



9 April 2020

RooLife (ASX:RLG) Market Update

- **RooLife continues to see strong demand online for its products in China**
- **Supply chain limitations in March have impacted revenue generation and recognition which the company is addressing with its partners**
- **Lower than expected revenue from QBID has impacted the Group's total Quarterly revenue in March**
- **Cost saving measures have been implemented across the Company**
- **RooLife is providing weekly updates at www.roolifegroup.com.au/insights**

e-Commerce marketing and Artificial Intelligence (AI) company RooLife Group Ltd (**ASX:RLG**) ("**RooLife Group**" or the "**Company**") provides the following update in response to the current market conditions associated with the COVID-19 pandemic.

RooLife Group continues to monitor the fast-evolving impact of COVID-19 on the markets it operates in and ensuring the health and wellbeing of its staff and customers.

Demand for the products currently being sold by the Company remains high with some products being sold out in China. The Company experienced a level of logistical and product supply challenges through March, which have impacted on the generation and recognition of revenue.

The Company is engaging with its counterparties to ensure the continuity of supply to meet the demand, however, based on management accounts to date, it is likely that reported revenue for the March 2020 quarter will be in the vicinity of 25% lower than the \$1m forecast previously.

The lower than expected revenue has also been impacted by lower sales generated by QBID following its acquisition by the Company in December 2019.

The lack of commercial flights available to deliver product into China and delays in supply from some of the Company's brands which it represents in China has led to delays in delivery of products to customers, consequently effecting revenue recognition.

The Company has also seen some short-term reductions and deferrals in the sales and marketing budgets of some of its Australian clients, however promisingly there have been increases in commitments in marketing expenditure with our International clients from April onwards.

The Company has been actively working with the brands it represents to identify and implement alternative transportation of product to China via ship, which is underway to address this issue.

The Company is not in a position to provide any further guidance for the June 2020 quarter or subsequent periods given the current circumstance.

Additionally, during this period, the Company has instituted cost savings across the business with reductions or cancellation of non-essential expenditure.

Company directors, employees and contractors have agreed to reductions in payment of their fees during this time, which the Company appreciates and recognises as assisting the business to come through this challenging period and to position it for future growth.

Included in this initiative all Executive and Non-Executive directors have agreed to defer payment of 20% of their monthly fees for the next 3 months through to 30 June 2020, at which time the situation will be reviewed.

The Company believes that these measures will position it well for future growth based on the increasing online demand for the products it markets and sells to consumers online.

The RooLife platform provides an efficient and effective way for brands to access the Chinese market which is bouncing back as other markets are being increasingly effected.

The Company will update the market accordingly as its business continues to develop in response to the rapidly changing market conditions fuelling online demand for its product range.

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About RooLife Group Ltd (ASX:RLG)

www.roolifegroup.com.au

The RooLife Group of companies provides fully integrated digital marketing and customer acquisition services focusing on driving online sales of products and services for its clients. Powered by the Group's hyper personalisation and profiling Artificial Intelligence System, RooLife provides personalised real-time, targeted marketing. With a key focus on driving sales in Australia and China the Company's online e-Commerce marketplace assists businesses to sell directly to Chinese consumers and accept payment via the WeChat and Alipay mobile payments platforms. RooLife's key positioning is about knowing and remaining connected with Chinese consumers, allowing brands to continually sell products to Chinese consumers based on their profiles and purchasing behaviours.