

24 February 2020

Manager Announcements
Company Announcements Office
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir or Madam,

Release of RooLife Group Ltd's financial results for the half-year ended 31 December 2019

In accordance with the ASX Listing Rules, I enclose the following for release:

1. Appendix 4D – half-year report;
2. Half-year financial report for the half-year ended 31 December 2019 including the Directors' Report.

Yours faithfully
On behalf of the Board of RooLife Group Ltd



Peter Torre
Company Secretary

Roolife Group Ltd

Appendix 4D Half-year report for the half-year ended 31 December 2019

Name of entity:	Roolife Group Ltd
ACN:	613 410 398
Current Reporting Period	Half-Year ended 31 December 2019
Previous Reporting Period	Half-Year ended 31 December 2018

Results for announcement to the market.

Item 1

	6 months ended	6 months ended
	31 Dec 2019	31 Dec 2018
Operating Performance	\$	\$
Revenue from continuing activities	1,565,203	20,710
Loss from continuing activities after income tax	(1,450,921)	(1,627,911)
Net loss for the half year attributable to members	(1,450,921)	(1,627,911)

Item 2

Dividends
It is not proposed to pay dividends. There are no dividend or distribution reinvestment plans in operation and there has been no dividend or distribution payments during the financial half-year ended 31 December 2019.

Item 3 – Brief Explanation

The RooLife Group provides fully integrated digital marketing and customer acquisition services, focusing on driving online sales of products and services for its clients. Powered by the company's proprietary 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 marketplaces assist businesses to sell directly to Chinese consumers and accept payment via the WeChat and Alipay mobile payments platforms.

Further details are set out in the Review of Operations section of the Directors' Report and half-year accounts attached to this Appendix 4D.

Item 4

	31 Dec 2019	31 Dec 2018
Net Tangible Assets	\$	\$
Net tangible assets per security	\$0.007	\$0.008

Item 5

Control gained or lost over entities during the period
As announced by the Company on 4 December 2019, Roolife Group Ltd completed the acquisition of QBID Holdings Pty Ltd.
Refer to note 12 of the Interim Report for further information in respect to the entities acquired during the half-year.

Item 6

	Ownership interest as at	
	31 Dec 2019	31 Dec 2018
Controlled entities and joint ventures	%	%
Parent entity:		
Roolife Group Ltd		
Controlled entities:		
OpenDNA (UK) Ltd	100	100
OpenDNA (Singapore) Pte Ltd	100	100
CHOOSE Digital Pty Ltd	100	100
RooLife Pty Ltd	100	100
Roolife (HK) Ltd	100	
Blackglass Pty Ltd	100	
QBID Holdings Pty Ltd	100	
Qualis Holdings Pty Ltd	100	
QBID Pty Ltd	100	
Qualis Pty Ltd	100	

Item 7

Accounting Standards
The condensed interim consolidated financial statements (the interim financial statements) are general purpose interim financial statements and have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

Item 8

Auditor's review report

The half-year report is based on the interim financial report of RooLife Group Ltd for the half-year ended 31 December 2019, which has been reviewed by HLB Mann Judd.
--

Refer to the 31 December 2019 half-year financial report for the independent auditor's review report provided to the members of Roolife Group Ltd.
--

RooLife Group Ltd

(previously OpenDNA Limited)

ABN 14 613 410 398

Interim Report
31 December 2019

Contents

Directors' report	1
Auditor's independence declaration	3
Condensed consolidated statement of profit or loss and other comprehensive income	4
Condensed consolidated statement of financial position	5
Condensed consolidated statement of changes in equity	6
Condensed consolidated statement of cash flows	7
Notes to the condensed consolidated financial statements	8
Directors' declaration	19
Independent auditor's review report	20

Directors' report

Your Directors submit their Interim Report on the consolidated entity (referred to hereafter as the "Group"), consisting of RooLife Group Ltd ("RooLife" or the "Company") and entities it controlled at the end of, or during, the half-year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Bryan Carr	Chief Executive Officer and Managing Director
Warren Barry	Executive Director
Grant Pestell	Non-Executive Chairman
Evan Cross ¹	Non-Executive Director
Tim Allison ²	Non-Executive Director

¹ Evan Cross resigned as Non-Executive Director on 31 January 2020

² Tim Allison was appointed as Non-Executive Director on 3 February 2020

Review of Operations

The RooLife Group provides fully integrated digital marketing and customer acquisition services driving online sales of products and services for its clients in Australia and China.

Powered by the RooLife Group hyper personalisation and profiling Artificial Intelligence System, the RooLife Group provides personalised real-time, targeted marketing, with a key focus on driving sales via the Company's e-Commerce marketplaces, enabling businesses to sell directly to Chinese consumers and accept payment via the Wechat and Alipay mobile payments platforms.

For the half year ended 31 December 2019 revenue for the period was \$1,565,203 with cash receipts of \$1,410,259 and the consolidated loss attributable to members of the Group was \$1,450,291.

During the period, the Company successfully completed placements to raise a total of \$2,431,498. At 31 December 2019 the Company held \$2,724,501 in cash to be applied to general working capital to expand the RooLife business.

The key milestones for the Group during the half-year period were:

- Completion of the acquisition of Quality Brands International Direct ("QBID");
- Delivery of the RooLife Online Shopping platform through its partnership with Perth Airport;
- Partnership with and strategic investment from Lobster Shack and;
- Appointment as official partner and supplier for new China e-Commerce platform, WMall;
- Completed company name change to RooLife Group Limited.

Digital Marketing Services

During the Reporting Period, the Company secured a range of new customers and revenue streams in Australia for the provision of its digital marketing and customer acquisition services and deployed its hyper-personalisation and profiling Artificial Intelligence (AI) engine which provides personalised real-time, targeted marketing for its clients.

With the acquisition of Quality Brands International Direct ("QBID") completed in December 2019, the Company added China-specific digital marketing and customer acquisition expertise with a team based in Guangzhou, China.

Delivery of the RooLife Online Shopping Platform

The Group announced its partnership with Perth Airport in August 2019 and commenced implementation of the Perth Airport RooLife Online Shopping platform to sell Perth Airport's retail products online to Chinese travellers both in Australia and China.

The platform was delivered in December 2019 in preparation for Christmas and Chinese New Year travel periods to sell Perth Airport's retail products online to Chinese travellers both in Australia and China.

Directors' report (continued)

Review of Operations (continued)

The Group provides 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.

Partnership with Lobster Shack

In September 2019 the Group signed on iconic Western Australian tourist attraction, Lobster Shack to provide marketing and Chinese mobile payment processing to service the Chinese tourism market. In addition to the provision of marketing and payment processing services, a strategic placement of \$500,000 was agreed to the Thompson Family, founders of the Lobster Shack restaurant and Indian Ocean Rock Lobster, the seafood processing facility in Cervantes WA exporting live lobsters and a range of seafood products to China and other markets.

Acquisition of QBID

In December 2019, RooLife 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 \$150,000 agreed to be applied to working capital for the business. Further consideration is payable upon achievement of agreed revenue milestones, details of which are outlined in note 12. The acquisition extends the services of the 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

Partnership with WMall

In December 2019, the Group was appointed as official partner and supplier for new China e-Commerce platform, WMall, to provide brand management, product sourcing and procurement.

As official supplier of brands to WMall, the Group is responsible for product selection in consultation with WMall, providing pricing and market entry services making products available in China by supplying to WMall products to sell to its customers. The Group derives a margin on all products sold.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 3 and forms part of this Directors' report for the half-year ended 31 December 2019.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Bryan Carr

Chief Executive Officer and Managing Director

24 February 2020

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of RooLife Group Limited (previously OpenDNA Limited) for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
24 February 2020



L Di Giallonardo
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

	Notes	6 months to 31 December 2019 \$	6 months to 31 December 2018 \$
Continuing operations			
Revenue	2	1,565,203	20,710
Interest income		3,131	2,158
Grant income		44,090	-
Direct expenses of providing goods and services		(1,280,857)	-
Depreciation and amortisation expense		(139,195)	(151,040)
Share based payments expense		-	(30,286)
Consulting and investor relation fees		(253,924)	(159,946)
Employee costs		(913,057)	(929,469)
Travel and accommodation costs		(97,317)	(69,390)
Other expenses		(379,254)	(527,578)
Loss before income tax		(1,451,180)	(1,844,841)
Income tax benefit	5	259	216,930
Net loss for the period		(1,450,921)	(1,627,911)
Other comprehensive loss, net of income tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(10,623)	(17,563)
Other comprehensive loss for the period, net of income tax		(10,623)	(17,563)
Total comprehensive loss for the period		(1,461,544)	(1,645,474)
Basic loss per share (cents per share)	4	(0.54)	(1.34)
Diluted loss per share (cents per share)	4	(0.54)	(1.34)

The accompanying notes form part of these financial statements

Condensed consolidated statement of financial position
As at 31 December 2019

		31 December 2019	30 June 2019
	Notes	\$	\$
Assets			
Current assets			
Cash and cash equivalents		2,724,501	2,093,478
Trade and other receivables		580,093	392,637
Other current assets	6	297,676	33,027
Inventories		112,961	-
Total current assets		3,715,231	2,519,142
Non-current assets			
Property, plant and equipment		7,956	3,934
Deferred tax asset		358,832	384,462
Intangible assets	7	1,985,095	3,616,597
Goodwill	8	2,208,259	-
Total non-current assets		4,560,142	4,004,993
Total assets		8,275,373	6,524,135
Liabilities			
Current liabilities			
Trade and other payables		1,326,380	887,640
Total current liabilities		1,326,380	887,640
Non-current liabilities			
Deferred tax liabilities		359,666	385,521
Employee provisions		27,502	-
Total non-current liabilities		387,168	385,521
Total liabilities		1,713,548	1,273,161
Net assets		6,561,825	5,250,974
Equity			
Issued capital	9	21,333,236	18,560,841
Reserves	9	1,670,085	1,680,708
Accumulated losses		(16,441,496)	(14,990,575)
Total equity		6,561,825	5,250,974

The accompanying notes form part of these financial statements

Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2019

Note	Issued capital \$	Share-based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	18,560,841	1,827,498	(146,790)	(14,990,575)	5,250,974
Loss for the period	-	-	-	(1,450,921)	(1,450,921)
Other comprehensive loss for the period, net of income tax	-	-	(10,623)	-	(10,623)
Total comprehensive loss for the period	-	-	(10,623)	(1,450,921)	(1,461,544)
Shares issued	2,921,974	-	-	-	2,921,974
Share issue costs	(149,579)	-	-	-	(149,579)
Balance at 31 December 2019	21,333,236	1,827,498	(157,413)	(16,441,496)	6,561,825

For the half-year ended 31 December 2018

	Issued capital \$	Share-based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	13,646,581	831,105	(130,228)	(11,681,090)	2,666,368
Loss for the period	-	-	-	(1,627,911)	(1,627,911)
Other comprehensive loss for the period, net of income tax	-	-	(17,563)	-	(17,563)
Total comprehensive loss for the period	-	-	(17,563)	(1,627,911)	(1,645,474)
Shares issued	3,562,670	-	-	-	3,562,670
Share issue costs	(521,602)	-	-	-	(521,602)
Value of performance shares issued as consideration for acquisition of subsidiaries	-	533,334	-	-	533,334
Share-based payments	-	398,138	-	-	398,138
Balance at 31 December 2018	16,687,649	1,762,577	(147,791)	(13,309,001)	4,993,434

The accompanying notes form part of these financial statements

Condensed consolidated statement of cash flows
For the half-year ended 31 December 2019

	6 months to 31 December 2019	6 months to 31 December 2018
Notes	\$	\$
Cash flows from operating activities		
Receipts from customers	1,410,259	52,160
Payments to suppliers and employees	(2,965,775)	(1,361,121)
Interest received	3,045	3,201
Other – Research and Development cash rebate received	45,153	289,102
Net cash outflow from operating activities	(1,507,318)	(1,016,658)
Cash flows from investing activities		
Payments for property, plant and equipment	(6,914)	-
Proceeds from the disposal of property, plant and equipment	-	5,341
Payments for intangible assets	(18,423)	(50,000)
Payments to acquire subsidiaries, net of cash acquired	12 (107,221)	(139,678)
Net cash outflow from investing activities	(132,558)	(184,337)
Cash flows from financing activities		
Proceeds from the issue of shares	2,431,498	2,500,000
Payments for share issue costs	(149,291)	(165,000)
Net cash inflow from financing activities	2,282,207	2,335,000
Net increase in cash held	642,331	1,134,005
Cash and cash equivalents at the beginning of the period	2,093,478	669,840
Effects of exchange rate fluctuations on cash held	(11,308)	16,603
Cash and cash equivalents at the end of the period	2,724,501	1,820,448

The accompanying notes form part of these financial statements

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

Note 1: Statement of significant accounting policies

(a) Basis of preparation

The condensed interim consolidated financial statements (the interim financial statements) are general purpose interim financial statements and have been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial statements comprise the condensed interim financial statements for the Group. For the purposes of preparing the interim financial statements, the Company is a for-profit entity.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended these interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2019 and any public announcements made by the Company and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year, except for the impact of the new Standards and Interpretations described in Note 1(b) below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim financial statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets.

The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2019

In the period ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period beginning on or after 1 July 2019.

AASB 16 Leases

The Group has applied AASB 16 from 1 July 2019 using the modified retrospective approach, with no restatement of comparative information.

The impact on the accounting policies, financial performance and financial position of the Group from the adoption of AASB 16 is detailed in Note 15.

Other than the above, there is no material impact of the new and revised Standards and Interpretations on the Group.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

Note 1: Statement of significant accounting policies *(continued)*

(c) Statement of compliance

The interim financial statements were authorised for issue on 24 February 2020.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Significant accounting estimates and judgements

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2019.

(e) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Note 2: Revenue

The Group derives its revenue from the sale of goods and the provision of services at a point in time and over time.

	6-months to 31 December 2019	6-months to 31 December 2018
	\$	\$
Revenue from contracts with customers	1,565,203	20,710
<i>Reconciliation of revenue from contracts with customers</i>		
<u>At a point in time</u>		
Platform sales	184,046	-
<u>Over time</u>		
Digital Services	1,056,739	-
Platform Service Fees	324,418	20,710
	1,381,157	20,710
Total revenue	1,565,203	20,710

Notes to the condensed consolidated financial statements

For the half-year ended 31 December 2019

Note 3: Segment reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and to assess its performance. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies. The following tables are an analysis of the Group's revenue and results by reportable segment provided to the Board of Directors for the half-year ended 31 December 2019 and for the half-year ended 31 December 2018.

	Australia	United Kingdom	Singapore	China	Consolidation eliminations	Total
31 December 2019	\$	\$	\$	\$	\$	\$
Sales to external customers	1,104,239	-	-	460,964	-	1,565,203
Inter-segment sales elimination	-	-	-	-	-	-
Segment revenue	1,104,239	-	-	460,964	-	1,565,203
Segment result	(934,997)	144,830	(224,398)	(174,011)	(262,345)	(1,450,921)
Segment assets	17,367,560	55,651	23,136	1,383,882	(10,554,856)	8,275,373
Segment liabilities	(874,390)	(2,916,768)	(3,966,666)	(1,626,723)	7,670,999	(1,713,548)
	Australia	United Kingdom	Singapore	USA	Consolidation eliminations	Total
31 December 2018	\$	\$	\$	\$	\$	\$
Sales to external customers	20,710	-	-	-	-	20,710
Inter-segment sales elimination	-	-	-	-	-	-
Segment revenue	20,710	-	-	-	-	20,710
Segment result	(942,362)	(183,419)	(355,370)	7,517	(154,277)	(1,627,911)
Segment assets	14,507,879	63,097	140,133	283	(8,860,602)	5,850,790
Segment liabilities	(333,851)	(2,928,746)	(3,445,857)	(280,818)	6,131,916	(857,356)

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

Note 4: Loss per share

(a) Basic and diluted loss per share

	6-months to 31 December 2019	6-months to 31 December 2018
	\$	\$
Total basic and diluted loss per share attributable to the ordinary equity holders of the Company	(0.54)	(1.34)

(b) Reconciliation of loss used in calculating loss per share

	\$	\$
Loss attributable to the ordinary equity holders of the Company used in the calculation of basic and diluted loss per share	(1,450,921)	(1,627,911)

(c) Weighted average number of shares used as the denominator

	Number	Number
Weighted average number of ordinary shares used in the denominator in calculating loss per share	270,688,140	121,742,859

(d) Information concerning classification of securities

Options granted are considered to be potential ordinary shares and have been included in the determination of diluted loss per share to the extent to which they are dilutive (the options are not considered to be dilutive). The options have not been included in the determination of basic loss per share.

Note 5: Income tax

The prior period income tax benefit of \$216,930 comprises the benefit of income tax losses incurred by the UK subsidiary which has been recorded due to the existence of a deferred tax liability related to the Technology asset. The deferred tax liability on the Technology asset reduces as the asset is amortised over its useful life therefore the deferred tax asset is reduced by the same amount and only recognised to the extent of the deferred tax liability, hence resulting in a minimal income tax benefit for the period.

Note 6: Other current assets

	31 December 2019	30 June 2019
	\$	\$
Prepayments	88,620	8,594
Security deposits	209,046	24,423
Other	10	10
	297,676	33,027

Notes to the condensed consolidated financial statements

For the half-year ended 31 December 2019

Note 7: Intangible assets

Carrying value

	Technology	Website development	Customer contracts	Total
	\$	\$	\$	\$
Cost	2,739,530	15,541	50,000	2,805,071
Accumulated amortisation	(809,380)	(10,596)	-	(819,976)
Carrying value as at 31 December 2019	1,930,150	4,945	50,000	1,985,095

	Technology	Website development	Provisionally accounted intangibles	Total
	\$	\$	\$	\$
Cost	3,230,747	14,997	1,566,667	4,812,411
Accumulated amortisation	(1,187,090)	(8,724)	-	(1,195,814)
Carrying value as at 30 June 2019	2,043,657	6,273	1,566,667	3,616,597

Reconciliation

6 months to 31 December 2019

	Technology	Website development	Customer contracts	Provisionally accounted intangibles	Total
	\$	\$	\$	\$	\$
Carrying value as at 1 July 2019	2,043,657	6,273	-	1,566,667	3,616,597
Transfer to customer contracts (i)	-	-	50,000	(50,000)	-
Transfer to goodwill 8 (i)	-	-	-	(1,516,667)	(1,516,667)
Foreign currency differences	-	199	-	-	199
Additions	21,390	-	-	-	21,390
Amortisation	(134,897)	(1,527)	-	-	(136,424)
Carrying value as at 31 December 2019	1,930,150	4,945	50,000	-	1,985,095

(i) During the half year period the provisional accounting for the acquisitions of RooLife Pty Ltd (previously RooLife Limited), CHOOSE Digital Pty Ltd and Blackglass Pty Ltd has been finalised. Refer to note 12 for further details.

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

Note 7: Intangible assets (continued)

Reconciliation

Year to 30 June 2019

	Technology	Website development	Provisionally accounted intangibles	Total
	\$	\$	\$	\$
Carrying value as at 1 July 2018	2,293,243	9,108	-	2,302,351
Foreign currency differences	-	(833)	-	(833)
Additions	20,207	-	50,000	70,207
Acquisition through business combinations	-	-	1,516,667	1,516,667
Amortisation	(269,793)	(2,002)	-	(271,795)
Carrying value as at 30 June 2019	<u>2,043,657</u>	<u>6,273</u>	<u>1,566,667</u>	<u>3,616,597</u>

No impairment loss was recognised during the period (31 December 2018: \$nil).

Note 8: Goodwill

	31 December 2019	30 June 2019
	\$	\$
Cost	4,224,440	2,016,181
Impairment	(2,016,181)	(2,016,181)
Carrying value	<u>2,208,259</u>	-

Reconciliation

	Notes	6 months to 31 December 2019	Year to 30 June 2019
		\$	\$
Carrying value as at 1 July 2018		-	-
Transfer from provisionally accounted intangibles	7	1,516,667	-
Acquisitions through business combinations – QBID (provisionally accounted)	12	691,592	-
Carrying value		<u>2,208,259</u>	-

No impairment loss was recognised during the period (31 December 2018: \$nil).

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

Note 9: Issued capital

(a) Share capital

	31 December 2019	30 June 2019
	\$	\$
Ordinary shares issued and fully paid	21,333,236	18,560,841

(b) Movement in ordinary share capital

Six months to 31 December 2019

Date	Details	Note	Number of shares	\$
1 July 2019	Opening balance		258,264,140	18,560,841
16 October 2019	Shares issued on placement	(i)	13,157,895	500,000
16 October 2019	Shares issued as consideration for investor relations	(ii)	1,075,000	37,625
16 October 2019	Share issued on cancellation of performance shares		1	-
3 December 2019	Shares issued as consideration for the acquisition of QBID	12	12,938,605	452,851
16 December 2019	Shares issued on placement	(iii)	55,185,650	1,931,498
	Less: Transaction costs arising on share issue		-	(149,579)
31 December 2019			340,621,291	21,333,236

Year to 30 June 2019

Date	Details	Note	Number of shares	\$
1 July 2018	Opening balance		105,083,541	13,646,581
28 September 2018	Shares issued on placement		11,428,571	400,000
28 September 2018	Shares issued to settle outstanding debts		6,783,936	237,438
11 December 2018	Shares issued on placement		60,000,000	2,100,000
11 December 2018	Shares issued to settle outstanding debts		2,636,071	92,262
21 December 2018	Shares issued as consideration for the acquisition of CHOOSE Digital Pty Ltd and RooLife Limited	12	15,238,095	533,333
21 December 2018	Shares issued to settle outstanding debts		5,703,925	199,637
21 January 2019	Share issued on cancellation of performance shares		1	-
1 May 2019	Shares issued on placement		33,333,333	1,333,333
28 June 2019	Shares issued on placement		16,666,667	666,667
28 June 2019	Shares issued as consideration for investor relations		1,390,000	55,600
	Less: Transaction costs arising on share issue		-	(704,010)
30 June 2019			258,264,140	18,560,841

**Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2019****Note 9: Issued capital** *(continued)***(b) Movement in ordinary share capital** *(continued)*

- (i) The Company agreed a strategic placement of \$500,000 to the Thompson Family, founders of the Lobster Shack restaurant and Indian Ocean Rock Lobster.
- (ii) The Company issued shares as part consideration for corporate, investor and public relations services.
- (iii) The Company has accepted subscriptions under a placement of securities to sophisticated and professional investors to raise \$1.9m before costs.

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Note 10: Share-based payments**(a) Options**

The Company has not issued any options as consideration for services during the half year period.

(b) Performance shares

1,750,000 performance shares issued to Richard Jarvis (previous CFO) lapsed during the half year period, following his cessation of employment with the Company.

Share options exercised during the half-year

No share options were exercised during the half-year.

Note 11: Financial instruments

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The carrying amounts of the current receivables, other current assets and current payables are considered to be a reasonable approximation of their fair value.

Notes to the condensed consolidated financial statements

For the half-year ended 31 December 2019

Note 12: Business combination

Summary of acquisition

As announced by the Company on 16 September 2019, an agreement was reached to acquire China market entry and digital marketing company, Quality Brands International Direct ("QBID").

A further announcement was made on 29 November to inform the market that a definitive Share Purchase Agreement (SPA) had been executed, with completion pending settlement of part of the consideration. The SPA specifically stipulates that from 1 November 2019, the Company is responsible for all liabilities incurred and entitled to all revenue earned. As a result, acquisition date is deemed to be 1 November 2019.

A final announcement was made on 4 December 2019 to confirm that the acquisition was completed.

Details of the purchase acquisition and net assets acquired are as follows:

	Note	\$
Cash consideration paid to vendors		50,000
Part of cash consideration applied to working capital of QBID	(i)	150,000
12,938,605 fully paid shares in the capital of the Company issued to the shareholders of QBID, valued at 3.5 cents per share		452,851
Contingent cash consideration of \$150,000	(ii)	-
Contingent performance based milestone 1		
\$491,667 in ordinary shares to be issued to vendors at the 30 day VWAP prior to share issue date	(ii)	-
Contingent performance based milestone 2		
\$1,333,333 in ordinary shares to be issued to vendors at the 30 day VWAP prior to share issue date	(ii)	-
		652,851

- (i) As at 31 December 2019, \$46,273 of the \$150,000 contribution towards working capital has been paid. A further payment of \$90,242 was settled in January 2020 with the balance to be settled prior to the end of the financial year.
- (ii) On achievement of \$2 million in revenue in any 6 month period within 3 years of completion, the Company is required to pay further consideration of \$150,000 in cash and issue the performance shares. On achievement of \$4.5 million in revenue in any 12 month period within 3 years of completion, the Company is required to issue the performance shares. The shares are to be issued to the vendors at the 30 day VWAP prior to share issue date.

At the date of acquisition, the directors could not resolve with any certainty whether it would be considered probable that the performance milestones will be achieved. As a result, the contingent consideration does not form part of the consideration on acquisition.

The contingent consideration payable in shares is classified as equity and will not be subsequently remeasured if the performance milestones are satisfied. Shares issued on satisfaction of the performance milestones will be accounted for within equity. The contingent consideration payable in cash is classed as a financial liability and will be accounted for in profit or loss.

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

Note 12: Business combination (continued)

The assets and liabilities recognised as a result of the acquisition are as follows:

	Note	As at 1 November 2019 \$
Cash		(10,948)
Trade receivables		76,517
Other receivables		236,029
Fixed Assets		1,560
Inventories		139,596
Trade payables		(128,156)
Other payables		(336,831)
Provisions		(16,508)
		<u>(38,741)</u>
Excess consideration paid over net assets acquired	(i)	<u>691,592</u>
		<u>652,851</u>

- (i) At balance date, the initial accounting for the business combination is incomplete as the Company is currently finalising the allocation of the initial excess consideration noted above. This allocation will be finalised when the 30 June 2020 annual financial report is produced and the provisional amounts noted above will be adjusted accordingly.

Impact of acquisition on the results of the Group

If the combination had taken place at the beginning of the half-year, additional revenue of \$425,940 would have been recognised for the period to 1 November 2019, with an immaterial impact on the loss for the period due to the private company structure of the entity.

Net cash outflow from acquisitions

	\$
Cash paid	50,000
Cash consideration applied to working capital	46,273
Add: Cash deficit assumed on acquisition	10,948
Net cash outflow	<u>107,221</u>

Finalisation of provisionally accounted business combinations

As disclosed in the full year accounts for the year ended 30 June 2019, the acquisitions of RooLife Pty Ltd (previously RooLife Limited), CHOOSE Digital Pty Ltd and Blackglass Pty Ltd were provisionally accounted for as the Company was finalising the allocation of the initial excess consideration from the acquisition. During the half year period, the allocation has been finalised and there has been no adjustment to the provisional amounts for the acquisition of RooLife Pty Ltd and Choose Digital Pty Ltd. The provisionally calculated initial excess consideration has been classified as goodwill and customer contracts.

**Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2019****Note 13: Contingent liabilities**

The Group has no contingent liabilities as at the reporting date.

Note 14: Events subsequent to reporting date

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

Note 15: New Standards Adopted*AASB 16 Leases*

AASB 16 Leases supersedes AASB 117 Leases. The Group has adopted AASB 16 from 1 July 2019 which has resulted in changes in the classification, measurement and recognition of leases.

The Group has operating leases in place that have a remaining lease term of less than 12 months as at 1 July 2019. The exemptions available under AASB 16 have therefore been applied and the leases have been accounted for as short-term leases, with no right-of-use asset nor lease liability recognised.

As a result, there is no impact on the application of AASB 16 to the Group's interim financial statements.

Directors' declaration

1. In the opinion of the Directors of RooLife Group Ltd (the 'Company'):
 - a. the accompanying interim financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half- year then ended; and
 - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. the interim financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 303(5) of the Corporations Act 2001 for the half-year ended 31 December 2019.

This declaration is signed in accordance with a resolution of the board of Directors.



Bryan Carr
Chief Executive Officer and Managing Director

24 February 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of RooLife Group Limited (previously OpenDNA Limited)

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of RooLife Group Limited ("the company") which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of RooLife Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hbw.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
24 February 2020



L Di Giallonardo
Partner