growing from one to four. This team is now trained to cover everything from business development outreach campaigns, opportunity qualification, proposals, onboarding, and pilot delivery support services. In addition, one of our US team members has come to us from a globally recognized management consulting company and will use his knowledge to further our relationships and 'go to market' with our partners and customers.

Rocketboots Limited's first sales team member in the UK executed a retail outreach and market validation campaign that targeted a large number of retailers. This outreach resulted in meetings with approximately 23% of customers and proposals being sent to approximately 11%, which are all currently under negotiation. This level of conversion demonstrates the attractiveness of our propositions in the UK market.

On the USA front, Rocketboots Limited's CEO spent 3 months in New York working with globally recognized management consulting companies that have expertise in retail branch strategy and transformation. Through these relationships, Rocketboots Limited has been able to align its value proposition communications to key strategic priorities of retail banking executive teams. Go to markets with these management consulting companies began and resulted in new retail banking pipeline opportunities which are currently under negotiation.

Locally in A&NZ, we have seen good progress in our starting pipeline and encouragingly, in reinitiating relationships with clients we had trials with that were impacted by COVID and have restarted multiple

DIRECTORS' REPORT

opportunities. This is exciting for Rocketboots Limited as we already have a level of trust with these clients and have completed security and procurement processes.

At the same time, the technology team completed the next version of our Artificial Intelligence (AI) software for retail banking with a release due in Q3 FY23. We expect this release will further the attraction of our software as it assists retail banking executives with a major strategic issue "how to redeploy underutilized branch staff time to service virtual tasks, such as the call centre without impacting customer service in the branches."

In anticipation of near-term international contracts and to assist our internationally located system integrator partners' supply, Rocketboots Limited prioritized the deployment of its Edge Deployment Manager (EDM) software. This enables partners to pre-configure hardware before it is installed at client sites which reduces the need for Rocketboots Limited to establish resources in the USA and the UK markets for this work. This effectively allows Rocketboots Limited to scale faster and at improved margins.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

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*.



Hugh Bradlow
Chair
28 February 2023

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Rocketboots Limited and its controlled entities for the half year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM

RSM AUSTRALIA PARTNERS



M PARAMESWARAN

Partner

Melbourne, Victoria

Dated: 28 February 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2022

	Notes	Consolidated	
		31 Dec 2022	31 Dec 2021
		\$	\$
Continuing operations			
Revenue	4	256,901	338,894
Direct employee expense		(48,646)	(67,971)
Direct costs		(72,525)	(143,709)
Gross profit		135,730	127,214
Employee benefit expenses		(1,082,702)	(799,580)
Other expenses	5	(515,513)	(211,406)
Total expenses		(1,598,215)	(1,010,986)
Other income	5	27,592	484,279
Loss before income tax expense		(1,434,893)	(399,493)
Income tax expense		-	-
Profit / (loss) for the half-year		(1,434,893)	(399,493)
Other comprehensive income for the half-year		-	-
Total comprehensive income / (loss) for the period attributable to shareholders of the Company		(1,434,893)	(399,493)
		Cents	Cents
Basic loss per share	16	(2.65)	(0.95)
Diluted loss per share	16	(2.65)	(0.95)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	Consolidated	
		31 Dec 2022	30 Jun 2022
		\$	\$
Current assets			
Cash and cash equivalents		2,884,341	3,896,630
Trade and other receivables	6	32,509	45,464
Contract assets		6,975	39,310
Prepayments		105,465	59,683
Total current assets		3,029,290	4,041,087
Non-current assets			
Property, plant and equipment		36,779	4,873
Total non-current assets		36,779	4,873
Total assets		3,066,069	4,045,960
Current liabilities			
Trade and other payables	7	371,202	361,856
Contract liabilities		534,710	154,615
Employee benefits	8	466,723	458,582
Total current liabilities		1,372,635	975,053
Non-current liabilities			
Employee benefits	8	64,075	58,048
Total non-current liabilities		64,075	58,048
Total liabilities		1,436,710	1,033,101
Net Assets		1,629,359	3,012,859
Equity			
Issued capital	10	11,763,941	11,763,941
Reserves	11	141,594	90,201
Accumulated losses		(10,276,176)	(8,841,283)
Total Equity		1,629,359	3,012,859

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2022

	Share capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	6,783,640	-	(7,284,291)	(500,651)
Total comprehensive income for the half-year	-	-	(399,493)	(399,493)
Transactions with owners in their capacity as owners:				
Contributions	4,250,000	-	-	4,250,000
Share-based payment (performance rights) Note 11	(29,207)	29,207	-	-
Capital raise costs	(243,000)	-	-	(243,000)
Shares issued to original shareholders of Rocketboots Operation Pty Ltd	1,002,508	-	-	1,002,508
Balance at 31 December 2021	11,763,941	29,207	(7,683,784)	4,109,364
Balance at 1 July 2022	11,763,941	90,201	(8,841,283)	3,012,859
Total comprehensive income for the half-year	-	-	(1,434,893)	(1,434,893)
Transactions with owners in their capacity as owners:				
Share-based payment (performance rights) Note 11	-	51,393	-	51,393
Balance at 31 December 2022	11,763,941	141,594	(10,276,176)	1,629,359

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

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2022

	Consolidated	
	31 Dec 2022	31 Dec 2021
Notes	\$	\$
Cash flow from operating activities		
Receipts from customers	678,292	250,000
Payments to suppliers and employees	(1,688,423)	(416,857)
Interest received	31,587	-
Net cash used in operating activities	(978,544)	(166,857)
Cash flow from investing activities		
Payments for property, plant and equipment	(33,745)	(2,005)
Net cash used in investing activities	(33,745)	(2,005)
Cash flow from financing activities		
Proceeds from issue of equity securities	-	4,250,000
Payments for capital raise costs	-	(243,000)
Acquired cash balance at acquisition date	-	1,016,004
Net cash used in financing activities	-	5,023,004
Net increase/(decrease) in cash and cash equivalents	(1,012,289)	4,854,142
Cash and cash equivalents at the beginning of the financial half-year	3,896,630	3,289
Cash and cash equivalents at end of financial half-year	2,884,341	4,857,431

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

1. SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022, for Rocketboots Operations Pty Ltd, and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity 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 mandatory have not been early adopted.

1A. GOING CONCERN

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

As disclosed in the financial statements, the Consolidated Entity incurred a loss of \$1,434,893 and had net cash outflows of \$978,544 for the half-year ended 31 December 2022. As noted in Note 14, the Consolidated Entity is still in the growth phase of expanding to the US and UK markets. Consequently, expenses have increased to facilitate the exposure to overseas markets.

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

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

- The Consolidated Entity holds \$2,884,341 of cash and cash equivalents and had net current assets of \$1,656,655 as at 31 December 2022, and has the ability to reduce expenditures if necessary to reduce operating cash requirements.

- Management has reviewed the cashflow forecasts and has assessed that there is sufficient cash reserves and incoming cash to continue operations for a period of greater than 12 months from the date of this report. This assessment is based on existing proposals and correspondence with customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

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

2. ESTIMATES

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the last annual financial statements for the year ended 30 June 2022.

3. SEGMENT REPORTING

Basis of accounting for purposes of reporting by operating segments

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Consolidated Entity.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

4. REVENUE

	31 Dec 2022	31 Dec 2021
	\$	\$
Revenue from contracts with customers	256,901	338,894

Disaggregation of revenue

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

License fee	219,587	273,734
Enablement revenue	37,314	65,160
Total	256,901	338,894

Timing of revenue recognition

Services transferred over time	219,587	273,734
Services at a point in time	37,314	65,160
Total	256,901	338,894

5. OTHER EXPENSES AND OTHER INCOME

	31 Dec 2022	31 Dec 2021
	\$	\$
<i>Loss before income tax includes the following specific expenses</i>		
Contractor expense whose work is not billable	-	74,972
Software subscriptions	84,271	45,288
Share-based payments (performance rights)	51,393	-
Depreciation	1,839	1,553
Professional expenses and other expenses	378,010	89,593
Total	515,513	211,406
Related party loan forgiveness as condition precedent to the IPO	-	484,279
Interest income	27,592	-
Total	27,592	484,279

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

6. TRADE AND OTHER RECEIVABLES

	31 Dec 2022	30 Jun 2022
	\$	\$
Trade receivables	23,770	18,623
Less: provision for expected credit loss	-	-
	<u>23,770</u>	<u>18,623</u>
Accrued income	8,739	3,995
Sundry debtors	-	22,846
Total	<u>32,509</u>	<u>45,464</u>

7. TRADE AND OTHER PAYABLES

	31 Dec 2022	30 Jun 2022
Current	\$	\$
Trade payables	138,012	103,313
GST payable	8,181	19,186
Sundry payables and accrued expenses	225,009	239,357
Total	<u>371,202</u>	<u>361,856</u>

8. EMPLOYEE BENEFITS

	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Current</i>		
Annual leave	283,709	285,398
Long service leave	183,014	173,184
	<u>466,723</u>	<u>458,582</u>
<i>Non-current</i>		
Long service leave	64,075	58,048
	<u>64,075</u>	<u>58,048</u>
Total	<u>530,798</u>	<u>516,630</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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

9. RELATED PARTY TRANSACTIONS

The Company currently operates from office premises that are being on-leased by The Frame Group Pty Ltd (Frame). E8 Group Pty Limited is the owner of Frame and is the major shareholder of the Company following the completion of the transaction. The Company and Frame have entered into an agreement pursuant to which Frame will grant the Company a sub-lease to continue to operate out of the current premises under that rent payable will be \$1 per annum for a 2-year term.

At Completion of the Share Sale Agreement and as a condition precedent to the IPO, Frame forgave all related party loans totalling \$484,279.

Transactions with related parties:

	31 Dec 2022	31 Dec 2021
	\$	\$
Payment made by Frame on behalf of ROPL	-	573,566
Loan forgiven by Frame	-	484,279

10. ISSUED CAPITAL

Share Capital

	30 Dec 22	30 Jun 22	30 Dec 22	30 Jun 22
Shares issued and fully paid	Shares	Shares	\$	\$
	60,250,032	60,250,032	11,763,941	11,763,941

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

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

Deferred consideration shares

Under the Share Sale Agreement, 40% of the Consideration Shares owed to the Sellers of the subsidiary are not to be issued, being 19,000,000 deferred consideration shares until the Deferred Period comes to an end (but will still be subject to escrow for 24 months from Official Quotation).

Capital Risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, and that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

This capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

11. RESERVES

There were no dividends paid, recommended or declared during the current or previous financial half-year.

	31 Dec 2022	30 Jun 2022
	\$	\$
Opening reserves	90,201	29,207
Share-based payment	51,393	60,994
Closing reserves	141,594	90,201

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to the corporate advisor.

Number of options granted	903,750
Grant date	7 December 2021
Volatility	42.1%
Risk free rate	0.98%
Exercise Price	\$0.30
Fair value of each option on grant date	\$0.032
Fair value of options	\$29,207
Expiry date	7 December 2024
Voluntary escrow for 2 years from date of issue	

For ongoing advisory services

Number of options granted	903,750
Grant date	16 February 2022
Volatility	94.5%
Risk free rate	1.62%
Exercise Price	\$0.30
Fair value of each option on grant date	\$0.0675
Fair value of options	\$60,994
Expiry date	8 March 2025
Voluntary escrow for 2 years from date of issue	

July 2022 employee performance rights issued

Number of performance rights granted	813,250
Grant date	1 July 2022
Vesting date	1 July 2023
Share price as at 24 August 2022	\$0.12
Fair value of performance rights at 31 Dec 22	\$51,393

813,250 Share Performance Rights under the Employee Incentive Plan were issued to non-executive and non-Director Employees on 01 July 2022. These rights will vest on 1 July 2023. Currently, there are 788,500 live options and it is expected that no further employees will depart Rocketboots by vesting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

12. DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial half-year.

13. CONTINGENT ASSETS AND LIABILITIES

At balance date the Consolidated Entity has no contingent assets or contingent liabilities.

14. INTEREST IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries.

Controlled Entities	Country of Incorporation	Ownership Interest	Ownership Interest
		31 Dec 2022	30 Jun 2022
		%	
Rocketboots Operations Pty Ltd	Australia	100	100
Rocketboots Inc.	United States	100	-
Rocketboots Operations UK Limited	United Kingdom	100	-

During the half-year 2022, Rocketboots Inc. (US) and Rocketboots Operations UK Limited (UK) were incorporated. These entities are wholly owned subsidiaries of Rocketboots Limited.

15. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 31 December 2022 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.

16. LOSS PER SHARE

	2022	2021
	\$	\$
Loss after income tax attributable to the owners of the Company	(1,434,893)	(399,493)
Weighted average number of common shares used in calculating basic loss per share	54,090,109	41,870,692
Weighted average number of common shares used in calculating diluted loss per share	54,090,109	41,870,692
	cents	cents
Basic and diluted loss per share	(2.65)	(0.95)

The calculation of weighted average number of shares has been adjusted retrospectively for the effects of the equity recapitalisation associated with the reverse acquisition.

DIRECTORS' DECLARATION

For the half-year ended 31 December 2022

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 Consolidated Entity's financial position as at 31 December 2022 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



Hugh Bradlow
Chair

Dated the 28 February 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT
To The Members of Rocketboots Limited 31 December 2022

Conclusion

We have reviewed the accompanying half-year financial report of Rocketboots Limited (company) which comprises of the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rocketboots Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as of 31 December 2022 and of its performance for the half-year that ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1A in the interim financial report, which indicates that the consolidated entity incurred a net loss of \$1,434,893 during the half year ended 31 December 2022 and had net cash outflows of \$978,544. As stated in Note 1A, these events or conditions, along with other matters as set forth in Note 1A, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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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 for the Review of the Half-Year Financial Report

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, we have become aware of any matter that makes us 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 consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

A stylized, handwritten-style logo of the letters 'RSM' in blue ink.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read 'M Parameswaran'.

M PARAMESWARAN

Partner

Dated: 28 February 2023
Melbourne, Victoria