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# QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C FOR THE PERIOD ENDED 30 SEPTEMBER 2023

ASX:RLG

31 OCTOBER 2023

# Q1 FY2024 APPENDIX 4C & KEY FINANCIAL DATA

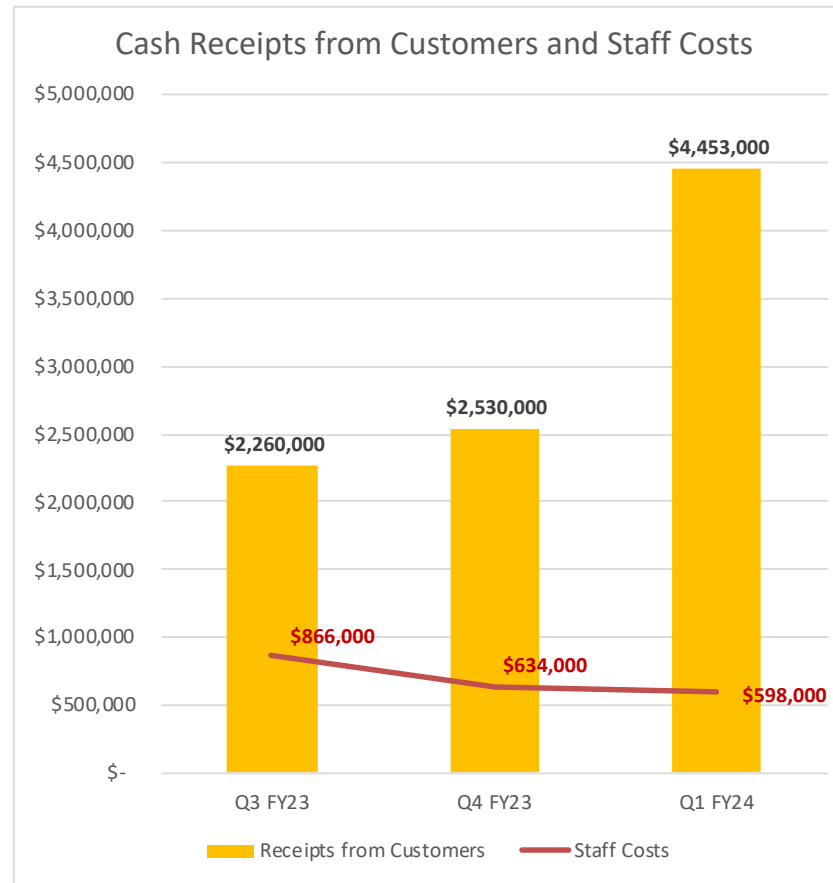


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RLG investment in Products & Channels expected to deliver Revenue growth to **\$8m-\$9m** in **1HY FY24** (\$6.4m 1HY FY23) as the Company optimally services channel and product demand.

Cost reduction initiatives commenced Q4 FY23 to continue into Q2 FY24.

Q1 FY2024	vs	Q4 FY2023
<b>\$ 4.45m</b> CASH RECEIPTS Q1 FY2024		<b>\$ 2.53m</b> CASH RECEIPTS Q4 FY2023
<b>\$(3.93m)</b> PRODUCT & OPERATING COSTS PAYMENTS Q1 FY2024		<b>\$(1.57m)</b> PRODUCT & OPERATING COSTS PAYMENTS Q4 FY2023
<b>\$(0.47m)</b> NET CASH USED IN OPERATING ACTIVITIES Q1 FY2024		<b>\$(0.11m)</b> NET CASH USED IN OPERATING ACTIVITIES Q4 FY2023



1HY FY2024  
**\$8m - \$9m**  
REVENUE FORECAST\*  
**Q1 FY2024 \$2m**



1HY FY2023  
**\$6.4m**  
REVENUE

Q1 FY2024  
**\$ 2.65m**  
CASH AT BANK

\*Based on contracted revenues, product orders and expected product delivery times

# Q1 FY2024 RLG'S FOCUS ON CHANNEL GROWTH



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## CONSUMER HEALTH, WELLNESS & FOOD - ONLINE & OFFLINE EXPANSION

- Continued expansion of consumer health, wellness and food products & additional sales channels with tactical product & brand selection.
- During Q1 FY2024, RLG Marketplace entered into an agreement to source and supply products to be sold in China both online and through physical pharmacies and stores of Shanghai No.1 Pharmaceuticals Co., Ltd which advises it has been appointed as one of the first three pilot “dual-channel” (online and offline) pharmacies in Shanghai.
- The agreement to source and supply a range of goods including food, health and well-being, nutritional and beauty care products to be sold in China online and in the extensive physical store network of Shanghai No.1 Pharmaceuticals Co., Ltd, which is a diversified pharmaceutical distribution enterprise, operating wholesale and retail businesses, delivered \$2.9m in product orders within the first month of the partnership which was announced 30 August 2023.
- Binding agreement executed with cross border e-Commerce company AULife International to jointly market and sell international products in China.
- Sales and orders delivered in 2 new lucrative product segments for RLG - Milk Powder and Dairy Food Products.
- AULife holds distribution rights for a leading portfolio of brands and products and agreement and expands RLG's distribution footprint with Chinese consumers.



# Q1 FY2024 HEALTH & WELLNESS CONTINUED EXPANSION

## RLG CONTRACTED TO MARKET & SELL HYDRALYTE IN CHINA



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In Q1 FY2024 RLG was appointed by The Hydration Pharmaceuticals Company Limited (**ASX:HPC**) (“HPC”) to exclusively market, sell and distribute its Hydralyte range of electrolyte-rich tablets, liquids and powders in China.

RLG has exclusive distribution rights for all online and physical store sales, including cross border e-commerce and general trade in China

RLG is to generate revenue through multiple channels including service fees, digital marketing fees and margins on all product sales

Extends RLG’s positioning and portfolio in the health & functional food and beverage sector in China – adding Hydralyte to Remedy Drinks, New Zealand Honey Co, Fiji Kava and RLG’s own VORA protein range

RLG’s portfolio of brands continues to grow with an increasing focus on the health & functional food sector; Accessing more physical stores in China is a key expansion priority whilst RLG continues to build out its strong online presence.



# RLG – CHINA INTERNATIONAL IMPORT EXPO 2023



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## TARGETING NEW CHANNELS

RLG will be promoting its portfolio of products at the China International Import Expo in Shanghai, 5-10 November 2023, with the support of *Austrade*, *Trade & Investment Queensland*, *Global Victoria* and *Western Australia's DPIRD*, seeking to secure additional sales channels and distribution agreements in China for its product portfolio.

The event is expected to provide a forum for improved trade engagement between Australia and China\*.



中国国际进口博览会  
CHINA INTERNATIONAL  
IMPORT EXPO



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Australian Government  
Australian Trade and Investment Commission



# Q1 FY2024 – FUNDING SECURED TO DRIVE SALES GROWTH



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The Company has increased its focus on the provision of health, wellness and food and beverage products into the China market and has continued to grow out its online and physical store channels to service the identified consumer demand for healthy, high-quality international products with China's large, emerging middle class. The Company has successfully secured funding to service demand and orders for its products.

- On 14 July 2023, RLG entered into agreements to obtain funding of an additional \$600,000 by way of a combination of a Convertible Loan to the value of \$200,000 from existing shareholder, Xiaodan Wu, (a Hong Kong based substantial shareholder in RLG) and \$400,000 in loans from directors, with the funds to be applied to drive immediate growth in sales revenue and gross profit for the Company in this quarter.
- Key terms of the Convertible Loan include 8% p/a interest rate plus 5 RLG shares for every \$1 loaned, with a term of 12 months and right to convert to fully paid shares at \$0.025.
- Key terms of the Director Loans include 10% p/a interest rate on the amount drawn down, payable in arrears.
- On 28 September 2023, RLG entered into an agreement with Westcap Pty Ltd for provision of \$1,000,000 in additional working capital funding, by way of Convertible Loan, to support sales growth, new product segments and sales channel expansion. Key terms include 8% p/a interest rate with the right to convert to fully paid shares at \$0.025 with a term of 13 months and issue of 2m shares.



## Corporate, Financial Performance & Other Cash Items

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- Product Manufacturing and Operating Costs in the quarter were \$3,931k, up from \$1,569k in the prior quarter in line with the increased product sales receipts and additional product orders.
- Payments for staff costs, including directors, in the quarter totalled \$598k, down from \$634k in the prior quarter as the Company continued its focus on cost efficiencies
- Administration and corporate costs in the quarter were \$232k.
- Fees paid to Non-Executive Directors were \$30k and fees paid to Executive Directors during the Quarter totalled \$149k.

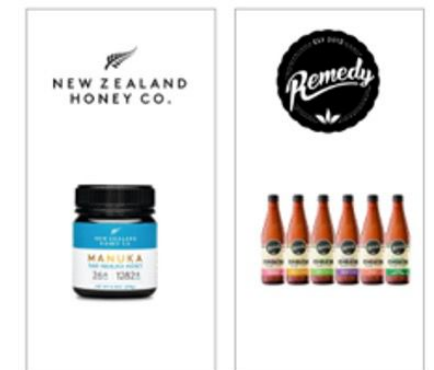
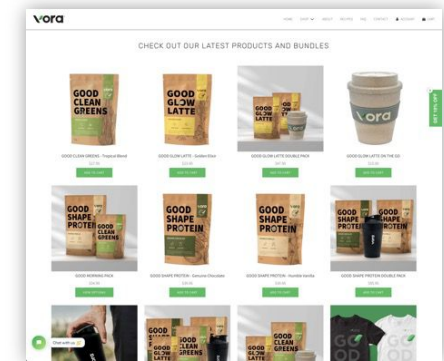
# ABOUT ASX:RLG



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## SELLING FOOD, HEALTH AND WELLBEING PRODUCTS ONLINE AND VIA SALES CHANNELS

- RLG matches consumer demand with brands via multiple channels
- RLG drives online and in-market sales of international brands
- RLG's focus on Health, Wellbeing and Food products including own VORA brand and product range
- 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 and expanding platforms for accessing this market provides a solid foundation to drive toward future growth and profitability



\* [www.trade.gov/country-commercial-guides/china-ecommerce](http://www.trade.gov/country-commercial-guides/china-ecommerce) , [www.statista.com/statistics/663464/alibaba-cumulative-active-mobile-users-taobao-tmall/](http://www.statista.com/statistics/663464/alibaba-cumulative-active-mobile-users-taobao-tmall/)



# ABOUT RLG'S 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



# RLG CONNECTS GLOBAL BRANDS WITH CUSTOMERS

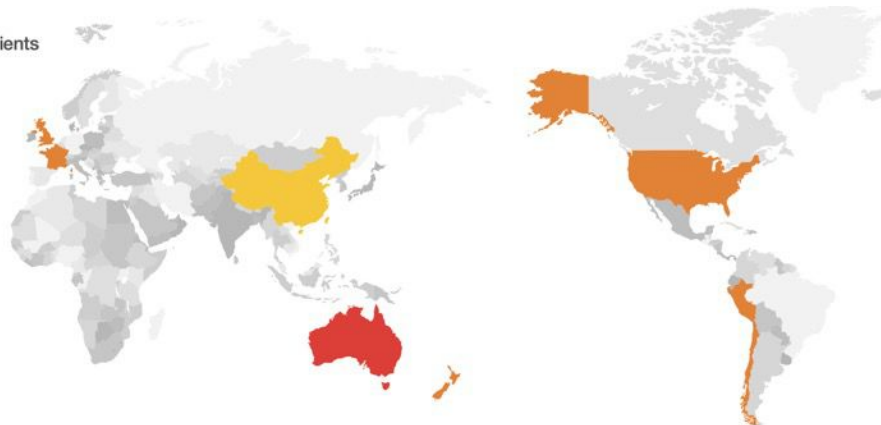


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- An established, leading e-commerce platform provider
- Selling food, health and well being products
- Global Client Base – 7 Countries
- Own Brand – VORA “Good for you” Food Products launched
- Market Focus – Australia, South East Asia & Emerging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

Global Footprint of Clients

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



## RLG China Channel Network



### Social/E-commerce



### E-commerce Platforms



### Online & Offline B2B



### High End Retail Grocery



### High End Retail Trade



### Specialty Retail (Gyms/Clubs/Hotels)



### Government Organizations/Events/Seminars/Training





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**Compelling in-demand service:**

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

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**Proven platform ready for scale:**

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

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**Infrastructure investment creates turnkey solution:**

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

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**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.

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**Multiple Revenue Lines & Channels:**

Mix of stable recurring revenues and product sales with growing range of products and sales channels.

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**ASX:RLG**

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Website    [www.roolifegroup.com.au](http://www.roolifegroup.com.au)

Issued by: RooLife Group Ltd  
Authorised by: The Board of RooLife Group Ltd

## 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")**

30 September 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,453	4,453
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(3,931)	(3,931)
(c) advertising and marketing	(97)	(97)
(d) leased assets	-	-
(e) staff costs	(598)	(598)
(f) administration and corporate costs	(232)	(232)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	8
1.5 Interest and other costs of finance paid	(22)	(22)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(55)	(55)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(474)</b>	<b>(474)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)	60	60
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>60</b>	<b>60</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	1,200	1,200
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	400	400
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,600</b>	<b>1,600</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	1,420	1,420
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(474)	(474)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	60	60

Appendix 4C  
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,600	1,600
4.5	Effect of movement in exchange rates on cash held	41	41
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,647</b>	<b>2,647</b>

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	2,647	1,420
5.2	Call deposits	-	-
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>2,647</b>	<b>1,420</b>

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	204 <sup>1</sup>
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

<sup>1</sup> Payments totalling \$179,000 were made to directors for fees and superannuation on fees.

Payments totalling \$25,000 were made to Murcia Pestell Hillard Pty Ltd, a company related to Mr. Grant Pestell, for the provision of legal services.

7. <b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	2,600	2,200
7.2 Credit standby arrangements	50	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	2.650	2,200
7.5 <b>Unused financing facilities available at quarter end</b>		450
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 quarterly in arrears. Repayment of the drawn down amount of \$600,000 is due on 1 April 2024. 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>Unsecured Loan Agreement for a line of credit of \$400,000, with Directors Bryan Carr and Warren Barry, to be drawn down for sale of productions into China. Interest is calculated at 10% per annum on loan amount drawn down, payable in arrears. Repayment per transaction, typically 90 days terms for repayment to be agreed between lender and Borrower on a case by case basis.</p> <p>Convertible Note Agreement for \$200,000 with existing shareholder Xiaodan Wu (A Hong Kong Based substantial shareholder in RLG). Interest is calculated at 8% per annum on loan amount drawn down, payable quarterly in arrears. Repayment of the loan amount is due on 14 August 2024. The lender may elect to convert part or all of the Loan into RLG Shares at any time prior to the end of the Term. Any conversion of the Loan into RLG Shares will be at a conversion price of \$0.025 per RLG Share The loan is secured by a charge over receivables and inventory to the equivalent value of amount outstanding of the Loan.</p> <p>Convertible Note Agreement for \$1,000,000 with Westcap Pty Ltd. Interest is calculated at 8% per annum on loan amount drawn down, payable quarterly in arrears. Repayment of the loan amount is due on 28 October 2024. The lender may elect to convert part or all of the Loan into RLG Shares at any time prior to the end of the Term. Any conversion of the Loan into RLG Shares will be at a conversion price of \$0.025 per RLG Share The loan is secured by a charge over inventory directly purchased with funds lent 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>	



<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)	(474)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,647
8.3 Unused finance facilities available at quarter end (item 7.5)	450
8.4 Total available funding (item 8.2 + item 8.3)	3,097
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>6.53</b>
<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	
<i>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.</i>	

## 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 October 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.

**Appendix 4C**

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

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.