



30 January 2020

## Quarterly Activities Report and Appendix 4C for the Period Ended 31 December 2019

### Quarter Highlights

- December 2019 Quarter Revenue of \$1.03 million (up 78% from September 2019 Quarter Revenue of \$580k)
- Quarter 1 and Quarter 2 2020 revenue of \$1.61 million compares with total full FY2019 revenue of \$705k – up by 128% with 6 months of financial year remaining
- Cash receipts of \$772,000 for the December Quarter closing with \$2,725,000 cash
- RooLife appointed as official partner and supplier for new China e-Commerce platform, WMall, to provide brand management, product sourcing and procurement
- RooLife to connect western brands to China’s WMall Daigou shopping network backed by JD.com’s logistics business and Feng Xiang
- Perth Airport RooLife e-Commerce platform delivered in preparation for Christmas and Chinese New Year travel periods
- QBID acquisition completed in December 2019 adding e-Commerce and Digital Marketing team and expertise in Melbourne and Guangzhou, China
- Strongly supported capital raisings completed during the Quarter raising \$2.2 million
- Company completed name change to RooLife Group Ltd (ASX:RLG)
- Company presently not expecting any adverse revenue impact from Coronavirus outbreak

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 31 December 2019 (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 RooLife Group provides fully integrated digital marketing and customer acquisition services, powered by the RooLife Group hyper-personalisation and profiling Artificial Intelligence (AI) System, 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 Group's key positioning via its AI 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.

The Company does not foresee any material adverse effect on sales revenue as a consequence of the Coronavirus outbreak, as RooLife's China-focussed revenue comes from online ordering and delivering of products to consumers. These Chinese consumers are seeking safe, high-quality products from countries such as Australia, New Zealand and the USA.

The Company generates revenue from a diversified range of products and does not have a heavy reliance on any one product sold into China. The very nature of being an e-commerce focussed business means the Company is positioned to take up extra demand for products from any downturn in sales from bricks and mortar outlets.

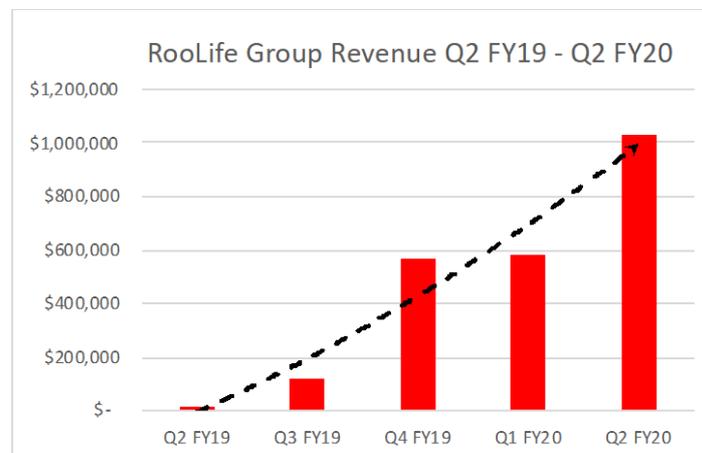
The Perth Airport RooLife shopping platform has only recently launched and while sales are aligned to Chinese tourism numbers, the revenue contribution to the group's reported numbers is yet to commence and the Company is well positioned for future growth in this sector.

### **Financial Position**

The Company completed the acquisition of China market entry, digital marketing and e-Commerce specialist company QBID (Quality Brands International Direct) in December 2019.

Revenue grew to \$1,030,000 in the December Quarter representing RooLife Group's 4<sup>th</sup> consecutive Quarter of revenue growth.

The Company collected \$772,000 in cash receipts in the December Quarter and closed the Quarter with \$2,725,000 in cash.



***RooLife - Four Consecutive Quarters of Revenue Growth***

## **Business Activity**

In December RooLife Group completed the acquisition of China market entry and digital marketing company, Quality Brands International Direct (“QBID”), expanding the Company’s China-focussed digital marketing capability, e-commerce platforms expertise and sales outlets for International products in China.

The acquisition was completed with the payment of \$50,000 in cash and the issue of 12,938,605 shares which are escrowed for 12 months, with \$125,000 agreed to be applied to working capital of the business. The acquisition extends the services of RooLife Group by adding additional China-based digital marketing, translation, logistics, warehousing, trade regulation and e-Commerce platform marketing experience.

QBID has been successfully driving e-Commerce sales in China for 4 years across a range of well-established e-Commerce platforms and e-Retailers in China including traditional B2B distribution for registered imported products in China.



The Perth Airport RooLife e-Commerce platform was delivered in preparation for Christmas and Chinese New Year travel periods to sell Perth Airport’s retail products online to Chinese travelers both in Australia and China.

The RooLife Group provide all services to assist Perth Airport to generate sales to Chinese consumers through the RooLife platform, providing its online licensing for China, system hosting, marketing design, translation, sales promotion and management services to support and drive e-Commerce sales to Chinese shoppers.

Perth Airport is the Western Hub to Australia with approximately 14 million passengers travelling through its terminal annually. The Perth Airport RooLife platform provides a quick and easy way for Chinese shoppers to purchase Australian products directly from Perth Airport using their mobile phones, with payment using WeChat Pay and Alipay whilst in the airport, and during their travels around Australia or from their home in China.



**Perth Airport RooLife Shopping Platform**



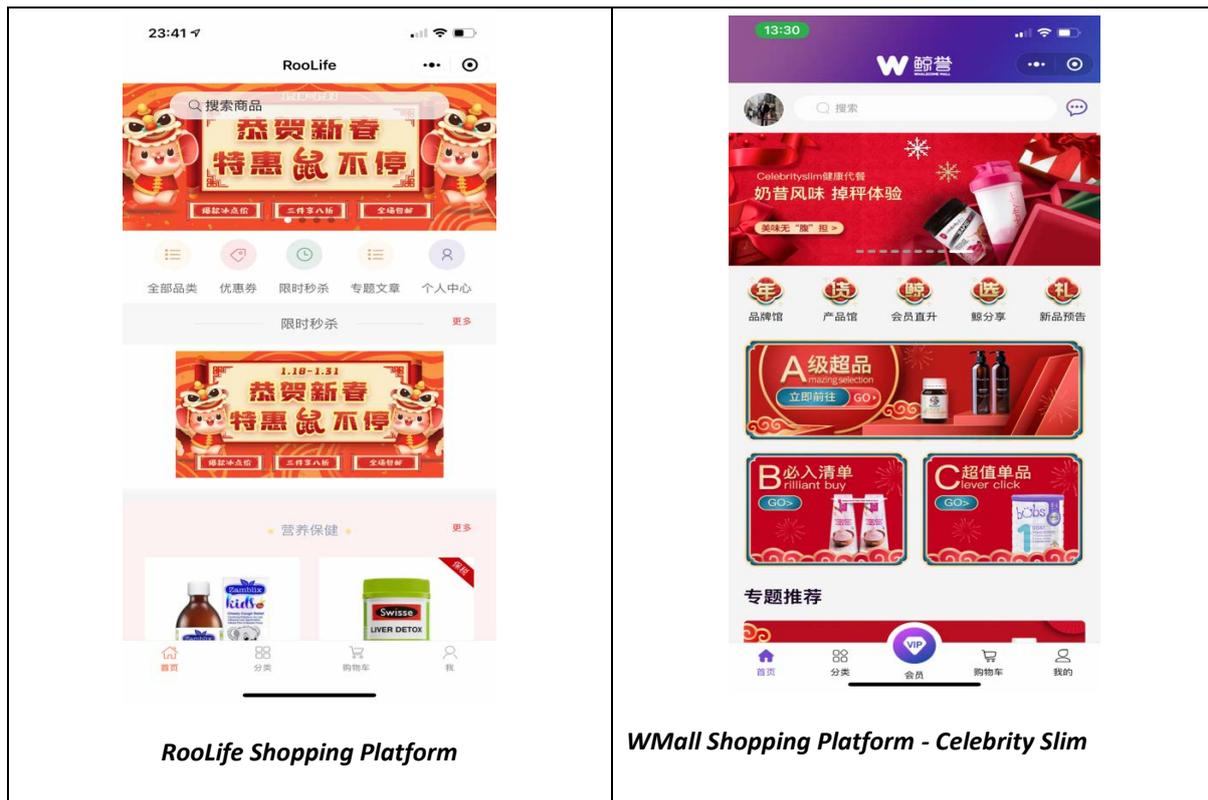
**Perth Airport "Scan to Shop" online**

In December RooLife was appointed as official partner and supplier for new China e-Commerce platform, WMall, to provide brand management, product sourcing and procurement.

WMall is an e-Commerce platform which connects western brands to China's powerful Daigou shopping network. It is backed by several foundation strategic partners such as China's powerful JD Logistics group Jing Xi Da, with the role of Chinese social e-commerce platform, Feng Xiang to drive engagement between brands and the Daigou (shoppers outside China who purchase products for customers in China) social networks in China.

As official supplier of brands to WMall, RooLife Group is responsible for product selection and recommendation, providing pricing and market entry services making products available in China by supplying to WMall products to sell to its customers retaining a margin on all sales.

This arrangement provides additional sales reach for a number of famous Australian and international brands, including Australia's leading weight loss brand **Celebrity Slim**, US haircare brand **Veta**, premium dog grooming range **Melanie Newman Salon Essentials**, leading New Zealand skincare range **Essano** and the expanding range of brands being added by the RooLife Group.



RooLife Group’s name change was approved at the Annual general Meeting of Shareholders held on 29 November 2019 with the name effective from 2 December 2019.

The Company received strong capital market support during the Quarter undertaking a strategic placement to the Thompson Family, founders of the Lobster Shack restaurant and Indian Ocean Rock Lobster, raising \$300,000 while in December the Company accepted subscriptions to raise \$1,931,498 before costs through the issue of 55,185,650 new fully paid ordinary shares (“Shares”) at \$0.035 per share with a free attaching Listed Option on a 1 for 2 basis. The Shares were issued under the Company’s placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A.

The issue of the Listed Options is subject to shareholder approval. The Notice of Meeting for a general meeting of shareholders to approve the issue of Listed Options and the ratification of the issue of Shares was drafted in unison with the completion of the placement. The Company was awaiting independent advice in respect to other resolutions to be put to shareholders which was received in January 2020. The Notice of Meeting has been lodged with the ASX for approval ahead of distribution to members within the next 7 days.

**ENDS**

**Issued by:** RooLife Group Ltd

**Authorised by:** the Board of RooLife Group Ltd

For further information, please visit the RooLife Group website at [www.roolifegroup.com.au](http://www.roolifegroup.com.au) or contact:

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**About RooLife Group Ltd (ASX:RLG)**

*The RooLife Group Ltd 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 Ltd

**ABN**

14 613 410 398

**Quarter ended ("current quarter")**

31 DECEMBER 2019

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---|------------------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                                    |  |
| 1.1 Receipts from customers                               | 772                                | 1,411  |
| 1.2 Payments for  |                                    |  |
| (a) research and development                              | (108)                              | (233)  |
| (b) product manufacturing and operating costs             | (378)                              | (805)  |
| (c) advertising and marketing                             | (129)                              | (173)  |
| (d) leased assets   | -                                  | -  |
| (e) staff costs   | (639)                              | (1,188)  |
| (f) administration and corporate costs                    | (227)                              | (421)  |
| 1.3 Dividends received (see note 3)                       | -                                  | -  |
| 1.4 Interest received                                     | 1                                  | 3  |
| 1.5 Interest and other costs of finance paid              | -                                  | -  |
| 1.6 Income taxes paid                                     | -                                  | -  |
| 1.7 Government grants and tax incentives                  | 45                                 | 45   |
| 1.8 Other (provide details if material)                   | (86)                               | (148)  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(749)</b>                       | <b>(1,509)</b>                                 |
| <b>2. Cash flows from investing activities</b>            |                                    |  |
| 2.1 Payments to acquire:                                  |                                    |  |
| (a) entities  | (107)                              | (107)  |
| (b) businesses  | -                                  | -  |
| (c) property, plant and equipment                         | (2)                                | (7)  |
| (d) investments   | -                                  | -  |
| (e) intellectual property                                 | -                                  | -  |
| (f) other non-current assets                              | (18)                               | (18)   |

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$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)                   | -                          | -                                     |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(127)</b>               | <b>(132)</b>                          |

|             |   |              |              |
|-------------|---|--------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |              |              |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | 2,231        | 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 | (137)        | (149)        |
| 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)   | -            | -            |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>2,094</b> | <b>2,282</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                             | 1,516 | 2,093   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (749) | (1,509) |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (127) | (132)   |

| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---|--|------------------------------------|--|
| 4.4   | Net cash from / (used in) financing activities (item 3.10 above) | 2,094                              | 2,282  |
| 4.5   | Effect of movement in exchange rates on cash held                | (9)                                | (9)  |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b>                | <b>2,725</b>                       | <b>2,725</b>                                   |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|------------|---|------------------------------------|-------------------------------------|
| 5.1        | Bank balances   | 2,730                              | 1,516                               |
| 5.2        | Call deposits   | -                                  | -                                   |
| 5.3        | Bank overdrafts   | (5)                                | -                                   |
| 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>2,725</b>                       | <b>1,516</b>                        |

**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

| <b>Current quarter<br/>\$A'000</b> |
|------------------------------------|
| 246 <sup>1</sup>                   |
| -                                  |

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

<sup>1</sup> Payments totalling \$217,000 were made to directors for fees and superannuation on fees.  
Payments totalling \$29,000 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<br>amount at quarter<br>end<br>\$A'000 | Amount drawn at<br>quarter end<br>\$A'000 |
|---------------------------------------|---|---|
| 7.1 Loan facilities                   | -   | -   |
| 7.2 Credit standby arrangements       | 50  | 5   |
| 7.3 Other (please specify)            | -   | -   |
| 7.4 <b>Total financing facilities</b> | 50  | 5   |

7.5 **Unused financing facilities available at quarter end** 45

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.

| <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)                     | (749)          |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6)                           | 2,725          |
| 8.3 Unused finance facilities available at quarter end (Item 7.5)                 | 45             |
| 8.4 Total available funding (Item 8.2 + Item 8.3)                                 | 2,770          |
| 8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b> | 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:

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:

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:

## 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: 30 January 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.