



31 July 2020

Quarterly Activities Report and Appendix 4C for the Period Ended 30 June 2020

Quarter Highlights

- **Q4 FY2020 unaudited Revenue up +25% over prior Quarter to over \$1m**
- **FY2020 unaudited Revenue of \$3.4m (up 380% from \$710k in FY2019)**
- **Total Cash Receipts for FY2020 of \$3.3m**
- **New 3-year contract signed with U.K.'s SLG Brands to sell COLAB Dry Shampoo expected to deliver \$2.5 million revenue based on minimum performance milestones**
- **New 3-year contract expected to deliver \$2.2 million revenue signed with AFT Pharmaceuticals (ASX:AFP) based on minimum performance milestones**
- **\$6 million total value of new contract wins, based on minimum sales targets, being met, since March 2020**
- **Appointment to launch & operate "Kiwi Health" New Zealand branded online health & pharmacy store in China, supplied by AFT Pharmaceuticals**
- **RooLife contracted to launch and operate 3 Alibaba Tmall Flagship stores in the last 4 months**
- **RooLife and China's Alipay.com entered into an agreement appointing RooLife as an Alipay Marketing Partner**
- **Cash Receipts from Customers slightly lower than prior Quarter based on delayed client payments with product sales receipts expected in subsequent periods**
- **International expansion accelerated with RooLife marketing and selling products in China from Australia, New Zealand, U.S.A. and United Kingdom**

e-Commerce and digital marketing company RooLife Group Ltd (ASX: RLG) ("RooLife Group" or the "Company") is pleased to provide shareholders with the Company's Quarterly Activities Report and Appendix 4C for the Quarter ended 30 June 2020 (the "Quarter", or "Reporting Period").

RooLife Group enables businesses to sell more effectively online, with a focus on the Australian and Chinese markets. The Company's systems optimise online engagement, customer acquisition and direct sales for its customers.

The Company provides fully integrated digital marketing and customer acquisition services, powered by the RooLife Group hyper-personalisation and profiling tools, providing personalised real-time, targeted marketing.

With a key focus on driving sales in Australia and China, the Company's RooLife online e-Commerce marketplaces assist businesses to sell directly to Chinese consumers and accept payment via the WeChat and Alipay mobile payments platforms.

RooLife's key positioning via its platforms is about knowing and remaining connected with Chinese consumers, allowing brands to sell products to Chinese consumers based on their profiles and purchasing behaviours.

Business Activity

The Company operates the RooLife e-Commerce platforms delivering an international gateway for products and services for companies wishing to enter the China market. It provides an efficient and effective way for brands to access the Chinese market during a period of growing demand from online shoppers seeking western brands and products.

The Company achieved 25% revenue growth during the Quarter over the previous Quarter with revenue of just over \$1 million, contributing to full year revenue (unaudited) of \$3.4 million, representing a significant increase from \$0.7 million revenue in FY2019.

Net cash used from operating activities in the Quarter was \$387k with the Company benefiting from a growing customer base, reduced cost base and the government assistance packages.

During the last four months the Company has had a very successful business development period securing over \$6 million in total value of new contract wins (based on minimum sales targets being met) and importantly being appointed a Marketing Partner of China's Alipay.com.

The Company was appointed by ASX and NZX listed AFT Pharmaceuticals to launch and operate a New Zealand branded health & pharmacy store, "Kiwi Health" selling key AFT Pharmaceuticals' products on Alibaba's Tmall platform.

The three-year contract expands RooLife's Alibaba Tmall revenues and provides RooLife a mixture of monthly service fees and product sales revenue from marketing and selling products within the AFT range.

The contract, which is subject to ongoing sales performance milestones, is expected to deliver total revenue for the RooLife Group of approximately \$2.2m over a three-year period if minimum sales targets which are scaled up each year, are met.

The new Kiwi Health store will market and sell a range of health and well-being products online in China leveraging the strong brand awareness of AFT's product range using the "Kiwi's thinking about health" branding.



Kiwi Health Tmall Store Launching on Alibaba – “Kiwi’s thinking about health”

During the Quarter RooLife was also appointed as the exclusive marketing, sales and distribution partner in China for SLG Brands (www.slgbrands.com), a U.K. based beauty and wellness company, for its COLAB Dry Shampoo brand.

RooLife will operate the China-facing e-commerce platform for the COLAB Dry Shampoo range which is already sold in 37 countries around the world and is expected to have strong market appeal in China due to the brand’s international reputation and the growing market for personal grooming products in China.

The three-year contract, which is subject to annual performance milestone reviews, will provide RooLife a mixture of monthly service fees and a margin on sales to be derived from sales of COLAB products and is expected to deliver total revenue for the RooLife Group of approximately \$2.5m over a three year period if minimum sales performance milestones, which are scaled up each year, are met.



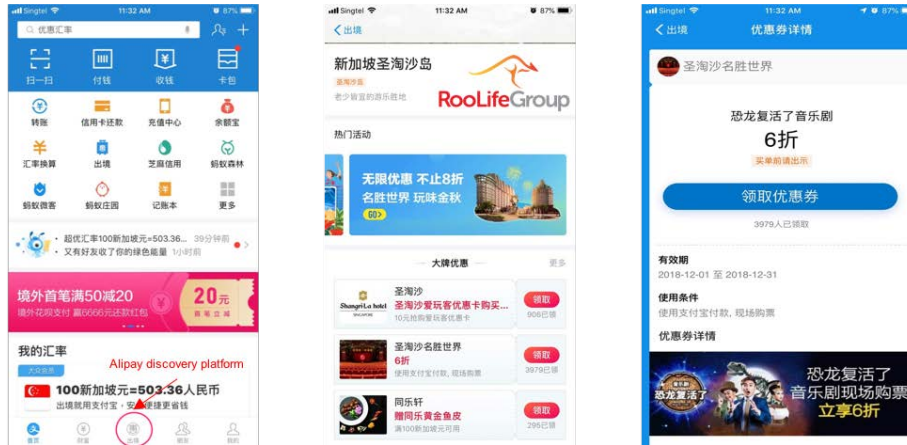
COLAB Dry Shampoo sold in over 37 countries worldwide and now in China by RooLife

With these latest contract wins, RooLife has now been appointed to launch and operate 3 Alibaba Tmall Flagship stores in the last 4 months.

The Company was also appointed by Hangzhou, P.R.C. based Alipay.com Co Ltd (alipay.com & global.alipay.com) as a Marketing Partner for Alipay’s online platform and services.

The Marketing Cooperation Agreement entered into between the Company and Alipay, appoints RooLife to provide services for businesses enabling them to list, promote and sell via Alipay’s platform.

Alipay delivers access to the world’s leading mobile and online payment platform serving more than 1.2 billion users across the world with its e-wallet partners and with 900 million users in China¹.



RoLife Marketing Partner for Alipay Discovery Platform

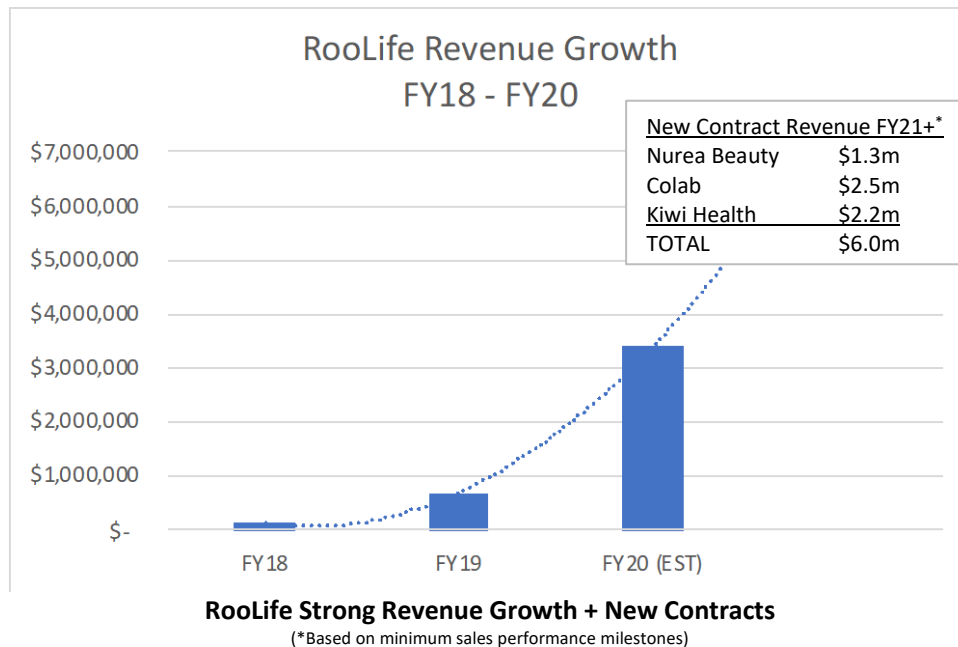
RoLife’s role is to facilitate businesses being able to market and sell to Chinese shoppers by working with merchants and retailers globally, with a focus in Australia, to deliver:

- Online Store Management;
- Creation and Management of Marketing content;
- Activation and Onboarding of Retailers and Merchants;
- Promotions and Online Coupon Management;
- Data Analysis.

Refer the Company’s ASX announcement of 20 April 2020 for further details.

Corporate and Financial Position

These latest contract wins are expected to materially contribute to the continued revenue growth that has been achieved by the busines in the last 12 months.



Revenue for the June Quarter increased strongly to just over \$1 million with cash receipts totalling \$1.07 million.

Total (unaudited) revenue for the year is \$3.4m with total cash receipts for the year of \$3.3m.

In the June Quarter total cash receipts were \$1.07 million, made up of receipts from customers of \$678k, which was down slightly based on delayed payments, Export Market Development Grant of \$143k and Government subsidies including Jobkeeper of \$72k and Cashbooster of \$162k.

The Company also made payments totalling \$77k during the period to settle obligations of the QBID business.

Payments for staff costs of \$550k and administration and corporate costs of \$254k were approximately 7% lower than the prior Quarter.

As reported in early April, Company directors, employees and contractors agreed to reductions in payment of their fees as a result of the uncertainty prevailing due to COVID-19. The Company is yet to make a determination of when all employee, contractor and Director salaries and fees are to be reinstated back to normal.

Attached is the Appendix 4C for the FY20 June Quarter including reporting of payments to related parties as disclosed at Item 6 showing payments to Directors for agreed services/fee and salary arrangements split as follows:

Fees paid to Non-Executive Directors were \$30,000

Fees paid to Executive Directors during the Quarter totalled \$135,000

(Includes some amounts which relate to a prior period, but which were paid in the June Quarter)

Payments totaling \$33,000 were made to Murcia Pestell Hillard Pty Ltd, a company related to Mr. Grant Pestell, for the provision of legal services.

ENDS

1. Source: <https://au.finance.yahoo.com/news/alibaba-spinoff-alipay-surged-past-1-billion-accounts-in-2019-150728030.html>

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Authorised by: The Board of RooLife Group Ltd

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About RooLife Group Ltd (ASX:RLG)

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 RooLife Group hyper personalisation and profiling Artificial Intelligence System, RooLife Group provides personalised real-time, targeted marketing. With a key focus on driving sales in Australia and China the Company's RooLife 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.

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 JUNE 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	678	2,872
1.2 Payments for		
(a) research and development	(12)	(293)
(b) product manufacturing and operating costs	(443)	(1,594)
(c) advertising and marketing	(89)	(366)
(d) leased assets	-	-
(e) staff costs	(555)	(2,340)
(f) administration and corporate costs	(254)	(947)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	391	436
1.8 Other (provide details if material)	(104)	(355)
1.9 Net cash from / (used in) operating activities	(387)	(2,581)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	(13)	(365)
(b) businesses	-	-
(c) property, plant and equipment	(1)	(8)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	(21)

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)	(43)	(43)
2.6	Net cash from / (used in) investing activities	(57)	(437)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,431
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	-	(156)
3.5	Proceeds from borrowings	-	-
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	-	2,275

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,791	2,093
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(387)	(2,581)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(57)	(437)

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)	-	2,275
4.5	Effect of movement in exchange rates on cash held	(4)	(7)
4.6	Cash and cash equivalents at end of period	1,343	1,343

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	1,343	1,805
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	(14)
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,343	1,791

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

198¹

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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 \$165,000 were made to directors for fees and superannuation on fees.

Payments totalling \$33,000 were made to Murcia Pestell Hillard Pty Ltd, a company related to Mr. Grant Pestell, for the provision of legal services.

7. Financing facilities

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	50	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	50	-

7.5 **Unused financing facilities available at quarter end** 50

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.

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.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(387)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,343
8.3 Unused finance facilities available at quarter end (Item 7.5)	50
8.4 Total available funding (Item 8.2 + Item 8.3)	1,393
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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: Not applicable

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: Not applicable

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: Not applicable

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 July 2020

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.