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QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C FOR THE PERIOD ENDED 31 DECEMBER 2022

ASX:RLG
31 January 2023

Q2 FY2023 APPENDIX 4C & KEY FINANCIAL DATA

\$ 3.39m

CASH RECEIPTS Q2 FY2023

\$(2.37m)

PRODUCT & OPERATING
COSTS PAYMENTS Q2 FY2023

\$(743k)

PAYMENTS FOR STAFF
COSTS Q2 FY2023

\$(275k)

NET CASH USED IN
OPERATING ACTIVITIES
Q2 FY2023

\$ 3.3m

REVENUE & OTHER INCOME
Q2 FY2023

\$2.3m

CASH & EQUIVALENTS
AT THE END OF Q2 FY2023

\$0.6m

UNDRAWN FINANCE FACILITY
AT THE END OF Q2 FY2023



Q2 FY2023 OPERATIONAL HIGHLIGHTS

- RLG online pharmacy store in China, selling directly to Chinese consumers actively seeking international OTC (Over-the-Counter) pharmaceutical products and government recommended COVID treatments, had over **770,000 unique visitors in December 2022**, selling out of key product lines (which were replenished in January 2023).
- Joint marketing and business development programmes delivered with Santander Bank UK, **one of the largest banks in the world**, for China entry for Santander clients. With its established global banking footprint and over 150 million customers, the Santander client base and technology nicely complements RLG's Marketplace to match consumer demand with suppliers, servicing the high demand for international products in China.
- RLG's own new Health & Wellness Brand – VORA – “Good for You, Good for the Planet. Good Business” launched, providing the opportunity for increased margins on product sales.



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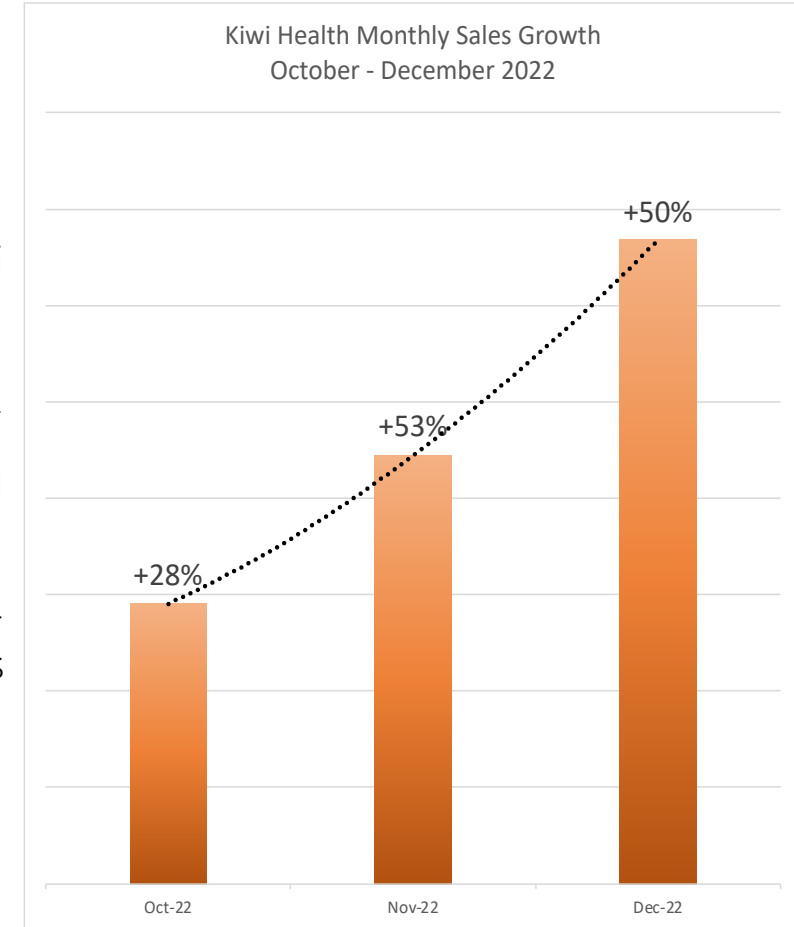
RLG ONLINE PHARMACY STORE VISITS & SALES IN CHINA SURGE IN DECEMBER 2022



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RLG experienced a strong surge in sales and demand for OTC medicines in China in December 2022, in response to heightened demand for fever-reducing paracetamol, ibuprofen and also Vitamin C products following the relaxation of COVID restrictions and government treatment advice.

- Visits to and sales on RLG & AFT Pharmaceuticals (ASX:AFP) operated Kiwi Health online pharmacy surged strongly in December 2022
- 770,000 unique visitors to Kiwi Health online pharmacy in December 2022
- December 2022 was a record sales month with the leading sales being Vitamin C Liposachets and Maxigesic
- Paracetamol, Ibuprofen and Vitamin C products sold out in mid-December 2022 with new products delivered in January 2023 with sales re-launched



Q2 FY2023 OPERATIONAL HIGHLIGHTS

RLG & SANTANDER BANK(UK) BUSINESS PARTNERSHIP

- RLG and Santander UK (www.santandercb.co.uk) joint focus on China and Australia market entry for Santander's client base.
- Santander Bank has an established global banking footprint and over 150 million customers.
- 34 Key Brands from United Kingdom shortlisted and met with in Q2 FY2023.
- Online Webinar sessions hosted by RLG for Santander customers in the Health and Well Being and Food and Beverage sectors seeking to sell into China and Australia.
- Products from the UK are held in high regard with Chinese consumers and our experience in operating in China coupled with Santander's reach and strong established relationships with businesses, forms a powerful go-to-market strategy to grow transaction value between UK based businesses and China.



Q2 FY2023 OPERATIONAL HIGHLIGHTS

PARTNERSHIP WITH FOOD DRINKS EXPORT ASSOCIATION (FDEA) UK

- Key Partnership established with the Food Drinks Export Association (FDEA) UK.
- FDEA UK's food and drink members include some of the UK's most successful exporters.
- RLG is working closely with FDEA UK specifically to help brands enter the Chinese and Australian Markets leveraging the expertise and results gained through driving key drink brands such as Remedy Drink's Kombucha.
- Key activities in Q3 FY2023 include RLG FDEA UK joint engagement with FDEA UK's members seeking both offline and online channels for their products.
- RLG is ideally positioned to leverage the soon to be announced Australia and UK Free Trade agreement to be a partner of choice for key brands who are looking to enter the Australian Market.



Corporate, Financial Performance & Other Cash Items

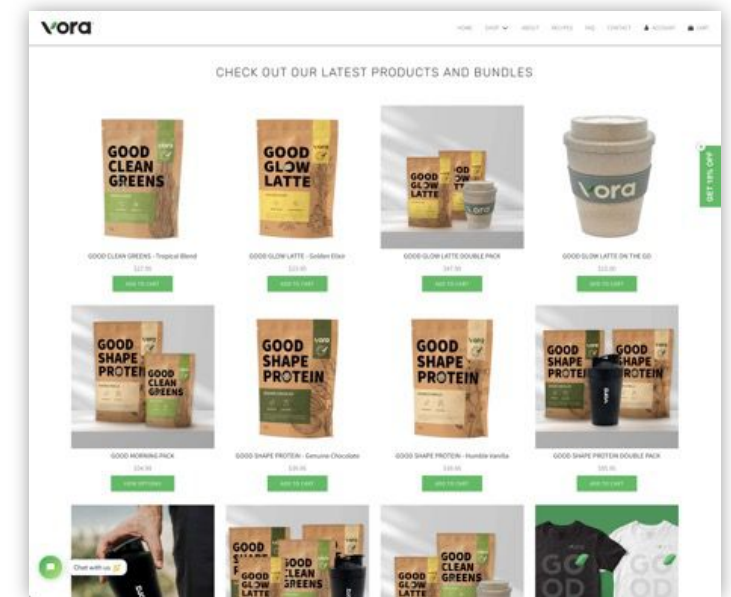
- Payments for staff costs, including directors, in the quarter totalled \$743k, (down from \$761k in the prior quarter and included payments for services provided for FY2022).
- Administration and corporate costs in the quarter were \$282k down from \$299k in the prior quarter.
- Fees paid to Non-Executive Directors were \$30k and fees paid to Executive Directors during the Quarter totalled \$246k and included bonus payments of \$137k related to achievement of milestone targets and reported in FY2022.
- Payments totalling \$16,000 were made to Murcia Pestell Hillard Pty Ltd, a company related to Mr. Grant Pestell, for the provision of legal services.

RLG MACRO DRIVERS FOR 2023



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- Improving trade relations between Australia and China expected to be beneficial for e-commerce into China
- Removal of China's COVID restrictions expected to drive online and in-market spending with strong pent up consumer demand and "revenge" consumption (Source Deloitte China*)
- Strong global demand for agricultural and food related products aligns with RLG's product offering
- Demand for plant based and environmentally conscious foods is forecast to experience particularly high growth due to consumer lifestyle changes and growing demand
- 73% of RLG's FY2022 revenue was derived from the food, health and wellbeing sectors, ideally positioning the company to benefit from these evolving market conditions



• <https://www2.deloitte.com/cn/en/pages/about-deloitte/articles/deloitte-research-issues-79.html>

RLG CONNECTS GLOBAL BRANDS WITH CUSTOMERS



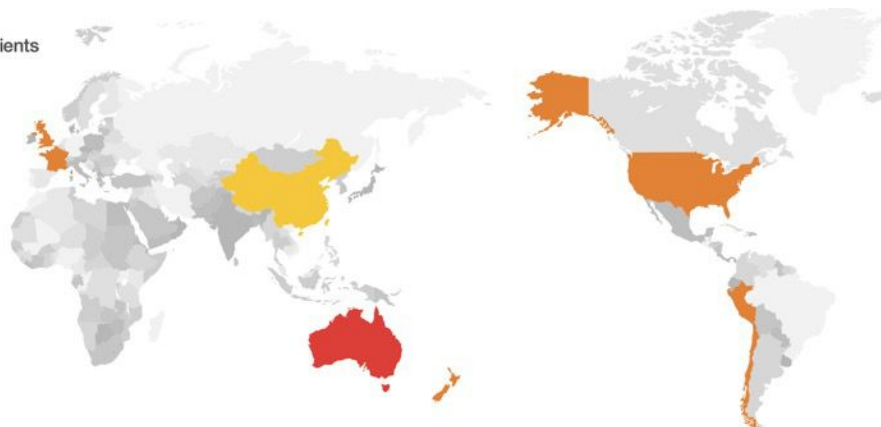
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- An established, leading e-commerce platform provider
- Selling food, health and well being products
- Global Client Base – 7 Countries
- Own Brand – VORA “Good for you” Food Products launched
- Market Focus – Australia, South East Asia & Emerging Markets
- Targeting growing margin on Product Sales



Global Footprint of Clients

- Australia
- New Zealand
- USA
- UK
- France
- Peru
- Chile



RLG MULTI-CHANNEL REVENUE MODEL

REVENUE FROM RECURRING SERVICES FEES + PRODUCT SALES



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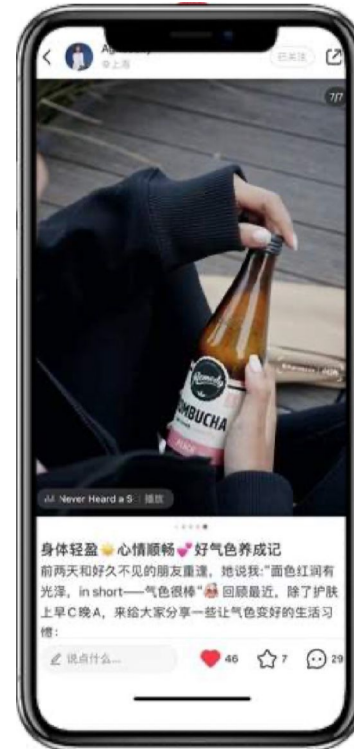
Ecommerce:
Prominent ecommerce and cross border channels



Social Commerce:
Influencers livestreaming and selling direct to consumers



B2B Distributors:
Network connecting with retailers across China



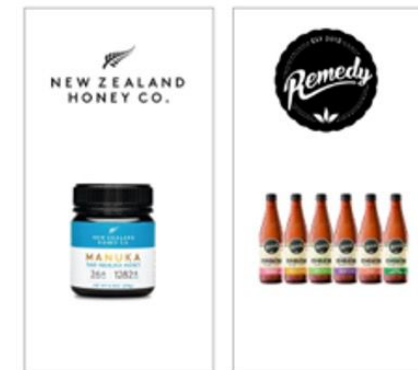
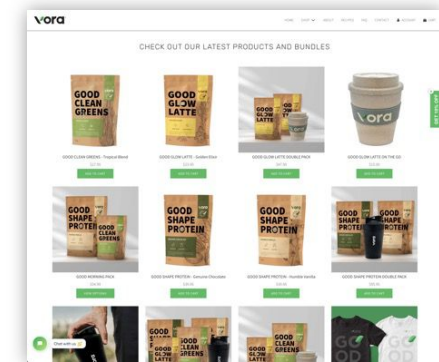
ASX:RLG BUSINESS OVERVIEW



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SELLING FOOD, HEALTH AND WELLBEING PRODUCTS ONLINE AND VIA CHANNELS

- RLG matches consumer demand with brands via multiple channels
- RLG drives online and in-market sales of international brands
- RLG's own Healthy Food Brand VORA launched
- Strong China focus - the largest e-commerce market globally, generating almost 50% of the world's transactions, valued at \$USD2.3 trillion and providing access to 940 million online shoppers*
- The size of the addressable market and RLG's established platform for accessing this market provides a solid foundation to drive toward future growth and profitability
- Removal of COVID restrictions in China in December 2022 is expected to drive strong consumer spending in 2023*



RLG FOOD & HEALTH PRODUCTS FOCUS



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- RLG is an e-commerce business focused on selling food, health & well being products to China
- China is the world's largest importer of agricultural food & second largest food importer
- The market for food in China is expected to grow annually by 9.5% (CAGR 2022-2027)
- In the China food market, 33.6% of total revenue will be generated through online sales by 2022
- From 2020-2030, China is expected to deliver 25-30% of the world's GDP growth
- China's online economy is expected to be one of the key drivers of high-quality economic growth, reviving consumption and driving online sales.

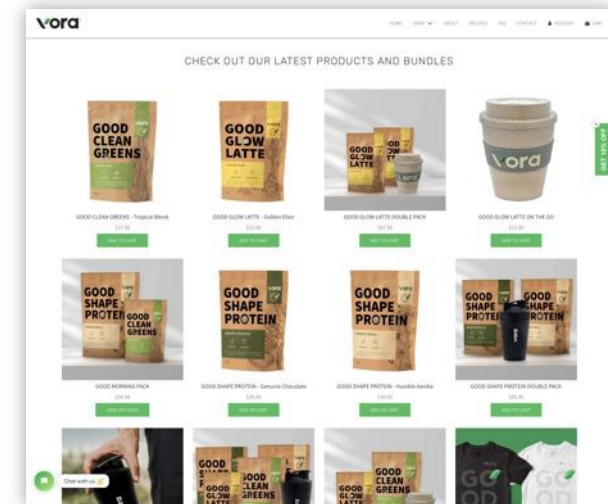
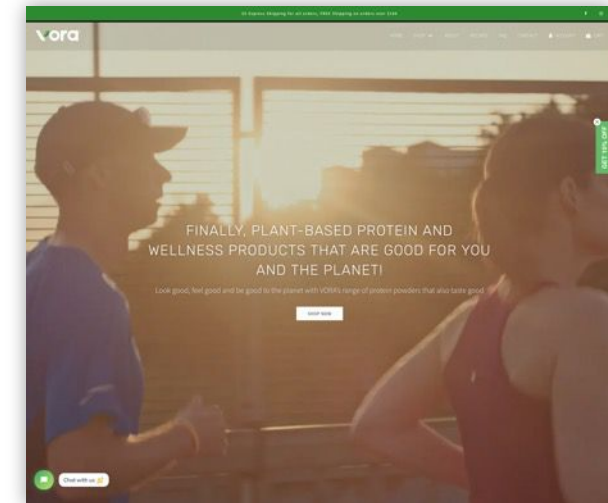


RLG VORA HEALTHY FOOD PRODUCTS



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- Brand ownership developed to provide RLG increased margins on products sold under own brand and ability to service identified demand rapidly
- VORA products designed to deliver improved margins for these products sold by RLG
- RLG to leverage the customer databases built in China over time to sell VORA products to a qualified customer base
- VORA launches with vegetable protein products to service high-demand and high growth markets in China and South East Asia
- South East Asia sales and distribution partnerships being sought
- Key driver is to increase product sales margins





Compelling in-demand service:

E-commerce & sales platforms selling food, health and wellbeing products.

Proven platform ready for scale:

Strong international product range from NZ, UK, Europe, USA, South America, Australia.

Infrastructure investment creates turnkey solution:

China team, Australian team, logistics, warehousing, translation, marketing, distribution and e-commerce support for rapid market entry.

Company Owned Health Brand:

VORA – “Good for you” health food range, selling into high demand, high growth markets, delivering margin benefits & ability to rapidly respond to demand.

Revenue Growth:

Mix of stable recurring revenues and product sales with track record of growth – from \$700k (FY19) to \$9.6m (FY21) to \$16.9m (FY22).



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Appendix 4C

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

Name of entity

RooLife Group Limited

ABN

14 613 410 398

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,384	7,303
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,369)	(5,212)
(c) advertising and marketing	(283)	(509)
(d) leased assets	-	-
(e) staff costs	(743)	(1,504)
(f) administration and corporate costs	(282)	(581)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	8
1.5 Interest and other costs of finance paid	(8)	(10)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	79	79
1.8 Other (provide details if material)	(61)	(131)
1.9 Net cash from / (used in) operating activities	(275)	(557)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	1	(9)
(d) investments	-	-
(e) intellectual property	(19)	(37)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	44	29
2.6	Net cash from / (used in) investing activities	26	(17)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	450
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	450

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,586	2,416
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(275)	(557)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	26	(17)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	450
4.5	Effect of movement in exchange rates on cash held	(37)	8
4.6	Cash and cash equivalents at end of period	2,300	2,300

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,300	2,586
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,300	2,586

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	291 ¹
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.

¹ Payments totalling \$275,000 were made to directors for fees and superannuation on fees.

Payments totalling \$16,000 were made to Murcia Pestell Hillard Pty Ltd, a company related to Mr. Grant Pestell, for the provision of legal services.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	1,000	450
7.2 Credit standby arrangements	50	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	1,050	450
7.5 Unused financing facilities available at quarter end		600
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.		
<p>Working Capital Loan Agreement for a line of credit of \$1,000,000, with Saxby Capital Investments Pty Ltd, to be drawn on a case-by-case basis for each sale of product into China. Interest is calculated at 10% per annum on loan amount drawn down, payable in arrears. Repayment terms are typically 60 days or 90 days and to be agreed between the Lender and Borrow on a case-by-case basis. The finance facility is secured by a fixed and floating charge over receivables and inventory to the equivalent value of amount outstanding of the Loan.</p> <p>Business Overdraft Facility of \$49,999 with Australia and New Zealand Banking Group Limited (ANZ) at an interest rate of 10.45%. The facility is unsecured and has no fixed maturity date.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(275)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,300
8.3 Unused finance facilities available at quarter end (item 7.5)	600
8.4 Total available funding (item 8.2 + item 8.3)	2,900
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	10.55
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

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

Answer: N/A

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: 31 January 2023

Authorised by: The Board of RooLife Group Ltd

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.