

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Financial Statements

For the Year Ended 30 June 2023

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

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For the Year Ended 30 June 2023

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RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Corporate Directory**30 June 2023****Directors**

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

Company Secretary

Cameron Petricevic

Registered Office and Principal Place of Business

Level 11
189 Kent Street
Sydney NSW 2000
Telephone: +61 02 9323 2500
Email: info@rocketboots.com

Websitewww.rocketboots.com**Stock Exchange Listing**

ASX Limited
20 Bridge Street
Sydney NSW 2000
ASX Code: ROC

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067
Telephone: +61 02 9415 5000
Facsimile: +61 02 9473 2500
Website: www.computershare.com

Auditors

RSM Australia Partners
Level 21
55 Collins Street
Melbourne VIC 3000

Solicitors

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

RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2023

The directors present their report, together with the financial statements of the Group, being RocketBoots Limited (the "Company") and its controlled entity (the "Group"), for the financial year ended 30 June 2023.

1. General information

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Hugh Bradlow	Non-Executive Independent Chairman
Qualifications	B.Sc (Eng)(1 st class Honours), D.Phil (Oxon), FTSE
Experience	Hugh has been the President at Australian Academy of Technology and Engineering since October 2016. Since June 2017 he has also been a Non- Executive Director at Silicon Quantum Computing Pty Ltd, a joint venture start- up working to commercialise the University of New South Wales' silicon quantum computing technology. In 2021, Hugh served on the Australian Government's Regional Telecommunications Independent Review Committee. Hugh previously worked at Telstra for over 22 years. He spent three years as the Chief Scientist at Telstra. Prior to that he held the role of Telstra's Chief Technology Officer for over eight years, and Head of Innovation for 3 years. Prior to joining Telstra in 1995, Hugh was Professor of Computer Engineering at the University of Wollongong. He was also Professor of Electrical Engineering (Digital Systems) at the University of Cape Town. Hugh is a graduate in electrical engineering from the University of Cape Town and has received a D.Phil. degree for research in experimental nuclear physics from the University of Oxford. He has numerous academic appointments, and holds a Centenary Medal from the Commonwealth of Australia. In 2009, he was elected as the joint Australian Telecommunications Ambassador of the Year. Global Telecom Business has named him as one of the 100 most influential telecommunications executives in the world, and he has been named one of the 12 most influential people in Australian ICT by Smart Company
Interest in shares and options	50,000 shares and no options
Contractual rights to share	None
Special responsibilities	Member of the Audit & Risk Committee Member of the Nomination and Remuneration Committee
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None

RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2023

1. General information (continued)

Information on directors (continued)

Pang Ming Wee	Non-Executive Independent Director
Qualifications	Chartered Accountant, CAANZ
Experience	<p>Pang Ming is a qualified Chartered Accountant with the Institute of Chartered Accountants in Australia (ICAA, now Chartered Accountants Australia and New Zealand) and graduated with a Bachelor of Commerce in University of Queensland, Australia and comes with 8 years of Audit Assurance experience with KPMG and BDO. His portfolio ranged from telecommunications, property development, print & online media, construction, retail and trading and multi-level marketing.</p> <p>He has worked with various advisors in the initial public offering of iCar Asia Ltd, Ensogo Ltd and Frontier Digital Ventures Ltd.</p>
Interest in shares and options	134 shares and no options
Contractual rights to share	None
Special responsibilities	<p>Member of the Audit & Risk Committee</p> <p>Member of the Nomination and Remuneration Committee</p>
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None
Karl Medak	Non-Executive Director
Qualifications	Bachelor of Business & Commerce degree; Diploma in Project Management; Diploma - Company Directors Course
Experience	<p>Karl has almost 40 years of deep experience within the information and communications technology (ICT) sector, across varied segments including corporate matters.</p> <p>He has worked for Telstra, Ericsson Australia, Lend Lease Communications, Communications Design & Management and is became a founding member of The Frame Group (Frame Group) in 2000. He has experience with working with some of Australia's largest corporates as well as government and defence clients.</p> <p>Karl has several other certifications and industry memberships, including a Fellow of the Australian Institute of Company Directors (FAICD) and is a Certified Practicing Portfolio Executive (CPPE) with the Australian Institute of Project Management.</p> <p>Karl is currently the head of Frame Group's consulting practice, focusing on advice and solutions that help to improve organisational performance, improve return on investment ('ROI') and increase competitiveness</p>
Interest in shares and options	20,499,930 shares and no options
Contractual rights to share	Karl is entitled to 13,500,000 Deferred Consideration Shares, which will be issued to E8 Group Pty Ltd (a company under his control) on 1 December 2023, being 2 years and 10 business days after the completion of the Reverse Acquisition
Special responsibilities	Member of the Audit & Risk Committee
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None

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Directors' Report

30 June 2023

1. General information (continued)

Information on directors (continued)

Cameron Petricevic	Non-Executive Director
Qualifications	Actuary (AIAA), B Commerce/B Engineering (Hons) and Graduate of the Australian Institute of Company Directors (GAICD)
Experience	Cameron has spent over 18 years in the financial industry, with roles at AXA Asia Pacific Holdings (now AMP), Acorn Capital and Kentgrove Capital/Lucrum. Cameron has extensive investment banking experience, including valuations, mergers & acquisitions, initial public offerings and portfolio management. Cameron is a founder/director of Lucrum as well as other private organisations. Cameron is a qualified Actuary (AIAA) and holds a Bachelor of Commerce (Actuarial) and a Bachelor of Engineering (Electrical) from the University of Melbourne, with First Class Honours. He is also a Graduate of the Australian Institute of Company Directors (GAICD) and founder/treasurer of Brimbank ToRCH, a Royal Children's Hospital auxiliary charity.
Interest in shares and options	3,750,000 shares and no options
Contractual rights to share	Cameron is entitled to 2,500,000 Deferred Consideration Shares, which will be issued to TTOR Pty Ltd as trustee for the H, M & C Petricevic Superannuation Fund on 1 December 2023, being 2 years and 10 business days after the completion of the Reverse Acquisition
Special responsibilities	Chair of RocketBoots Inc (RocketBoots Limited's USA subsidiary) Chair of RocketBoots Operations UK Ltd (Rocketboots Limited's UK subsidiary) Chair of Nomination and Remuneration Committee
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	TSN:ASX

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

The principal activities of the Group during the financial year were to operate software as a service at scale using proprietary computer vision-based machine learning/artificial intelligence applications to optimise businesses and solve security challenges.

There were no significant changes in the nature of the Group's principal activities during the financial year.

RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2023

2. Operating results and review of operations for the year

Review of operations

RocketBoots Limited ("ROC") had a positive year as a result of a successful international outreach which has seen ROC secure its first international customers. However, the Group did post a loss which amounted to \$2,610,343 for the full year ended 30 June 2023 (30 June 2022: loss of \$1,556,998).

Approaching the one-year mark of international sales, RocketBoots witnessed building momentum, signing multiple UK customers, completing integration with customer's point-of-sale systems and have trial site installations set to begin shortly after the financial year end. During the trials, return on investment evaluations typically commence within 6 – 8 weeks of installation and the results drive opportunities to negotiate scaled rollout contracts for multiple years.

Short-term sales and marketing investments were increased for the international outreach and independent validation of RocketBoots' propositions was undertaken by management consulting partners who affirmed the strategic importance of ROC's solutions in retail banking and retail industries, leading to enhanced confidence in offerings, increased introductions to potential clients and our first customer win in collaboration with a management consulting partner.

Market validation was successfully completed for ROC's workforce and loss prevention propositions in the UK, EU and USA, leading to a growing & diverse pipeline across the regions and refined communication strategies tailored to local expectations. The Company hired UK & US expansion leads to drive opportunities, onboard partners, orchestrate ongoing outreach to our target markets and to take on project management/customer success roles for our first trials in their respective regions.

Progress was also observed in Australian and New Zealand markets, resulting in new contracts, contract extensions, sites extensions and new trial negotiations. Trial planning and customer onboarding with clients in Australia and NZ continued positively, and re-engagement occurred with customers impacted by COVID-related disruptions in 2020.

On the technology side of the business, new machine learning R&D was completed for our workforce optimisation software which means we can now deliver into retail groceries, this increases our addressable market globally and has already resulted in pipeline growth and our first trial win (UK).

In summary, the past year transformed RocketBoots' pipeline diversity and critical mass, enabling negotiations in multiple regions through direct and channel-based sales strategies. Global management consulting firms recognised the value of RocketBoots' service-centric workforce software for in person service locations operations, yielding opportunities and installations that promised increased software adoption and revenue.

Material business risk

Sufficiency of funding

The Company currently has limited financial resources to fund operations. The Company is in the process of securing new contracts, including in overseas markets, in order to become cashflow positive. The ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors.

Business strategy execution risk

The Company is reliant on retaining its current pipeline of customers as well as winning contracts and developing relationships with new customers. This includes overseas customers. Onboarding of new customers requires significant initial investment on their behalf, which may discourage them from adopting BeeHive.

RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2023

2. Operating results and review of operations for the year (continued)

Material business risk (continued)

Reliance on key personnel

The Company depends to a significant extent on the ability, performance and experience of its key personnel. A loss of key personnel or an inability to recruit suitable replacements can have a material impact on the Company's leadership as well as its ability to onboard new customers. RocketBoots is dependent on key personnel to increase sales and develop its sales pipeline.

Competition

The Company faces risks associated with new entrants to the market, as well as current competitors. These risks include aggressive marketing campaigns, product innovation, price discounting, advances in technology and acquisitions. If any of these risks materialise, it could have negative impact upon the Company's ability to compete in the market.

Additionally, the Company exists in a relatively fast-paced industry and is at risk of new technology becoming available that supersedes BeeHive. This may result in lower competitiveness or discounting required to continue to drive sales.

Regulatory risk

The Company and its products are subject to various laws and regulations, including accounting standards, taxes, cybersecurity and privacy laws. Changes in these laws could negatively affect financial performance. Additionally, laws are specific to each geographic location, and the Company has expanded into both the US and UK markets. There is a risk that the Company is not compliant with new, unfamiliar laws in these locations.

3. Other items

Significant changes in state of affairs

The Company incorporated RocketBoots Inc, a company incorporated in the United States, and RocketBoots Operations UK Limited, a company incorporated in the United Kingdom. Both companies are wholly owned subsidiaries of the Company.

788,500 of the Employee Incentive Plan Awards were issued in August 2023 (with the remaining Awards expiring).

Besides from the above, there have been no significant changes in the state of affairs of entities in the Group during the year.

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Directors' Report

30 June 2023

3. Other items (continued)

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Company secretary

The following person held the position of Company secretary at the end of the financial year:

Cameron Petricevic (AIAA, B Comm/Eng, GAICD) has been the company secretary since August 2022.

Meetings of directors

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Hugh Bradlow	8	8	1	1	1	1
Pang Ming Wee	8	8	1	1	1	1
Karl Medak	8	8	1	1	-	-
Cameron Petricevic	8	8	-	-	1	1

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of RocketBoots Limited and Controlled Entities.

RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2023

Options

At the date of this report, the unissued ordinary shares of RocketBoots Limited and Controlled Entities under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
07 December 2021	07 December 2024	\$0.30	903,750
16 February 2022	16 February 2025	\$0.30	903,750
			1,807,500

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

For details of options issued to directors and other key management personnel as remuneration, refer to the remuneration report.

Employee Incentive Plan – Award

Grant Date	Vesting Date	Performance Rights
1 July 2022	1 July 2023	813,250
		813,250

813,250 Share Performance Rights under the Employee Incentive Plan were issued to non-executive and non-Director Employees on 1 July 2022. These rights will vest on 1 July 2023. Currently, there are 788,500 live rights.

Proceedings on behalf of company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-audit services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

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Directors' Report

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Non-audit services (continued)

The following fees were paid or payable to the external auditors for non-audit services provided during the year ended 30 June 2023:

	2023	2022
	\$	\$
Other services	18,347	4,000
Tax due diligence – pre-IPO	-	8,500
Investigating accountant's services	-	33,500
	<hr/>	<hr/>
	18,347	46,000

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2023 has been received and can be found on page 17 of the financial report.

Remuneration report (audited)

Remuneration policy

The remuneration policy of RocketBoots Limited and Controlled Entities has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of RocketBoots Limited and Controlled Entities believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- The remuneration policy has been developed by the Nomination and Remuneration Committee and approved by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives.
- Performance incentives are based on predetermined key performance indicators.
- Incentives paid in the form of options or rights are intended to align the interests of the KMP and the Group with those of the shareholders. In this regard, key management personnel are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Remuneration Committee reviews key management personnel packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

RocketBoots Limited and Controlled Entities

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Directors' Report

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Remuneration report (audited) (continued)

Remuneration policy (continued)

Key management personnel receive a superannuation guarantee contribution required by the law, which is currently 10.5%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the Group and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

Key management personnel are also entitled and encouraged to participate in the employee share and option arrangements to align their interests with shareholders' interests.

Options granted under these arrangements do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share and is valued using the Black-Scholes methodology.

Key management personnel who are subject to these arrangements are subject to a policy governing the use of external hedging arrangements. Such personnel are prohibited from entering into hedge arrangements, i.e. put options, on unvested shares and options which form part of their remuneration package. Terms of employment signed by such personnel contain details of such restrictions.

Relationship between remuneration policy and company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus based on key performance indicators, and the second being the issue of options to directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy has been effective in increasing shareholder wealth.

The following table shows the gross revenue, profits and dividends for the last five years for the Company, as well as the share prices at the end of the respective financial years.

	2023	2022
	\$	\$
Revenue	532,655	640,547
Loss after tax	(2,610,343)	(1,556,998)
Share price at year-end	0.08	0.09

RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2023

Remuneration report (audited) (continued)

Performance conditions linked to remuneration

The key performance indicators (KPIs) are set annually, with a certain level of consultation with key management personnel to ensure support. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greatest potential for the Group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the Remuneration Committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

The satisfaction of the financial performance conditions are based on a review of the audited financial statements of the Group, as such figures reduce any risk of contention relating to payment eligibility. The Board does not believe that performance conditions should include a comparison with factors external to the Group at this time.

Employment details of members of key management personnel

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the Group.

Directors	Position
Hugh Bradlow	Non-executive Independent Chairman
Pang Ming Wee	Non-executive Independent Director
Karl Medak	Non-executive Director
Cameron Petricevic	Non-executive Director and Company Secretary
KMP	
Joel Rappolt	Chief Executive Officer
Harry Robin Hilliard	Chief Technology Officer

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RocketBoots Limited and Controlled Entities

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Directors' Report

30 June 2023

Remuneration report (audited) (continued)

Service Agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of director.

In cases of resignation, no separation payment is made to the executive, except for amounts due and payable up to the date of ceasing employment, including accrued leave entitlements.

The remuneration and other terms of employment for the Managing Director and senior executives are set out in formal service agreements. Details of these agreements are as follows:

Name	Joel Rappolt
Title	Chief Executive Officer
Agreement Commenced	19 November 2021
Term of Agreement	Indefinite, subject to resignation or termination for any other reason Base salary for the year ending 30 June 2023 of \$180,000 plus superannuation, to be reviewed annually by the Board of Directors. 3-month termination notice via resignation, 1 month termination notice by the Company. Cash bonus of \$40,000, subject to KPI achievement and at the discretion of the Board of Directors. Non-solicitation and non-compete clauses.
Details	
Name	Robin Hilliard
Title	Chief Technology Officer
Agreement Commenced	19 November 2021
Term of Agreement	Indefinite, subject to resignation or termination for any other reason Base salary for the year ending 30 June 2023 of \$180,000 plus superannuation, to be reviewed annually by the Board of Directors. 3-month termination notice via resignation, 1 month termination notice by the Company. Cash bonus of \$40,000, subject to KPI achievement and at the discretion of the Board of Directors. Non-solicitation and non-compete clauses.
Details	

Changes in KMP

Leslie Smith resigned as both Chief Financial Officer and Company Secretary on 5 August 2022. Cameron Petricevic was appointed as Company Secretary subsequently.

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Directors' Report

30 June 2023

Remuneration report (audited) (continued)

Remuneration details for the year ended 30 June 2023

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

Table of benefits and payments

2023	Short-term		Post-employment	Long-term	
	Cash salary fees	Annual leave		Superannuation	Long service leave
	\$	\$	\$	\$	\$
Directors					
Hugh Bradlow	54,297	-	5,724	-	60,021
Pang Ming Wee	55,000	-	-	-	55,000
Karl Medak	47,626	-	2,395	-	50,021
Cameron Petricevic*	98,068	-	-	-	98,068
KMP					
Joel Rappolt	180,000	15,992	18,900	3,465	218,357
Harry Robin Hilliard	174,462	(6,889)	18,318	1,066	186,957
Leslie Smith	7,475	-	-	-	7,475
	616,928	9,103	45,337	4,531	675,899

* Includes Company Secretarial Duties

2022	Short-term		Post-employment	Long-term	
	Cash salary fees	Annual leave		Superannuation	Cash salary fees
	\$	\$	\$	\$	\$
Directors					
Hugh Bradlow	33,633	-	3,363	-	36,996
Pang Ming Wee	77,440	-	-	-	77,440
Karl Medak	28,039	-	2,804	-	30,843
Cameron Petricevic	33,917	-	-	-	33,917
Mark Licciardo	21,827	-	-	-	21,827
David Nairn	21,826	-	-	-	21,826
KMP					
Joel Rappolt	110,117	32,132	11,011	13,716	166,976
Harry Robin Hilliard	110,117	11,979	11,011	19,676	152,783
Leslie Smith	30,955	-	3,095	-	34,050
	467,871	44,111	31,284	33,392	576,658

Securities received that are not performance related

No members of key management personnel are entitled to receive securities which are not performance-based as part of their remuneration package.

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Directors' Report

30 June 2023

Remuneration report (audited) (continued)

Key management personnel shareholdings

The number of ordinary shares in RocketBoots Limited and Controlled Entities held by each key management person of the Group during the financial year is as follows:

	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
30 June 2023				
Directors				
Hugh Bradlow	50,000	-	-	50,000
Pang Ming Wee	134	-	-	134
Karl Medak	20,499,930	-	-	20,499,930
Cameron Petricevic	3,750,000	-	682,791	4,432,791
KMP				
Joel Rappolt	2,250,000	-	-	2,250,000
Harry Robin Hilliard	2,400,000	-	-	2,400,000
	28,950,064	-	682,791	29,632,855

	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
30 June 2022				
Directors				
Hugh Bradlow	50,000	-	-	50,000
Pang Ming Wee	134	-	-	134
Karl Medak	20,435,000	-	64,930	20,499,930
Cameron Petricevic	3,750,000	-	-	3,750,000
KMP				
Joel Rappolt	2,250,000	-	-	2,250,000
Harry Robin Hilliard	2,250,000	-	150,000	2,400,000
	28,735,134	-	214,930	28,950,064

KMP related party transactions

The Group undertook the following transactions with:

- Key management personnel (KMP)
- A close member of the family of that person, or
- An entity over which the key management person or family member has, directly or indirectly, control, joint control or significant influence,

during the reporting period.

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Remuneration report (audited) (continued)

KMP related party transactions (continued)

Information regarding share-based payment transactions with these persons or entities are included elsewhere in the remuneration report.

End of Audited Remuneration Report

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Director:

Hugh Bradlow

Dated 31 August 2023

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Corporate Governance Statement

30 June 2023

RocketBoots Limited (the Company) is committed to the highest standards of corporate governance. The board of directors (Board) of RocketBoots Limited supports the central principles and best practice recommendations published by the ASX Corporate Governance Council.

A description of RocketBoots Limited's current corporate governance practices, policy and statement can be found on the Company's website, under the Governance section of the Investors tab here:

<https://www.rocketboots.com/investors#Governance>

Despite being a small entity, RocketBoots continues to strive for gender diversity in the workplace:

- 27% of employees, excluding board members, are female, and 73% are male;
- 0% of Board members are female and 100% are male;
- 0% of senior executive members are female and 100% are male.

The Board endeavours to continue to define, achieve and report measurable objectives for diversity. The Diversity Charter can be found below:

https://assets.website-files.com/62858be23cceab36c8679abb/62941863437de4aa9df1da5_Diversity-Charter-191121.pdf

The Chairman of RocketBoots Limited has developed key performance indicators for the Board of directors, its committees and individual directors in accordance with the Board charter.

As per the Board charter, the Board agreed on these metrics and processes to evaluate these metrics during the meeting on 26 June 2023, after approval by the Risk and Nomination Committee, as well as conducted the appropriate evaluations during the financial year.

The RocketBoots Limited Board Charter sets out requirements for senior management performance evaluation. The Board will meet at least once per year to review the performance of any senior executives and address any issues that may emerge from said review. Despite the evaluation framework and process for evaluation having been reviewed and approved during the financial year, the formal review was deferred until after the financial year.

The Board charter can be found below:

https://assets.website-files.com/62858be23cceab36c8679abb/629418e624323884844281f5_Board-Charter-191121.pdf

RocketBoots Limited has a Board skills matrix. Despite RocketBoots Limited's relatively small size, the Company is committed to improving its skills as it continues to mature. The skills matrix has been updated and added to the Governance section of the Company's website: <https://www.rocketboots.com/investors#Governance>

The Audit and Risk Committee (ARC) Charter of the Company requires the risk management framework to be reviewed by the Board at least annually. This has been reviewed formally during the ARC meeting, held during the financial year on 24 August 2022 and revisited more often informally during the financial year.

The Audit and Risk Committee is responsible for identifying environmental and social risks and how those risks are to be managed. To assist with this, ARC maintains a risk matrix document which is reviewed regularly and which was most recently formally reviewed during the Board meeting on 5 April 2023. It has been assessed that the company does not have any material exposure to environmental or social risks. ARC charter can be found below:

https://assets.website-files.com/62858be23cceab36c8679abb/6310684a2d7ed53119c79b8f_Audit%20%26%20Risk%20Committee%20Charter%2020240822.pdf

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Rocketboots Limited for the year ended 30 June 2023, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



M PARAMESWARAN

Partner

Melbourne, Victoria

Dated: 31 August 2023

THE POWER OF BEING UNDERSTOOD

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RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue	4	532,655	640,547
Other income	4	306,220	520,195
Direct costs		(174,359)	(293,233)
Employee benefits expense		(2,003,172)	(1,739,163)
Marketing expense		(100,962)	(5,265)
Professional fees		(635,395)	(290,156)
Subscriptions		(177,973)	(124,296)
Share based payments expense		(102,085)	-
Other expenses		(255,272)	(265,627)
Loss before income tax		(2,610,343)	(1,556,998)
Income tax expense	5	-	-
Loss for the year		(2,610,343)	(1,556,998)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(2,610,343)	(1,556,998)

Earnings per share

From continuing and discontinued operations:

Basic earnings per share (cents)	(4.69)	(3.05)
Diluted earnings per share (cents)	(4.69)	(3.05)

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Statement of Financial Position

As At 30 June 2023

		2023	2022
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	1,637,781	3,896,630
Trade and other receivables	9	24,798	45,464
Contract assets	10	23,031	39,310
Other assets	12	54,973	59,684
TOTAL CURRENT ASSETS		1,740,583	4,041,088
NON-CURRENT ASSETS			
Plant and equipment	11	23,509	4,873
TOTAL NON-CURRENT ASSETS		23,509	4,873
TOTAL ASSETS		1,764,092	4,045,961
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	323,247	361,856
Contract liabilities	10	398,094	154,615
Employee entitlements	14	468,587	458,582
TOTAL CURRENT LIABILITIES		1,189,928	975,053
NON-CURRENT LIABILITIES			
Employee entitlements	14	69,562	58,048
TOTAL NON-CURRENT LIABILITIES		69,562	58,048
TOTAL LIABILITIES		1,259,490	1,033,101
NET ASSETS		504,602	3,012,859
EQUITY			
Issued capital	15	11,763,942	11,763,942
Reserves	16/25	192,286	90,201
Retained earnings		(11,451,626)	(8,841,283)
TOTAL EQUITY		504,602	3,012,859

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The accompanying notes form part of these financial statements.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Issued Capital	Retained Earnings	Option Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2022	11,763,942	(8,841,283)	90,201	3,012,859
Loss for the year	-	(2,610,343)	-	(2,610,343)
Transactions with owners in their capacity as owners				
Fair value of options issued	-	-	102,085	102,085
Balance at 30 June 2023	11,763,942	(11,451,626)	192,286	504,602

2022

	Issued Capital	Retained Earnings	Option Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2021	6,783,641	(7,284,285)	-	(500,644)
Loss for the year	-	(1,556,998)	-	(1,556,998)
Transactions with owners in their capacity as owners				
Contribution of equity	4,250,000	-	-	4,250,000
Fair value of options issued	(29,207)	-	90,201	60,994
Capital raise costs	(243,000)	-	-	(243,000)
Shares issued to original shareholder of RocketBoots Operation Pty Ltd	1,002,508	-	-	1,002,508
Balance at 30 June 2022	11,763,942	(8,841,283)	90,201	3,012,859

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Statement of Cash Flows For the Year Ended 30 June 2023

	Note	2023	2022
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		869,892	942,403
Payments to suppliers and employees		(3,138,573)	(2,070,066)
Interest received		52,144	-
Interest paid		(1,844)	-
Net cash used in operating activities	24	<u>(2,218,381)</u>	<u>(1,127,663)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of plant and equipment		(40,468)	(2,000)
Net cash used in investing activities		<u>(40,468)</u>	<u>(2,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		-	4,250,000
Acquired cash balance at acquisition date		-	1,016,004
Payment of capital raise costs		-	(243,000)
Net cash provided by financing activities		<u>-</u>	<u>5,023,004</u>
Net increase/(decrease) in cash and cash equivalents held		(2,258,849)	3,893,341
Cash and cash equivalents at beginning of year		<u>3,896,630</u>	<u>3,289</u>
Cash and cash equivalents at end of financial year	8	<u>1,637,781</u>	<u>3,896,630</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2023

The financial report covers RocketBoots Limited ('the Company') and its controlled entities ('the Group'). RocketBoots Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The principal activities of the Group for the year ended 30 June 2023 were to operate at scale using proprietary computer vision-based machine learning applications to optimise businesses and solve security challenges.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 21 to the financial statements.

On 19 November 2021, the formerly named Ensogo Limited ("the Company") completed the acquisition of 100% of the ordinary shares in RocketBoots Operation Pty Ltd ("ROPL"). As a result, the transaction is considered a reverse acquisition of the Company by ROPL. For accounting purposes, the acquisition is considered to be outside the scope of AASB 3 Business Combination since Ensogo Limited, prior to the transaction, did not constitute a business. The transaction is accounted for under AASB 2 Share-based Payments whereby ROPL is deemed to have issued shares in exchange for the net assets of Ensogo Limited together with its coming ASX listing status, at the fair value of the consideration received by ROPL.

Further detail on the reverse acquisition can be found in Note 6.

Notes to the Financial Statements**For the Year Ended 30 June 2023****2 Summary of Significant Accounting Policies (continued)****(a) Basis for consolidation (continued)*****Subsidiaries***

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

(c) Revenue and other income**Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Notes to the Financial Statements**For the Year Ended 30 June 2023****2 Summary of Significant Accounting Policies (continued)****(c) Revenue and other income (continued)****Statement of financial position balances relating to revenue recognition****Contract assets and liabilities**

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the payment is due, the Group presents the contract as a contract asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Group presents the contract as a contract liability.

Contract cost assets

The Group recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

Contract assets are recognised when the Group has purchased goods for delivery to a customer under a pre-paid customer contract. Contract assets are treated as financial assets for impairment purposes.

Costs to obtain a contract

Costs to obtain a contract are only capitalised when they are directly related to a contract and it is probable that they will be recovered in the future. Costs incurred that would have been incurred regardless of whether the contract was won are expensed, unless those costs are explicitly chargeable to the customer in any case (whether or not the contract is won).

The capitalised costs are amortised on a straight line basis over the expected life of the contract.

Set-up / mobilisation costs

Costs required to set up the contract, including mobilisation costs, are capitalised provided that it is probable that they will be recovered in the future and that they do not include expenses that would normally have been incurred by the Group if the contract had not been obtained. They are recognised as an expense on the basis of the proportion of actual output to estimated output under each contract. If the above conditions are not met, these costs are taken directly to profit or loss as incurred.

Costs to fulfil a contract

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if appropriate), otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the Group that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract costs assets and released to the profit or loss on an systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(c) Revenue and other income (continued)

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

Government grant

Government grant income is recognised on cash basis, when it has been received.

(d) Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)**(e) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(f) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Plant and equipment is depreciated on a straight-line basis over the asset's useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Computer Equipment	2 to 5 years
Computer Software	3 to 5 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

Classification

On initial recognition, the Group classifies its financial assets as those measured at amortised cost.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

Financial assets (continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the cash flows expected to be received. This is applied using a probability weighted approach.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements**For the Year Ended 30 June 2023****2 Summary of Significant Accounting Policies (continued)****(g) Financial instruments (continued)****Financial assets (continued)***Trade receivables and contract assets*

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise of trade and other payables.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Employee entitlements

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements**For the Year Ended 30 June 2023****2 Summary of Significant Accounting Policies (continued)****(j) Earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(l) Equity-settled compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

(m) Foreign currency transactions and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements**For the Year Ended 30 June 2023****2 Summary of Significant Accounting Policies (continued)****(n) 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 Group incurred a loss for the year-ended 30 June 2023 of \$2,610,343 (2022: \$1,556,998) and had net operating cash outflows of \$2,218,381 (2022: \$1,127,663).

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group 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 Group 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 \$1,637,781 of cash and cash equivalents and had net current assets of \$550,655 as at 30 June 2023, 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 upcoming contracts with customers.
- The Group has the ability to raise capital through the issue of equity instruments, if necessary.

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

(o) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(p) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

(q) New accounting standards and interpretations issued but not yet effective

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Group.

3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - revenue recognition

When determining the nature, timing and amount of revenue to be recognised, the following critical estimates and judgements were applied and are considered to be those that have the most significant effect on revenue recognition.

Licences are generally considered a distinct single performance obligation. Revenue related to license fee is recognised evenly over the contracted term in which the customer is entitled to receive the services.

Enablement revenue is recognised when control over the hardware and software are installed and delivered on customer premises. Determination of when controls has passed depends on whether the customer has legal title over the products or whether the customer has obtained possession of the products.

Key estimates - Recovery of deferred tax assets

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

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RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Notes to the Financial Statements

For the Year Ended 30 June 2023

4 Revenue and Other Income

	2023	2022
	\$	\$
Revenue from contracts with customers		
- Enablement revenue	84,438	157,825
- License fee	<u>448,217</u>	482,722
	<u>532,655</u>	640,547

Major Customers

The Group has a number of key customers to whom it provides products and services. For the year ended 30 June 2023, 65% (2022: 56%) of the group's external revenue was derived from sales to a major Australian retailer. The second largest customer, also located in Australia, accounted for 30% of revenue (2022: 32%) The next most significant customer accounts for 5% of revenue (2022: 6%).

	2023	2022
	\$	\$
Timing of revenue recognition		
Services transferred over time	448,217	482,722
Services at a point in time	<u>84,438</u>	157,825
	<u>532,655</u>	640,547

	2023	2022
	\$	\$
Other Income		
- Interest income	48,295	3,996
- Related party loan forgiveness as condition precedent to the IPO	-	516,199
- R&D Grant	251,923	-
- Other income	<u>6,002</u>	-
	<u>306,220</u>	520,195

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RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2023

5 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2023	2022
	\$	\$
Profit	(2,610,343)	(1,556,998)
Tax	25.00%	25.00%
	<hr/>	<hr/>
	(652,586)	(389,250)
Add:		
Tax effect of:		
- Permanent differences; Share based payments	25,521	15,249
- Permanent differences; Entertainment expenses	584	1,231
- Temporary differences not brought to account	<hr/>	<hr/>
	11,441	42,376
	<hr/>	<hr/>
Recoupment of prior year tax losses not previously brought to account	(615,040)	(330,394)
	<hr/>	<hr/>
Income tax expense	615,040	330,394
	<hr/>	<hr/>
	-	-

The Company decided not to recognise a deferred tax asset in respect of the Group losses, given its financial outlook for the 2023 financial year and future financial years in the short term.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following:

	2023	2022
	\$	\$
Tax losses	7,670,873	5,160,946
	<hr/>	<hr/>
	7,670,873	5,160,946

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therein.

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RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2023

6 Business Combinations

Reverse Acquisition

On 19 November 2021, the formerly named Ensogo Limited ("the Company") completed the acquisition of 100% of the ordinary shares in RocketBoots Operation Pty Ltd ("ROPL"). The Company issued 28,500,000 shares and will issue deferred consideration shares of 19,000,000 in 2 years to the original shareholders of ROPL, which resulted in ROPL's original shareholders holding a majority share interest in ROC. Upon completion of the transaction, the Company was renamed to RocketBoots Limited and got listed on the ASX on 7 December 2021.

Post the transaction on 19 November 2021, the ownership structure of the Company was as follows:

	% of shares	Number of shares
	%	shares
Previous shareholders of ROPL	73.08	28,500,000
Previous shareholders of Ensogo Limited	26.92	10,500,032
	100.00	39,000,032

Post the listing on 7 December 2021, the ownership structure of the Company was as follows:

	% of shares	Number of shares
	%	shares
Previous shareholders of ROPL	47.30	28,500,000
Previous shareholders of Ensogo Limited	17.43	10,500,032
New shareholders from listing	35.27	21,250,000
	100.00	60,250,032

When deferred shares are issued in 2 years from completion, the ownership structure of the Company will be as follows:

	% of shares	Number of shares
	%	shares
Previous shareholders of ROPL	59.94	47,500,000
Previous shareholders of Ensogo Limited	13.25	10,500,032
New shareholders from listing	26.81	21,250,000
	100.00	79,250,032

As a result, the transaction is considered a reverse acquisition of the Company by ROPL. For accounting purpose, the acquisition is considered to be outside the scope of AASB 3 Business Combination since Ensogo Limited, prior to the transaction, did not constitute a business. The transaction is accounted for under AASB 2 Share-based Payments whereby ROPL is deemed to have issued shares in exchange for the net assets of Ensogo Limited together with its coming ASX listing status, at the fair value of the consideration received by ROPL.

Notes to the Financial Statements

For the Year Ended 30 June 2023

6 Business Combinations (continued)

Reverse Acquisition (continued)

Consolidated statement of

For the year ended 30 June 2022

Profit or loss and other comprehensive income	ROPL: 1 July 2021 to 31 December 2021 The Company: 19 November 2021 to 31 December 2021
Financial position	ROPL and the Company consolidated as at 31 December 2021
Changes in equity	Equity balances of ROPL as at 1 July 2021, their result for the year and transactions with equity holders for the year. The Company's transactions with equity holders since 19 November 2021 and its results for the period from 19 November 2021 to 31 December 2021
Cash flows	ROPL: 1 July 2021 to 31 December 2021 The Company: 19 November 2021 to 31 December 2021

As the Company is deemed to be the "acquiree" for accounting purposes, the carrying values of its assets and liabilities are required to be recorded at fair value for the purposes of the acquisition. No adjustments were required to the historical values to the effect this change.

The fair values of the identifiable net assets acquired in the Company on 19 November 2021 are as follows:

	\$
Cash and cash equivalents	1,016,004
Receivables	44,174
Payables	<u>(57,670)</u>
Fair value of net assets	1,002,508
Consideration shares issued to the vendors	<u>1,002,508</u>
Excess of consideration over the fair value of net assets at the date of acquisition, being the share-based payments expense on acquisition	-

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2023

7 Operating Segments

Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers ('CODM')) in assessing performance and determining the allocation of resources.

Operating segments are presented using the 'management approach' where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

The Group'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 Group's results.

The Group established business in two new markets in 2023 – the United States and the United Kingdom. The Group shall report results by geographical segment when results and cash flow from these two markets become material to the Group.

8 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	<u>1,637,781</u>	3,896,630
	<u>1,637,781</u>	3,896,630

9 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	-	18,622
Provision for impairment	-	-
	-	18,622
Sundry debtors	<u>24,798</u>	22,847
Interest receivable	-	3,995
	<u>24,798</u>	45,464

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Impairment of receivables

The Group applies the simplified approach to expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2023 is determined as follows, the expected credit losses incorporate forward looking information.

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Contract Balances

Contract assets and liabilities

The Group has recognised the following contract assets and liabilities from contracts with customers:

	2023	2022
	\$	\$
CURRENT		
Contract assets	23,031	39,310
	<hr/>	<hr/>
	2023	2022
	\$	\$
CURRENT		
Contract liabilities	398,094	154,615
	<hr/>	<hr/>

11 Plant and Equipment

	2023	2022
	\$	\$
Plant and equipment		
At cost	153,607	110,988
Accumulated depreciation	(130,098)	(106,450)
	<hr/>	<hr/>
	23,509	4,538
Computer software		
At cost	1,153	1,153
Accumulated depreciation	(1,153)	(818)
	<hr/>	<hr/>
	-	335
	<hr/>	<hr/>
	23,509	4,873

Movements in carrying amounts of plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Computer Software	Total
	\$	\$	\$
Year ended 30 June 2023			
Balance at the beginning of the year	4,538	335	4,873
Additions	42,619	-	42,619
Depreciation expense	(23,648)	(335)	(23,983)
Balance at the end of the year	23,509	-	23,509

Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Plant and Equipment (continued)

Movements in carrying amounts of plant and equipment (continued)

	Plant and Equipment	Computer Software	Total
	\$	\$	\$
Year ended 30 June 2022			
Balance at the beginning of the year	4,040	380	4,420
Additions	2,006	-	2,006
Depreciation expense	(1,508)	(45)	(1,553)
Balance at the end of the year	4,538	335	4,873

12 Other Assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	54,973	59,684

13 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	142,831	103,312
Sundry payables and accrued expenses	145,048	239,358
Wages payable	35,368	19,186
	323,247	361,856

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2023

14 Employee Entitlements

	2023	2022
	\$	\$
CURRENT		
Long service leave	192,546	173,184
Annual leave	276,041	285,398
	468,587	458,582
	2023	2022
	\$	\$
NON-CURRENT		
Long service leave	69,562	58,048

15 Issued Capital

	2023	2022
	\$	\$
60,250,032 (2022: 60,250,032) Ordinary shares	11,763,942	11,763,942
(a) Ordinary shares		
	2023	2022
	No.	No.
At the beginning of the reporting period	60,250,032	39,128,220
Shares issued during the year	-	28,500,000
Shares issued to original shareholders of ROPL	-	21,250,000
Shares issued on listing	-	(28,628,188)
Shares bought back during the year	-	(28,628,188)
Consolidation	-	60,250,032
At the end of the reporting period	60,250,032	60,250,032

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2023

15 Issued Capital (continued)

(b) Capital management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

The Board monitors a range of financial metrics including return on capital employed and gearing ratios. A key objective of the Company's capital risk management is to maintain compliance with the covenants attached to the Company's debts. Throughout the year, the Company has complied with these covenants.

16 Reserves

Share-based payments reserve

This reserve records the cumulative value of corporate advisor service received for the issue of share options. When the option is exercised the amount in the share option reserve is transferred to share capital.

17 Earnings Per Share

(a) Reconciliation of earnings to profit or loss from continuing operations

	2023	2022
	\$	\$
Loss for the year	(2,610,343)	(1,556,998)
Earnings used in the calculation of dilutive EPS from continuing operations	(2,610,343)	(1,556,998)

(b) Earnings used to calculate overall earnings per share

	2023	2022
	\$	\$
Earnings used to calculate overall earnings per share	(2,610,343)	(1,556,998)

(c) Weighted average number of shares

	2023	2022
	No.	No.
Weighted average number of ordinary shares used for calculating both basic and diluted earnings per share	55,617,432	50,984,832

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2023

18 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Trade and other payables

	2023	2022
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	1,637,781	3,896,630
Trade and other receivables	<u>24,798</u>	<u>41,469</u>
Total financial assets	<u>1,662,579</u>	<u>3,938,099</u>
Financial liabilities		
Financial liabilities measured at amortised cost	323,247	361,856
Financial liabilities at fair value		
Total financial liabilities	<u>323,247</u>	<u>361,856</u>

Notes to the Financial Statements**For the Year Ended 30 June 2023****18 Financial Risk Management (continued)****Objectives, policies and processes**

The Board of Directors have overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Notes to the Financial Statements**For the Year Ended 30 June 2023****18 Financial Risk Management (continued)****Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables and contract assets

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group review includes external ratings, if they are available, financial statements, credit agency information and industry information. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The Board receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Group's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

On a geographical basis, the Group has significant credit risk exposures in Australia given the location of its operations in those regions.

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2023

19 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2023	2022
	\$	\$
Short-term employee benefits	626,031	511,982
Long-term benefits	4,531	33,392
Post-employment benefits	45,337	31,284
	<hr/> 675,899	<hr/> 576,658

20 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor [RSM Australia Partners], for:		
- auditing or reviewing the financial statements	72,750	43,500
- other services	18,347	4,000
- tax due diligence - pre IPO	-	8,500
- Investigating accountant's services	-	33,500
	<hr/> 91,097	<hr/> 89,500

21 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)*	Percentage Owned (%)*
		2023	2022
Subsidiaries:			
RocketBoots Operation Pty Ltd	Australia	100	100
RocketBoots Inc.	United States	100	-
RocketBoots Operations UK Limited	United Kingdom	100	-

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

22 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022:None).

Notes to the Financial Statements

For the Year Ended 30 June 2023

23 Related Parties

(a) The Group's main related parties are as follows:

The ultimate parent entity, which exercises control over the Group, is RocketBoots Limited which is incorporated in Australia.

Key management personnel - refer to Note 19.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The Company currently operates from office premises that are being on-leased by 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 as per Note 6. 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. Frame has assessed the fair value of the rent payable to be \$109,000 per annum.

At Completion of the Share Sale Agreement and as a condition precedent to the IPO, Frame forgave all related party loans totalling \$516,200.

	2023	2022
Payment made by Frame on behalf of ROPL	\$ -	\$ 583,166
Loan forgiven by Frame	-	516,200

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2023

24 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2023	2022
	\$	\$
Loss for the year	(2,610,343)	(1,556,998)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	23,983	1,547
- share based payment	102,085	47,566
- other	(356)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	21,433	82,649
- (increase)/decrease in prepayments	2,562	(59,684)
- (increase)/decrease in contract assets	16,279	(39,310)
- increase/(decrease) in deferred income	243,479	152,463
- increase/(decrease) in trade and other payables	(32,970)	74,600
- increase/(decrease) in employee entitlement	15,467	169,504
Cashflows from operations	<u>(2,218,381)</u>	<u>(1,127,663)</u>

25 Share-Based Payments

At 30 June 2023 the Group has the following share-based payment schemes:

A summary of the Company options issued is as follows:

2023	Grant Date	Expiry Date	Exercise price	Start of the year	Balance at the end of the year	Vested and exercisable at the end of the year
	07 December 2021	07 December 2024	0.30	903,750	903,750	-
	16 February 2022	16 February 2025	0.30	903,750	903,750	-

A summary of the Company's Employee Incentive Plan Awards is as follows:

2023	Grant Date	Expiry Date	Start of the year	Balance at the end of the year
	1 July 2022	1 August 2023	-	788,500

Total expenses recognised in profit or loss for the year relating to share-based payment arrangements are \$102,850 (2022:\$90,201).

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2023

25 Share-Based Payments (continued)

The weighted average fair value of the options granted during the year was \$90,201 (2022: \$ 90,201.00). These values were calculated by using a Black-Scholes option pricing model applying the following inputs:

	1	2
Number of options granted	903,750	903,750
Grant date:	07 December 2021	16 February 2022
Expiry date:	07 December 2024	08 March 2025
Exercise price (\$):	0.30	0.30
Fair value (\$)	0.032	0.068

The weighted average fair value of the employee awards granted during the year was \$102,085 (2022: \$ nil).

	1
Number of options granted	813,250
Grant date:	01 July 2022
Vesting date:	01 July 2023
Exercise price (\$):	-
Fair value (\$)	0.12

Voluntary escrow for 2 years from date of issue for the tranches of options granted.

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future movements.

The share price at 30 June 2023 was \$ 0.08.

26 Events Occurring After the Reporting Date

The financial report was authorised for issue on 31 August 2023 by the board of directors.

788,500 of the Employee Incentive Plan Awards were issued in August 2023 (with the remaining Awards expiring).

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

27 Parent Entity

The following information has been extracted from the books and records of the parent, RocketBoots Limited and Controlled Entities and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, RocketBoots Limited and Controlled Entities has been prepared on the same basis as the financial statements except as disclosed below.

RocketBoots Limited and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 30 June 2023

27 Parent Entity (continued)

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

	2023	2022
	\$	\$
Statement of Financial Position		
Assets		
Current assets	1,514,760	3,810,881
Non-current assets	2,796,025	935,000
<hr/>	4,310,785	4,745,881
Liabilities		
Current liabilities	81,416	53,821
<hr/>	81,416	53,821
Equity		
Issued capital	167,061,086	167,061,086
Retained earnings	(163,023,647)	(162,459,227)
RocketBoots Inc. incorporation fees	(356)	-
Share based payment reserve	192,286	90,201
<hr/>	4,229,369	4,692,060
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	(564,420)	(378,443)
Total comprehensive income	(564,420)	(378,443)

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2023 or 30 June 2022.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2023 or 30 June 2022.

28 Statutory Information

The registered office and principal place of business of the company is:

RocketBoots Limited and Controlled Entity
Level 11
189 Kent Street
Sydney NSW 2000

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2023 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the consolidated group;
2. the Chief Executive Officer and Chief Finance Officer have given the declarations required by Section 295A that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director.



Hugh Bradlow

Dated 31 August 2023

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INDEPENDENT AUDITOR'S REPORT To the Members of Rocketboots Limited

Opinion

We have audited the financial report of Rocketboots Limited (the Company), and its subsidiaries (the Group) which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a loss for the year ended 30 June 2023 of \$2,610,343 and had net operating cash outflows of \$2,218,381. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
<p>Recognition of Revenue</p> <p>Refer to Note 4 in the financial statements</p> <p>Revenue is considered to be a Key Audit Matter given it is material to the financial statements. We have considered the recognition of revenue due to its size and magnitude in the financial statements. The nature and timing of recognition of deferred revenue at year end involves management judgement.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • Obtaining a detailed understanding of the process and internal controls associated with the capture and recording of revenue; • Assessing whether the Group's revenue recognition policies are in compliance with AASB 15 Revenue from Contracts with Customers; • On a sample basis, recalculating the revenue amount per project, with reference to contracts and other supporting documentation; and • Recalculating the year end accrued and deferred revenue balances on a project basis, with reference to supporting documentation.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Rocketboots Limited., for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



RSM AUSTRALIA PARTNERS



M PARAMESWARAN

Partner

Dated: 31 August 2023
Melbourne, Victoria

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Additional Information for Listed Public Companies

30 June 2023

ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 31 August 2023.

Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Shareholders	Number of shares
E8 INVESTMENTS PTY LIMITED	20,250,000
TTOR PTY LTD	4,432,791

Voting rights

Ordinary Shares

At meetings of members each member entitled to vote, may vote in person or by proxy or attorney or, in the case of a member which is a body corporate, by representative duly authorised.

On a show of hands, every member entitled to vote and present at a meeting in person or by proxy or attorney or representative duly authorised shall have one vote and upon a poll each share shall have one vote.

Options

No voting rights.

Distribution of equity security holders

Holding	Ordinary shares	
	Shares	Options
1 - 1,000	183,277	1,807,500
1,001 - 5,000	432,607	-
5,001 - 10,000	821,474	-
10,001 - 100,000	7,362,134	-
100,000 and over	51,450,540	-

There were 871 holders of less than a marketable parcel of ordinary shares.

Twenty largest shareholders

	Ordinary shares	
	Number held	% of issued shares
E8 INVESTMENTS PTY LIMITED	20,250,000	33.61
TTOR PTY LTD	4,432,791	7.36
MR HARRY ROBIN HILLIARD	2,250,000	3.73

RocketBoots Limited and Controlled Entities

ACN: 165 522 887

Additional Information for Listed Public Companies**30 June 2023**

	Ordinary shares	
	Number held	% of issued shares
RAPPOLT INVESTMENTS PTY	2,250,000	3.73
ALTOR CAPITAL MANAGEMENT PTY LTD	1,846,500	3.06
SERET NOMINEES PTY LTD	1,600,000	2.66
CITICORP NOMINEES PTY LIMITED	1,416,339	2.35
MR ALEX FERGUSON KNOWLES	1,250,000	2.07
E&A BELINA INVESTMENTS LIMITED	1,021,516	1.70
SERET NOMINEES PTY LTD	800,000	1.33
SPA SPECIAL INVESTMENT FUND LP	737,138	1.22
MR DOMINIC VIRGARA	625,000	1.04
MR JOEL DAVID WEBB	619,987	1.03
MR JOSHUA CHARLES PRICE	618,498	1.03
VIVRE INVESTMENTS PTY LTD	570,000	0.95
MR LINDSAY JEFFERY WHITBREAD	500,001	0.83
MR STUART MORGAN BROWN	500,000	0.83
CADEX PETROLEUM PTY LIMITED	500,000	0.83
MR DAVID JOHN KRAUSE WHITEING	500,000	0.83
MR CRAIG RAYMOND SPANGLER	400,000	0.66
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	42,687,770	70.85
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Remaining shareholders account for 17,562,262 shares which is 29.15% of the total issued shares.

Twenty largest option holders

	Options	
	Number held	% of issued options
Exercise Price AUD0.300 Expiry 07Dec2024 - subject to voluntary escrow for 2 years from issue date	903,750	50.00
Exercise Price AUD0.300 Expiry 16Feb2025 - subject to voluntary escrow for 2 years from issue date	903,750	50.00
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	1,807,500	100.00
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Securities exchange

The Company is listed on the Australian Securities Exchange.