



ASX Announcement

## ROCKETDNA MARCH Q1 FY2024 QUARTERLY REPORT

### XBot solution rolling out; Key financial metrics show continued growth

#### HIGHLIGHTS

- **Revenue from continuing operations** \$1.732m in the March quarter, Q1 FY2024, was up 6% on Q4 FY2023 and up 18% on Q1 FY2023 (note: unaudited, December financial year end)
- **Cash receipts from customers** \$1.964m in Q1 FY2024, up 18% on Q4 FY2023 and up 16% on Q1 FY2023
- **Net cash used in operating activities;** was \$104k in Q1 FY2024 compared to \$335k in Q4 FY2023
- **Annual Recurring Revenue (ARR)** was \$3.022m at the end of the March quarter, up 6% on Q4 FY2023 and up 9% on Q1 FY2023 (includes recent Calidus contract win in late March)
- **Board changes (announced post quarter end):** David Morton, Non-Executive Director, was appointed as Chairman of RKT; CEO Chris Clark transitioned from the role of Chair to focus on his role as Managing Director and CEO
- **Contract signed with Calidus Resources for xBot® autonomous drone solution:** 3-year contract with Total Contract Value (TCV) of AU\$376k and Annual Recurring Revenue (ARR) of AU\$115k
- **Key pipeline activities (announced post quarter end):** the Company provided a business update around the new autonomous drone solution (xBot®) and key market developments around the xBot® drone solution successfully rolling out
- **Cash balance** of \$2.015m at 31 March 2024
- **Investor call** will take place on Wednesday 1<sup>st</sup> of May at 11 am Sydney time; registration details will be made available shortly via an ASX announcement

**24 April 2024, RocketDNA Ltd (ASX: RKT)**, a global drones-as-a-service provider, is pleased to provide an activities update for the quarter ending 31 March 2024 (Q1 FY2024) along with its Appendix 4C quarterly cash flow report.

**RocketDNA CEO Christopher Clark said:** "I am pleased with our continued financial progress as we focus on our aspirational goal of achieving positive EBITDA. We are also very excited as a management team at the growing opportunities and pipeline and having achieved initial sales of our xBot® solution.

David Morton's very recent appointment to the Chairman role is a valued addition and will help me focus on my role as CEO in achieving operational wins. We are hitting our internal milestones for FY2024 and

maintain a positive outlook for the quarters ahead.”

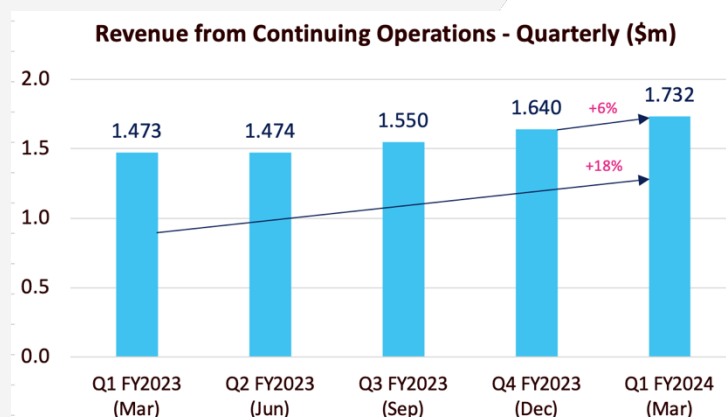
**RocketDNA Chairman David Morton said:** “As incoming Chairman, I see this set of results for the first quarter of 2024 as evidence of the energy and focus applied by the team toward what is a very large opportunity, as well as strong management of our existing business streams in Australia and Africa. I am keen to support Chris and the team to build out this business from the strong base which is in place, and I will continue to keep our existing and potential shareholders well informed of progress.”

## 1. FINANCIAL OVERVIEW

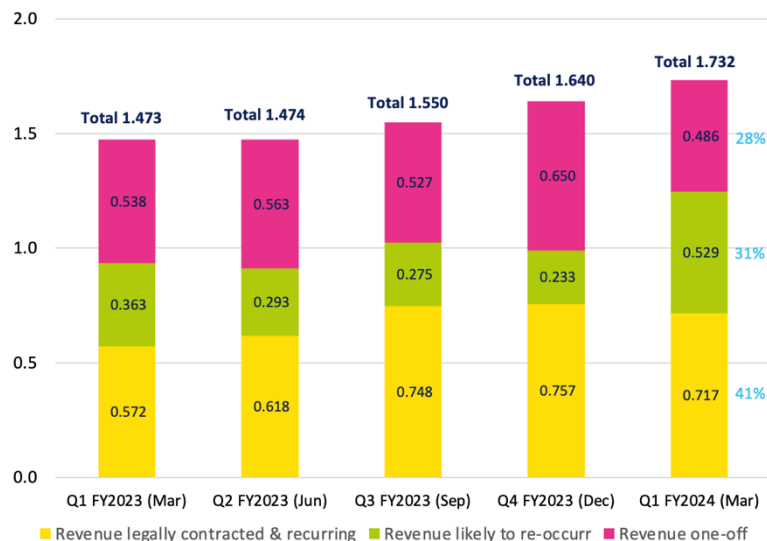
**Revenue from continuing operations** (unaudited) for the March quarter Q1 FY2024 was \$1.732m, up 6% on Q4 FY2023 and up 18% on Q1 FY2023. This was driven by existing ‘**Revenue likely to re-occur**’.

Looking at revenue by type; ‘**Revenue legally contracted and recurring**’ achieved in the March quarter was \$0.717m, which accounted for 41% of total revenue and dropped slightly compared to the prior quarter due to exchange rate movements. ‘**Revenue likely to re-occur**’ grew substantially due to an existing client previously classified as ‘**Revenue one-off**’ now being reclassified into the ‘**Revenue likely to re-occur**’ category as a result of these revenues now being expected by management to reoccur (see revenue definition below).

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



Revenue from Continuing Operations by Type (\$m)



Revenue definitions by type:

**(A) Revenue legally contracted and recurring:** revenue from legal contracts with minimum original terms of 12 months, subject to normal termination provisions per each contract. The TCV and ARR measures set out in the section below contain only this type of contract.

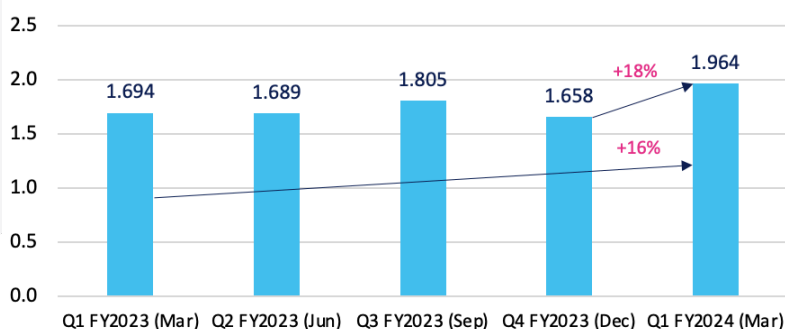
**(B) Revenue likely to re-occur:** revenue which management have a reasonable expectation will reoccur in the future either because it has been historically demonstrated to re-occur or because we hold rolling short term purchase orders or legal contracts which are less than 12 months in original length.

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

**Cash receipts from customers** for the March quarter totalled \$1.964m, 18% on Q4 FY2023 and up 16% on Q1 FY2023.

Note: differences between quarterly cash receipts and revenue may occur due to the 1) cash collection cycle and 2) revenue recognition on contracts and projects including anniversary dates of when contracts started.

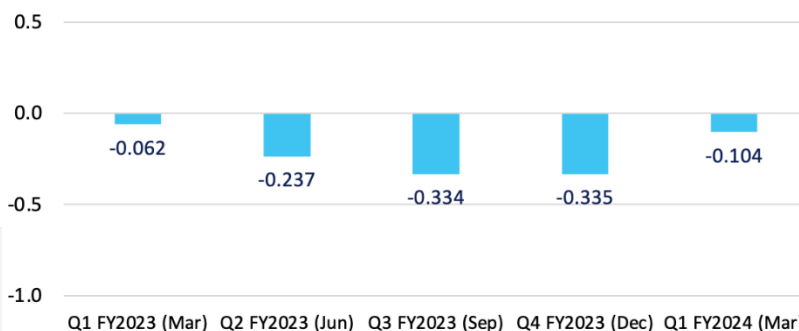
Cash Receipts from Customers (\$m)





**Net cash used in operating activities** was \$104k in Q1 FY2024 compared to \$335k in Q4 FY2023 and \$62k in Q1 FY2023.

**Net Cash From Operating Activities - Quarterly (\$m)**



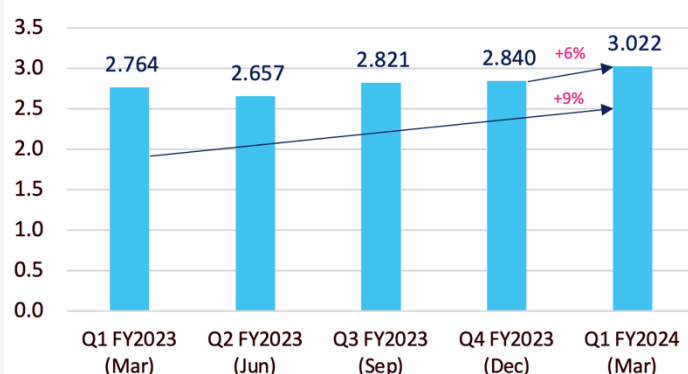
## TCV and ARR

**Annual Recurring Revenue (ARR)** is \$3.022m at the end of the Q1 FY2024, up 6% on Q4 FY2023 and up 9% on Q1 FY2023. The annualised value of contracts signed (includes recent Calidus win) in the quarter exceeded the value of contracts coming to an end, which was partially offset by adverse exchange rate movements.

**Total contract value (TCV)** is \$4.782m at the end of the March quarter. TCV is the total value of all remaining contracts (only contracts that had a minimum of 12 months original duration are included) and is net of monthly contract depletion (i.e. the revenue remaining to be collected until end of contract life). Key contracts can be found in recent investor presentations.

ARR and TCV may be impacted by exchange rate fluctuations.

**Annual Recurring Revenue (ARR) (\$m)**





## **2. COMMERCIAL UPDATE**

### **Contracts signed (material)**

**Calidus Resources:** a contract was signed for the xBot® autonomous drone solution - 3-year contract with Total Contract Value (TCV) of AU\$376k and Annual Recurring Revenue (ARR) of AU\$115k. See ASX announcement 26 March 2024.

### **Projects update (individually not material, one-off)**

- **Mining Experimental** – RKT carried out a paid trial at the request of a West African Gold miner using a drone mounted magnetometer to locate magnetic anomalies in stockpiles, in particular to identify buried metals which would otherwise damage the crushers processing the stockpiles.
- **Mining Safety/Maintenance** – RKT carried out a drone based conveyor scan for another West African Gold mine using multiple drone mounted sensors. The report provided high resolution imagery for zooming in on potential issues, LiDAR (accurate laser-based positioning) for monitoring long-term structural stability, and thermal mapping to identify stress areas from inconsistent heat emissions. The hope is to repeat this quarterly, including change detection.
- **Mining Construction** – RKT carried out drone-based enclosed space inspections for a mining client to make an assessment of existing Tailings Storage Facilities (TSFs) infrastructure, prior to the construction of new TSFs, including condition, structure, waterflow and silt identification in the TSF chambers and pipelines.
- **Agriculture** – RKT provided drone capture and data analysis for a client to provide tree count, canopy area and biomass for productivity for a Eucalyptus plantation.

As set out in the revenue definitions, purchase orders for project work are not included in ARR or TCV measures unless a more detailed legal contract is also signed.

### **Key pipeline activities (announced post quarter end)**

The Company provided a business update around the new autonomous drone solution (xBot®) and key market developments around the xBot® drone solution successfully rolling out, noting that:

- First batch of 6 xBots® launched and deployed across multiple customer sites in Australia and Africa
- Second batch of 5 xBots® in production with deployment starting in May
- The convenience of RocketDNA's automated drone-in-a-box solution is exponentially growing the Company's target market beyond mining, with discussions currently underway with Government Authorities, Ports, Insurance, Asset Managers, Agribusinesses and Security Companies





- Integration of Artificial Intelligence (AI) tools, in conjunction with RKT's xBot® platform, enhances the Company's ability to provide real-time data capture, reporting and analysis at a greater frequency than traditional manual methods, which is unique product differentiator in the market

### **3. CORPORATE**

**Market engagement:** CEO Chris Clark presented at the Coffee Microcaps investor conference in Sydney and Melbourne in March 2024. The investor presentation can be viewed [here](#).

**Annual Report:** The Company released its FY2023 Annual Report which can be viewed [here](#).

**Board changes (post quarter end):** David Morton, Non-Executive Director, was appointed to the Chairman role of RKT. Chris Clark transitioned from the role of Chair to focus on his role as Managing Director and CEO. See ASX announcement [10 April 2024](#).

**Annual General Meeting (AGM):** The Company will be holding its AGM on Friday 24 May 2024 at 9:00 am WST. The Notice of Meeting will be lodged shortly.

### **4. APPENDIX 4C**

The cash balance at 31 March 2024 was \$2.015m. The total operating payments per section 1.2 of the attached 4C were \$2.076m.

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

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

-ENDS-

**For more information, please contact:**

**Corporate**

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## About RocketDNA

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

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

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

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

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## Appendix 4C

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

**Name of entity**

ROCKETDNA LIMITED

**ABN**

17 618 678 701

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

31 March 2024

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(3 months)<br/>\$A'000</b> |
|---|------------------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                                    |  |
| 1.1 Receipts from customers                               | 1,964                              | 1,964  |
| 1.2 Payments for  |                                    |  |
| (a) research and development                              | (2)                                | (2)  |
| (b) product manufacturing and operating costs             | (401)                              | (401)  |
| (c) advertising and marketing                             | (86)                               | (86)   |
| (d) leased assets   | (30)                               | (30)   |
| (e) staff costs   | (799)                              | (799)  |
| (f) administration and corporate costs                    | (758)                              | (758)  |
| 1.3 Dividends received (see note 3)                       | -                                  | -  |
| 1.4 Interest received                                     | 9                                  | 9  |
| 1.5 Interest and other costs of finance paid              | -                                  | -  |
| 1.6 Income taxes (paid)/received                          | (1)                                | (1)  |
| 1.7 Government grants and tax incentives                  | -                                  | -  |
| 1.8 Other (provide details if material)                   | -                                  | -  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(104)</b>                       | <b>(104)</b>                                   |



|            |   |              |              |
|------------|---|--------------|--------------|
| <b>2.</b>  | <b>Cash flows from investing activities</b>           |              |              |
| 2.1        | Payments to acquire or for:                           |              |              |
|            | (a) entities  | -            | -            |
|            | (b) businesses  | -            | -            |
|            | (c) property, plant and equipment                     | (126)        | (126)        |
|            | (d) investments                                       | -            | -            |
|            | (e) intellectual property                             | -            | -            |
|            | (f) other non-current assets                          | (35)         | (35)         |
| 2.2        | Proceeds from disposal of:                            |              |              |
|            | (a) entities  | -            | -            |
|            | (b) businesses  | -            | -            |
|            | (c) property, plant and equipment                     | 1            | 1            |
|            | (d) investments                                       | -            | -            |
|            | (e) intellectual property                             | -            | -            |
|            | (f) other non-current assets                          | -            | -            |
| 2.3        | Cash flows from loans to other entities               | (6)          | (6)          |
| 2.4        | Dividends received (see note 3)                       | -            | -            |
| 2.5        | Other (return of office rental deposits)              | 11           | 11           |
| <b>2.6</b> | <b>Net cash from / (used in) investing activities</b> | <b>(155)</b> | <b>(155)</b> |

|             |   |             |             |
|-------------|---|-------------|-------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |             |             |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | 35          | 35          |
| 3.2         | Proceeds from issue of convertible debt securities                                      | -           | -           |
| 3.3         | Proceeds from exercise of options   | -           | -           |
| 3.4         | Transaction costs related to issues of equity securities or convertible debt securities | (12)        | (12)        |
| 3.5         | Proceeds from borrowings  | -           | -           |
| 3.6         | Repayment of borrowings   | (76)        | (76)        |
| 3.7         | Transaction costs related to loans and borrowings                                       | -           | -           |
| 3.8         | Dividends paid  | -           | -           |
| 3.9         | Other (provide details if material)   | -           | -           |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>(53)</b> | <b>(53)</b> |

|            |  |              |              |
|------------|--|--------------|--------------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |              |              |
| 4.1        | Cash and cash equivalents at beginning of period                             | 2,317        | 2,317        |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | (104)        | (104)        |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              | (155)        | (155)        |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | (53)         | (53)         |
| 4.5        | Effect of movement in exchange rates on cash held                            | 10           | 10           |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period</b>                            | <b>2,015</b> | <b>2,015</b> |

|            |   |                                    |                                     |
|------------|---|------------------------------------|-------------------------------------|
| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
| 5.1        | Bank balances   | 1,890                              | 2,311                               |
| 5.2        | Call deposits   | 125                                | 6                                   |
| 5.3        | Bank overdrafts   | -                                  | -                                   |
| 5.4        | Other (provide details)   | -                                  | -                                   |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>2,015</b>                       | <b>2,317</b>                        |

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

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

|   |   |  |               |                                |           |                  |               |
|---|---|--|---------------|--------------------------------|-----------|------------------|---------------|
| <b>7. Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i><br><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>   | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |               |                                |           |                  |               |
| 7.1 Loan facilities   | 200   | 200  |               |                                |           |                  |               |
| 7.2 Credit standby arrangements   | 29  | 6  |               |                                |           |                  |               |
| 7.3 Other (see below)   | 473   | 473  |               |                                |           |                  |               |
| 7.4 <b>Total financing facilities</b>   | 702   | 679  |               |                                |           |                  |               |
| 7.5 <b>Unused financing facilities available at quarter end</b>   |   | 23   |               |                                |           |                  |               |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. |   |  |               |                                |           |                  |               |
| Item  | Description   | Lender   | Interest Rate | Maturity Date                  | Security  | Facility \$A'000 | Drawn \$A'000 |
| 7.1   | Shareholder loan  | Entech Pty Ltd                                     | 0%            | none                           | Unsecured | 200              | 200           |
| 7.2   | Credit cards  | Sasfin/Nedbank/<br>Commonwealth                    | 11% to 22%    | none                           | Unsecured | 29               | 6             |
| 7.3   | Vehicle Leases  | Toyota Finance                                     | 2.9% to 6.2%  | 9/11/25,<br>5/5/26,<br>22/5/28 | Secured   | 139              | 139           |
| 7.3   | Vehicle Lease   | Toyota Financial Services                          | 12.25%        | 1/08/2028                      | Secured   | 53               | 53            |
| 7.3   | Insurance Premium Funding                                       | QPR  | 4.15%         | 30/11/2024                     | Unsecured | 67               | 67            |
| 7.3   | Equipment Lease   | GC Leasing   | 10.15%        | 1/04/2026                      | Secured   | 16               | 16            |
| 7.3   | Sale and Leaseback  | GC Leasing   | 12.30%        | 36mths from inception          | Secured   | 108              | 108           |
| 7.3   | Sale and Leaseback  | Sunlyn   | prime+3.5%    | 36mths from inception          | Secured   | 90               | 90            |

|  |                |
|--|----------------|
| <b>8. Estimated cash available for future operating activities</b>   | <b>\$A'000</b> |
| 8.1 Net cash from / (used in) operating activities (item 1.9)  | (104)          |
| 8.2 Cash and cash equivalents at quarter end (item 4.6)  | 2,015          |
| 8.3 Unused finance facilities available at quarter end (item 7.5)  | 23             |
| 8.4 Total available funding (item 8.2 + item 8.3)  | 2,038          |
| 8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>  | 19.60          |
| <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i> |                |
| 8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:  |                |
| 8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?  |                |
| N/A  |                |

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

N/A

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

N/A

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

## Compliance statement

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

Date: 24 April 2024

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

## Notes

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