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OF POTENTIAL

23 February 2022

Release of RooLife Group Ltd's financial results for the half-year ended 31 December 2021

e-Commerce and digital marketing company RooLife Group Ltd (**ASX: RLG**) ("**RooLife Group**" or the "**Company**") provides the following for release:

1. Appendix 4D – half-year report; and
2. Half-year financial report for the half-year ended 31 December 2021 including the Directors' Report.

ENDS

Issued by: RooLife Group Ltd

Authorised by: The Board of RooLife Group Ltd

For further information, please visit the RooLife website at www.roolifegroup.com.au or contact:

Bryan Carr
Managing Director
Ph: +61 8 6444 1702
Email: ir@roolifegroup.com.au

Peter Nesveda
Corporate Affairs & International Investor Relations
Ph: +61 412 357 375
peter@intuitiveaustralia.com.au

RooLife Group Ltd

Appendix 4D

Half-year report

for the half-year ended 31 December 2021

Name of entity:	RooLife Group Ltd
ACN:	613 410 398
Current Reporting Period	Half-Year ended 31 December 2021
Previous Reporting Period	Half-Year ended 31 December 2020

Results for announcement to the market.

Item 1

	6 months ended 31 Dec 2021	6 months ended 31 Dec 2020	Increase/ (Decrease)	% Change
Operating Performance	\$	\$	\$	
Revenue from ordinary activities	8,105,062	2,007,225	6,097,857	304%
Loss from continuing activities after income tax	(865,304)	(1,476,595)	611,291	41%
Net loss for the half year attributable to members	(865,304)	(1,476,595)	611,291	41%

Commentary on results for the period

Commentary on the above figures is included in the attached Interim Financial Report for the half year ended 31 December 2021.

Item 2

Dividends
It is not proposed to pay dividends. There are no dividend or distribution reinvestment plans in operation and there has been no dividend or distribution payments during the financial half-year ended 31 December 2021.

Item 3

	31 Dec 2021	31 Dec 2020
Net Tangible Assets	\$	\$
Net tangible assets per security	\$0.007	\$0.009

Item 4

Control gained or lost over entities during the period
During the half-year period, the Group incorporated a 100% owned subsidiary, Remedy Drinks China Pty Ltd. The Company was incorporated on the 5 th of August 2021.

Item 5

	Ownership interest as at	
	31 Dec 2021	31 Dec 2020
Controlled entities and joint ventures	%	%
Parent entity:		
RooLife Group Ltd		
Controlled entities:		
OpenDNA (UK) Ltd	100	100
OpenDNA (Singapore) Pte Ltd	100	100
CHOOSE Digital Pty Ltd	100	100
RooLife Pty Ltd	100	100
RooLife (HK) Ltd	100	100
RooLife China	100	100
Blackglass Pty Ltd	100	100
QBID Holdings Pty Ltd	100	100
Qualis Holdings Pty Ltd	100	100
QBID Pty Ltd	100	100
Qualis Pty Ltd	100	100
Kiwi Health Pty Ltd	100	100
Remedy Drinks China Pty Ltd	100	-

Item 6

Accounting Standards
The condensed interim consolidated financial statements (the interim financial statements) are general purpose interim financial statements and have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

Item 7

Auditor's review report
The accompanying interim financial report has been reviewed by HLB Mann Judd. A signed copy of the review report is included in the interim financial report.

RooLife Group Ltd

ABN 14 613 410 398

Interim Report
31 December 2021

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Directors' report

Your Directors submit their Interim Report on the consolidated entity (referred to hereafter as the "Group"), consisting of RooLife Group Ltd ("RLG" or the "Company") and entities it controlled at the end of, or during, the half-year ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Bryan Carr	Chief Executive Officer and Managing Director
Warren Barry	Executive Sales Director
Grant Pestell	Non-Executive Chairman
Ye (Shenny) Ruan	Non-Executive Director
Tim Allison	Non-Executive Director (resigned 27 July 2021)

Review of Operations

RLG's technology and services platforms manage the sale of food, beverages and health and wellbeing products, matching consumer demand with businesses and producers seeking to enter and sell into growth markets by connecting global producers and brands directly to consumers.

RLG's marketplace platforms link consumers with brands and facilitate transaction control via its cloud-based operational dashboard with real-time visibility of inventory, consumer purchases and preferences with sales data and other business intelligence, managing sales from order to buyer through direct-to-consumer online store integration.

The Company represents and sells a growing number of quality products and international brands from Australia, New Zealand, USA, Europe, UK and South America, selling online and directly to consumers with the technology and sales infrastructure necessary for products and brands to sell at scale.

In line with the Company's announced strategy, RLG continued investment in its technology and customer acquisition strategies in the first half of FY2022, successfully driving growth in sales revenue and customer reach and establishing new channels to market. Key milestones for the first half of FY2022:

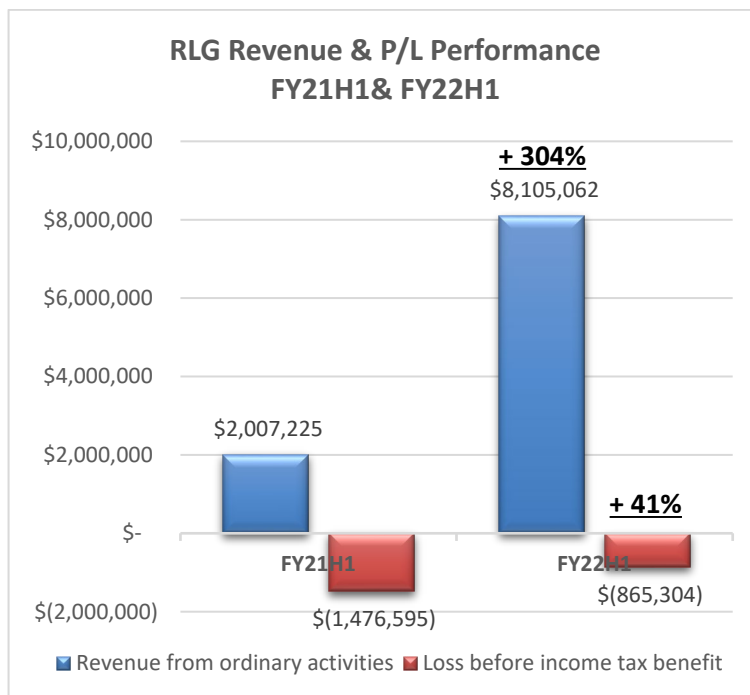
- **Revenue from operations of \$8.1 million** representing **growth of +304%** over FY21H1.
- **Improving P/L position of (\$865k)**, representing a **+41% improvement** over FY21H1 and which included non-operational expenses associated with performance shares and options and technical development and launch expenses for new e-commerce stores in China and SE Asia.
- Total employee, staff and contractor costs were maintained at the same level (+1%) while achieving growth in sales of 304% from \$2m (H1 FY2021) to \$8.1m (H1 FY2022)
- RLG's Pinduoduo fresh food store launched and achieved **Top 10 status** for sales in its category in China within 3 months.
- \$1m placement to strategic investor and sales channel, China Cross Border Trading Group ("CCTG"), completed at a premium and first sales orders received from CCTG's channels.
- Working Capital position improved with **Net Assets of \$7.6m** and **Net Current Assets of \$5m**.

SUMMARY OF KEY METRICS H1 FY2022 & INCREASE FROM H1 FY2021

REVENUE	\$8.1m	↑ 304%
PRODUCT/PLATFORM SALES	\$6.1m	↑ 723%
P/L	(\$865k)	↑ 41%
CASH RECEIPTS FROM CUSTOMERS	\$5.6m	↑ 239%
EMPLOYEE & CONTRACTOR COSTS	\$1.4m	STABLE (+1%)
NET ASSETS	\$7.6m	↑ 33%

RLG continued the expansion of its direct-to-consumer sales platforms which delivered growth in product sales, while maintaining its focus on efficiency of operations with the 723% growth in product sales achieved from the same employee and contractor cost base as the corresponding half year period (FY2021H1) demonstrating the scalable nature of the Group’s operations and which contributed to the improved Profit/Loss performance of the Group.

The Company’s new Pinduoduo fresh food store achieved good sales growth and customer acquisition, reaching Top 10 Store status for its category within the first Quarter of operation.



On 30 December 2021, shareholder approval was provided for the placement of shares in the Company to new China-based sales channel, the China Cross Border Trading Group consortium (collectively “CCTG”) at \$0.026, representing a 24% premium to the closing share price that day, raising \$1,000,000 before costs.

The strategic placement to the China-focussed sales channel, China Cross Border Trading Group (“CCTG”), was done in conjunction with the appointment of CCTG to market, sell and introduce RLG’s portfolio of products to new sales and retail channels in China, with RLG receiving its first sales order for products from the CCTG channel in December 2021, which is expected to convert to revenue and cash receipts in the second half of FY2022.

The investment in technology, business development, marketing and product selection has driven the growth in product sales and revenue achieved to date this financial year and this is expected to continue in the second half of FY2022 with the Company planning to launch more direct-to-consumer online stores managed by the Company’s technology platforms driving sales to an expanded customer base.



The Company has invested in the business in FY2021 and FY2022 to drive scale in product sales via its technology stack and sales platforms and is focussed on increasing gross margin of product sales via its online sales platforms to achieve scalable growth and to drive the business towards profitability in FY2022.

The achievement of key milestones during the first half of FY2022 positions RLG well to continue its growth and expansion with its business objective to achieve strong ongoing product sales growth driven by a growing global customer and customer base to drive the Company towards profitability.

Operating results for the year

The Group has earned revenue and other income of \$8,106,325 for the half-year (31 December 2020: \$2,325,142) with cash receipts of \$5,651,786 (31 December 2020: 1,667,440), and the total comprehensive loss for the period for the Group was \$865,304 (31 December 2020: \$1,476,595).

During the period, the Group successfully completed placements to raise a total of \$2,686,433 net of cash costs. At balance date, the Group held \$3,888,191 (30 June 2021: \$3,815,089) in cash to be applied to general working capital to expand the RooLife business.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the half-year, other than as set out in this report.

Significant events after balance date

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

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this Directors' report for the half-year ended 31 December 2021.

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



Bryan Carr

Managing Director and Chief Executive Officer

23 February 2022

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of RooLife Group Ltd for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

**Perth, Western Australia
23 February 2022**



**D I Buckley
Partner**

hl**b.com.au**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@h**l**bwa.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

		6 months to 31 December 2021	6 months to 31 December 2020
	Notes	\$	\$
Continuing operations			
Revenue	2	8,105,062	2,007,225
Other income	2	1,263	317,917
		<u>8,106,325</u>	<u>2,325,142</u>
Direct product, logistics and marketing costs		(6,554,953)	(1,243,984)
Staff and contactor costs of providing goods and services		(746,179)	(659,923)
Other costs of providing goods and services		(142,860)	(102,848)
Depreciation expense		(6,205)	(5,132)
Amortisation expense		-	(255,456)
Share-based payments expense		(74,290)	(8,565)
Business development costs		(275,253)	(286,139)
Consulting and investor relation fees		(261,886)	(186,307)
Employee costs		(680,780)	(746,774)
Other expenses		(256,443)	(303,387)
Loss before income tax		(892,524)	(1,473,373)
Income tax benefit		-	-
Net loss for the period		(892,524)	(1,473,373)
Other comprehensive loss, net of income tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		27,220	(3,222)
Other comprehensive loss for the period, net of income tax		27,220	(3,222)
Total comprehensive loss for the period		(865,304)	(1,476,595)
Basic loss per share (cents per share)	4	(0.14)	(0.32)
Diluted loss per share (cents per share)	4	(0.14)	(0.32)

The accompanying notes form part of these financial statements

Condensed consolidated statement of financial position
As at 31 December 2021

	Notes	31 December 2021 \$	30 June 2021 \$
Assets			
Current assets			
Cash and cash equivalents		3,888,191	3,815,089
Trade and other receivables	5	3,891,770	1,097,301
Other current assets	6	479,635	339,624
Inventories	7	418,254	457,014
Total current assets		8,677,850	5,709,028
Non-current assets			
Property, plant and equipment		13,465	15,471
Deferred tax asset		37,661	37,661
Intangible assets	8	176,009	50,000
Goodwill	9	2,389,085	2,389,085
Total non-current assets		2,616,220	2,492,217
Total assets		11,294,070	8,201,245
Liabilities			
Current liabilities			
Trade and other payables	10	2,831,953	1,948,205
Deferred revenue		838,474	511,348
Total current liabilities		3,670,427	2,459,553
Non-current liabilities			
Deferred tax liabilities		37,661	37,661
Employee provisions		6,235	6,227
Total non-current liabilities		43,896	43,888
Total liabilities		3,714,323	2,503,441
Net assets		7,579,747	5,697,804
Equity			
Issued capital	11	30,317,825	27,574,463
Reserves		1,578,999	1,547,894
Accumulated losses		(24,317,077)	(23,424,553)
Total equity		7,579,747	5,697,804

The accompanying notes form part of these financial statements

Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2021

	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2021	27,574,463	1,705,106	(157,212)	(23,424,553)	5,697,804
Loss for the period	-	-	-	(892,524)	(892,524)
Other comprehensive loss for the period, net of income tax	-	-	27,220	-	27,220
Total comprehensive loss for the period	-	-	27,220	(892,524)	(865,304)
Shares issued	2,702,000	-	-	-	2,702,000
Shares issued on conversion of performance shares	70,405	(70,405)	-	-	-
Share issue costs	(29,043)	-	-	-	(29,043)
Share-based payments	-	74,290	-	-	74,290
Balance at 31 December 2021	30,317,825	1,708,991	(129,992)	(24,317,077)	7,579,747

For the half-year ended 31 December 2020

	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2020	21,298,469	1,867,682	(155,275)	(18,433,171)	4,577,705
Loss for the period	-	-	-	(1,473,373)	(1,473,373)
Other comprehensive loss for the period, net of income tax	-	-	(3,222)	-	(3,222)
Total comprehensive loss for the period	-	-	(3,222)	(1,473,373)	(1,476,595)
Shares issued	6,792,253	(533,334)	-	-	6,258,919
Share issue costs	(517,508)	-	-	-	(517,508)
Share-based payments	-	55,163	-	-	55,163
Balance at 31 December 2020	27,573,214	1,389,511	(158,497)	(19,906,544)	8,897,684

The accompanying notes form part of these financial statements

Condensed consolidated statement of cash flows
For the half-year ended 31 December 2021

	6 months to 31 December 2021	6 months to 31 December 2020
	\$	\$
Cash flows from operating activities		
Receipts from customers	5,651,786	1,667,440
Payments to suppliers and employees	(8,301,692)	(4,050,825)
Interest received	1,246	4,899
Interest paid	(989)	(598)
Government grants and tax incentives (returned)/ received	(9,255)	313,000
Net cash outflow from operating activities	(2,658,904)	(2,066,084)
Cash flows from investing activities		
Payments for property, plant and equipment	(4,107)	(11,478)
Payments for intangible assets	(117,962)	-
Proceeds from security deposits (net)	75,828	66,399
Net cash (outflow)/ inflow from investing activities	(46,241)	54,921
Cash flows from financing activities		
Proceeds from the issue of shares	2,702,000	6,258,919
Payments for share issue costs	(15,567)	(467,482)
Net cash inflow from financing activities	2,686,433	5,791,437
Net (decrease)/increase in cash held	(18,712)	3,780,274
Cash and cash equivalents at the beginning of the period	3,815,089	1,342,942
Effects of exchange rate fluctuations on cash held	91,814	1,323
Cash and cash equivalents at the end of the period	3,888,191	5,124,539

The accompanying notes form part of these financial statements

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2021

Note 1: Statement of significant accounting policies

(a) Basis of preparation

The condensed interim consolidated financial statements (the interim financial statements) are general purpose interim financial statements and have been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial statements comprise the condensed interim financial statements for the Group. For the purposes of preparing the interim financial statements, the Group is a for-profit entity.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended these interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2021 and any public announcements made by the Company and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year, except for the impact of the new Standards and Interpretations described in Note 1(b) below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim financial statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets.

The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2021

In the period ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period beginning on or after 1 July 2021.

There is no material impact of the new and revised Standards and Interpretations on the Group.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

(c) Statement of compliance

The interim financial statements were authorised for issue on 23 February 2022.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Significant accounting estimates and judgements

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 1: Statement of significant accounting policies *(continued)*

(e) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Note 2: Revenue and other income

The Group derives its revenue from the sale of goods and the provision of services at a point in time and over time.

	6-months to 31 December 2021	6-months to 31 December 2020
	\$	\$
Revenue from contracts with customers	8,105,062	2,007,225
<i>Reconciliation of revenue from contracts with customers</i>		
<u>At a point in time</u>		
Product and platform sales	6,133,823	745,311
	6,133,823	745,311
<u>Over time</u>		
Digital marketing services	1,971,239	1,261,914
	1,971,239	1,261,914
Total revenue	8,105,062	2,007,225
Other income		
Interest income	1,263	4,917
Grants and subsidies	-	313,000
	1,263	317,917

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 3: Segment reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and to assess its performance. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies. The following tables are an analysis of the Group's revenue and results by reportable segment provided to the Board of Directors for the half-year ended 31 December 2021 and for the half-year ended 31 December 2020.

	Australia	United Kingdom	Singapore	China	Consolidation eliminations	Total
31 December 2021	\$	\$	\$	\$	\$	\$
Sales to external customers	1,136,554	-	-	7,037,858	(69,350)	8,105,062
Segment revenue	1,136,554	-	-	7,037,858	(69,350)	8,105,062
Segment result	(733,886)	27,870	125,971	(128,886)	(183,593)	(892,524)
Segment assets	22,836,685	50,606	2,772	7,186,703	(18,782,696)	11,294,070
Segment liabilities	(2,039,690)	(2,918,891)	(4,030,746)	(8,852,037)	14,127,041	3,714,323
	Australia	United Kingdom	Singapore	China	Consolidation eliminations	Total
31 December 2020	\$	\$	\$	\$	\$	\$
Sales to external customers	812,727	-	-	1,245,748	(51,250)	2,007,225
Segment revenue	812,727	-	-	1,245,748	(51,250)	2,007,225
Segment result	(850,783)	(584)	(13,213)	(353,337)	(255,456)	(1,473,373)
Segment assets	21,586,241	48,517	4,794	2,947,959	(13,380,538)	11,206,973
Segment liabilities	(1,451,426)	(2,918,839)	(4,033,215)	(3,950,722)	10,044,913	2,309,289

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 4: Loss per share

(a) Basic and diluted loss per share

	6-months to 31 December 2021	6-months to 31 December 2020
	\$	\$
Total basic and diluted loss per share attributable to the ordinary equity holders of the Company	(0.14)	(0.32)

(b) Reconciliation of loss used in calculating loss per share

	\$	\$
Loss attributable to the ordinary equity holders of the Company used in the calculation of basic and diluted loss per share	(892,524)	(1,473,373)

(c) Weighted average number of shares used as the denominator

	Number	Number
Weighted average number of ordinary shares used in the denominator in calculating loss per share	653,859,210	454,675,716

(d) Information concerning classification of securities

Options granted are considered to be potential ordinary shares and have been included in the determination of diluted loss per share to the extent to which they are dilutive (the options are not considered to be dilutive). The options have not been included in the determination of basic loss per share.

Note 5: Trade and other receivables

	31 December 2021	30 June 2021
	\$	\$
Trade and other receivables	3,891,119	1,091,947
Allowance for doubtful debts	(49,350)	(49,350)
	3,841,769	1,042,597
Accrued revenue	47,801	52,866
Other receivables	2,200	1,838
	3,891,770	1,097,301

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 6: Other current assets

	31 December	30 June
	2021	2021
	\$	\$
Prepayments	297,402	145,317
Security deposits	179,223	191,298
Other	3,010	3,009
	479,635	339,624

Note 7: Inventories

	31 December	30 June
	2021	2021
	\$	\$
Inventories at cost	418,254	457,014

Note 8: Intangible assets

Carrying value

	Website development	Customer contracts	Total
	\$	\$	\$
31 December 2021			
Cost	126,009	50,000	176,009
Accumulated amortisation	-	-	-
Accumulated impairment	-	-	-
Carrying value as at 31 December 2021	126,009	50,000	176,009

30 June 2021	Technology	Website development	Customer contracts	Total
	\$	\$	\$	\$
Cost	3,230,747	14,857	50,000	3,295,604
Accumulated amortisation	(1,696,309)	(11,457)	-	(1,707,766)
Accumulated impairment	(1,534,438)	(3,400)	-	(1,537,838)
Carrying value as at 30 June 2021	-	-	50,000	50,000

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 8: Intangible assets (continued)

Reconciliation

6 months to 31 December 2021

	Website development	Customer contracts	Total
	\$	\$	\$
Carrying value as at 1 July 2021	-	50,000	50,000
Cost occurred	126,009	-	126,009
Amortisation	-	-	-
Carrying value as at 31 December 2021	126,009	50,000	176,009

The intangible asset was not ready for use as at 31 December 2021.

Year to 30 June 2021

	Technology	Website development	Customer contracts	Total
	\$	\$	\$	\$
Opening balance	1,532,743	-	50,000	1,582,743
Amortisation	(510,912)	-	-	(510,912)
Impairment	(1,021,831)	-	-	(1,021,831)
Carrying value as at 30 June 2021	-	-	50,000	50,000

No impairment loss was recognised during the period (31 December 2020: \$nil).

Note 9: Goodwill

	31 December 2021	30 June 2021
	\$	\$
Cost	4,405,266	4,405,266
Impairment	(2,016,181)	(2,016,181)
Carrying value	2,389,085	2,389,085

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 9: Goodwill (continued)

Reconciliation

	6 months to 31 December 2021	Year to 30 June 2021
	\$	\$
Opening balance	2,389,085	2,389,085
Acquisitions through business combinations	-	-
Carrying value	2,389,085	2,389,085

No impairment loss was recognised during the period (31 December 2020: \$nil).

Note 10: Trade and other payables

	31 December 2021	30 June 2021
	\$	\$
Trade payables	1,945,975	843,840
Accruals	215,551	281,532
Deferred remuneration	245,539	365,307
Payroll liabilities	186,369	280,294
Security deposits payable	165,449	134,678
GST/VAT payable	59,452	8,395
Other payables	13,618	34,159
	2,831,953	1,948,205

Note 11: Issued capital

(a) Share capital

	31 December 2021	30 June 2021
	\$	\$
Ordinary shares issued and fully paid	30,317,825	27,754,463

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 11: Issued capital (continued)

(b) Movement in ordinary share capital

Six months to 31 December 2021

Date	Details	Number of shares	\$
1 July 2021	Opening balance	579,753,113	27,574,463
6 July 2021	Shares issued under placement to private investor	74,000,000	1,702,000
9 September 2021	Shares issued to employees	2,816,212	70,405
30 December 2021	Shares issued under placement to private investors	38,461,538	1,000,000
	Less: Transaction costs arising on share issue	-	(29,043)
31 December 2021		695,030,863	30,317,825

Year to 30 June 2021

Date	Details	Note	Number of shares	\$
1 July 2020	Opening balance		340,621,291	21,298,469
27 August 2020	Shares issued to sophisticated investors		25,546,595	766,398
22 September 2020	Shares issued on conversion of performance Shares	(i)	30,476,191	533,334
8 October 2020	Shares issued under the Entitlement Issue		54,152,489	1,624,575
14 October 2020	Shortfall Shares issued under the Entitlement Issue		128,931,546	3,867,946
30 December 2020	Shares issued on cancellation of performance shares		1	-
27 April 2021	Shares issued on exercise of options		25,000	1,250
	Less: Transaction costs arising on share issue		-	(517,509)
30 June 2020	Closing balance		579,753,113	27,574,463

- (i) Shares issued to the vendors of Choose Digital Pty Ltd and RooLife Pty Ltd (previously RooLife Ltd) on achievement of the following performance milestones:
 Tranche 1 – 15,238,095 performance shares converted to ordinary shares upon the businesses achieving aggregate revenue of \$1.8 million in a rolling 12-month period (as confirmed by audited financial statements).
 Tranche 2 – 15,238,096 performance shares converted to ordinary shares upon the businesses achieving aggregate revenue of \$1.8 million in a rolling 12-month period (as confirmed by audited financial statements).

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2021

Note 11: Issued capital (continued)

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Note 12: Share-based payments

(a) Options

In the current period, the Company has issued 10,000,000 options to consultants for services rendered in the financial year ended 30 June 2021. The services were provided during the previous financial year, but the options had not been issued as they awaited formal acceptance. The share-based payment expense in relation to these options was recognised in the financial year ended 30 June 2021.

The Company has also entered into the following share option based payment arrangements during the half year period:

	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$	Vesting date
<i>Unlisted Options:</i>						
Placement options	4,807,692	30 December 2021	30 November 2024	\$0.05	\$18,902	30 December 2021
Performance options	30,000,000	30 December 2021	30 November 2024	\$0.05	\$117,948	(i)

- (i) 1,000,000 Incentive Options will vest for every \$1,000,000 revenue (min \$100,000 gross margin), commencing when an initial \$200,000 gross margin has been achieved.

There has been no alteration of the terms and conditions of the above share-based payment arrangement since grant date.

The fair value of the Placement options and the Performance options is estimated at grant date using the Black & Scholes model, taking into account the terms and conditions upon which the options were granted, as follows:

	Note	
Expected volatility (%)	(i)	74.9%
Risk-free interest rate (%)		0.96%
Expected life of option (days)	(ii)	1,067
Exercise price (cents)		5.0
Grant date share price (cents)		2.1

- (i) The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.
- (ii) The expected life of the options is not based on historical data and is not necessarily indicative of exercise patterns that may occur. The number of days is calculated by the number of days between the grant date and expiry date of the option.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 12: Share-based payments (continued)

(b) Performance rights

The Company has entered into the following performance rights based payment arrangements during the half year period:

	Number	Grant date	Expiry date	Fair value at grant date \$	Vesting date
Class A Tranche 1					
Bryan Carr	1,650,000	29 November 2021	1 December 2024	\$36,300	31 August 2022
Warren Barry	990,000	29 November 2021	1 December 2024	\$21,780	31 August 2022
Grant Pestell	440,000	29 November 2021	1 December 2024	\$9,680	31 August 2022
Ye (Shenny) Ruan	220,000	29 November 2021	1 December 2024	\$4,840	31 August 2022
Class A Tranche 2					
Bryan Carr	1,650,000	29 November 2021	1 December 2024	\$36,300	31 August 2023
Warren Barry	990,000	29 November 2021	1 December 2024	\$21,780	31 August 2023
Grant Pestell	440,000	29 November 2021	1 December 2024	\$9,680	31 August 2023
Ye (Shenny) Ruan	220,000	29 November 2021	1 December 2024	\$4,840	31 August 2023
Class A Tranche 3					
Bryan Carr	1,650,000	29 November 2021	1 December 2024	\$36,300	31 August 2024
Warren Barry	990,000	29 November 2021	1 December 2024	\$21,780	31 August 2024
Grant Pestell	440,000	29 November 2021	1 December 2024	\$9,680	31 August 2024
Ye (Shenny) Ruan	220,000	29 November 2021	1 December 2024	\$4,840	31 August 2024
Class B Tranche 1					
Bryan Carr	3,350,000	29 November 2021	1 December 2024	\$73,700	31 August 2022
Warren Barry	2,010,000	29 November 2021	1 December 2024	\$44,220	31 August 2022
Grant Pestell	893,333	29 November 2021	1 December 2024	\$19,653	31 August 2022
Ye (Shenny) Ruan	446,677	29 November 2021	1 December 2024	\$9,827	31 August 2022
Class B Tranche 2					
Bryan Carr	3,350,000	29 November 2021	1 December 2024	\$73,700	31 August 2023
Warren Barry	2,010,000	29 November 2021	1 December 2024	\$44,220	31 August 2023
Grant Pestell	893,333	29 November 2021	1 December 2024	\$19,653	31 August 2023
Ye (Shenny) Ruan	446,677	29 November 2021	1 December 2024	\$9,827	31 August 2023
Class B Tranche 3					
Bryan Carr	3,350,000	29 November 2021	1 December 2024	\$73,700	31 August 2024
Warren Barry	2,010,000	29 November 2021	1 December 2024	\$44,220	31 August 2024
Grant Pestell	893,333	29 November 2021	1 December 2024	\$19,653	31 August 2024
Ye (Shenny) Ruan	446,677	29 November 2021	1 December 2024	\$9,827	31 August 2024
Class C					
Bryan Carr	3,750,000	29 November 2021	1 December 2024	\$41,250	(i)
Warren Barry	2,250,000	29 November 2021	1 December 2024	\$24,750	(i)
Grant Pestell	1,000,000	29 November 2021	1 December 2024	\$11,000	(i)
Ye (Shenny) Ruan	500,000	29 November 2021	1 December 2024	\$5,500	(i)
Class D					
Bryan Carr	3,750,000	29 November 2021	1 December 2024	\$82,500	29 November 2024
Warren Barry	2,250,000	29 November 2021	1 December 2024	\$49,500	29 November 2024
Grant Pestell	1,000,000	29 November 2021	1 December 2024	\$22,000	29 November 2024
Ye (Shenny) Ruan	500,000	29 November 2021	1 December 2024	\$11,000	29 November 2024

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 12: Share-based payments (continued)

(b) Performance rights (continued)

- (i) Vesting dates are dependent on date of achievement of vesting condition. If the vesting condition is achieved in:
- FY2022, the vesting date is 30 June 2022;
 - FY2023, the vesting date is 30 June 2023; or
 - FY2024, the vesting date is 30 June 2024.

The performance rights granted were in three tranches with separate market and non-market conditions for each tranche as outlined below. The market conditions were incorporated into the measurement of fair value.

	Vesting conditions	Number
Class A		
Tranche 1	Performance Rights vest if: <ul style="list-style-type: none"> • the Group achieves Revenue for FY2022 which exceeds the Revenue which was achieved by the Group for FY2021 by 50% or more; and • the Related Party has remained employed or engaged by the Group for the entirety of FY2022. 	3,300,000
Tranche 2	Performance Rights vest if: <ul style="list-style-type: none"> • the Group achieves Revenue for FY2023 which exceeds the Revenue which was achieved by the Group for FY2022 by 50% or more; and • the Related Party has remained employed or engaged by the Group for the entirety of FY2023. 	3,300,000
Tranche 3	Performance Rights vest if: <ul style="list-style-type: none"> • the Group achieves Revenue for FY2024 which exceeds the Revenue which was achieved by the Group for FY2023 by 35% or more; and • the Related Party has remained employed or engaged by the Group for the entirety of FY2024. 	3,300,000
Class B		
Tranche 1	Performance Rights vest if: <ul style="list-style-type: none"> • the Group achieves EBITDA for FY2022 which exceeds the EBITDA which was achieved by the Group for FY2021 by 40% or more; and • the Related Party has remained employed or engaged by the Group for the entirety of FY2022. 	6,700,000
Tranche 2	Performance Rights vest if: <ul style="list-style-type: none"> • either paragraph (i) or (ii) below is satisfied by the Group for FY2023: <ul style="list-style-type: none"> (i) where the Group failed to achieve positive EBITDA for FY2022 – the Group achieves positive EBITDA for FY2023; or (ii) where the Group achieved positive EBITDA for FY2022 – the Group achieves EBITDA for FY2023 which exceeds the EBITDA which was achieved by the Group for FY2022 by 50% or more; and • the Related Party has remained employed or engaged by the Group for the entirety of FY2023. 	6,700,000
Tranche 3	Performance Rights vest if: <ul style="list-style-type: none"> • the Group achieves EBITDA for FY2024 which exceeds the EBITDA which was achieved by the Group for FY2023 by 50% or more; and • the Related Party has remained employed or engaged by the Group for the entirety of FY2024. 	6,700,000
Class C	All of the Class C Performance Rights will vest if, at the end of either FY2022, FY2023 or FY2024: <ul style="list-style-type: none"> • the VWAP for the previous 90 Trading Days was at any time during the applicable FY equal to \$0.05 or more; and • the Related Party has remained employed or engaged by the Group for the entirety of the applicable FY. <p>For the avoidance of doubt, the Class C Performance Rights can only vest once (notwithstanding the above Vesting Conditions may be achieved in multiple FYs).</p>	7,500,000

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2021

Note 12: Share-based payments (continued)

(b) Performance rights (continued)

	Vesting conditions	Number
Class D	All of the Class D Performance Rights will vest if, on the date which is 3 years after the date of the Meeting (being 29 November 2024): <ul style="list-style-type: none"> • in either FY2022, FY2023 or FY2024, the Group achieved: <ul style="list-style-type: none"> (i) NPAT of at least \$1,000,000; and (ii) An NPAT margin (measured as NPAT/Revenue) of at least 10%; and • the Related Party has remained employed or engaged by the Group for the entirety of the 3-year period. 	7,500,000

Share-based payment reserve movement for the six months period:

	Note	\$
Opening balance		1,705,106
Shares issued to employee	11	(70,405)
Vested component of options issued in previous financial period		26,992
Share-based payment of options issued	12(a)	18,902
Share-based payment expense of performance rights issued	12(b)	28,396
Closing balance		<u>1,708,991</u>

Share options exercised during the half-year

No share options were exercised during the half-year.

Share options expired during the half-year

336,552,156 listed share options exercisable at \$0.05 expired on 31 October 2021.

Share options cancelled during the half-year

20,000,000 unlisted share options previously issued to the Executive Directors were cancelled during the half-year. These options have previously been valued using the Monte Carlo model. The cancellation resulted in an acceleration to the vesting and the remaining unvested fair value of \$26,992 has been recognised as a share-based payment expense during the half-year.

Note 13: Financial instruments

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The carrying amounts of the current receivables, other current assets and current payables are considered to be a reasonable approximation of their fair value.

Note 14: Contingent liabilities

The Group has no contingent liabilities as at the reporting date.


Note 15: Events subsequent to reporting date

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

Directors' declaration

1. In the opinion of the Directors of RooLife Group Ltd (the 'Company'):
 - a. the accompanying interim financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year then ended; and
 - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. the interim financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 303(5) of the Corporations Act 2001 for the half-year ended 31 December 2021.

This declaration is signed in accordance with a resolution of the board of Directors.



Bryan Carr

Chief Executive Officer and Managing Director

23 February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of RooLife Group Ltd

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of RooLife Group Ltd ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of RooLife Group Ltd does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Responsibility of the directors for the financial report

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

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HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hbw.com.au

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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


Independence

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
23 February 2022



D I Buckley
Partner