



28 January 2021

## Quarterly Activities Report and Appendix 4C for the Period Ended 31 December 2020 Quarter Highlights

- **2Q FY2021 unaudited revenue \$1.3m, ahead of previous guidance of \$1.2m and up 40% over 1Q FY2020**
- **Total cash receipts from customers for 2Q FY2021 of \$1.1m**
- **Unaudited half year revenue to December 2020 of \$2.25m, up 40% over December 2019 Half Year (\$1.56m)**
- **Contract wins with Kadalys, Reid Fruits and FRUTEEC in the December Quarter**
- **Three new e-Commerce stores prepared for launch for 3Q FY2021**
- **Supported by new contract wins and new e-commerce store launches, strong revenue growth is forecast for 3Q FY2021 revenue of \$2.5m**
- **Post end of quarter contract signed with Murray River Organics (ASX:MRG) takes the value of RooLife's announced contract wins to \$20 million in total contract value in the last 10 months, subject to minimum annual sales targets being met for each contract**
- **RooLife wins Wine WA contract to help drive sales and distribution through South East Asia through key partnerships and distribution partners**
- **Fully Subscribed Entitlement & Shortfall Issue completed during the quarter raising \$5.5m (before costs)**
- **Additional sales resources and marketing plans implemented and delivering growth**

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 2020 (the “Quarter”).

RooLife Group’s online e-Commerce marketplaces assist businesses to sell directly to Chinese consumers and accept payment via the Alipay and WeChat mobile payments platforms, allowing brands to sell products to Chinese consumers online.

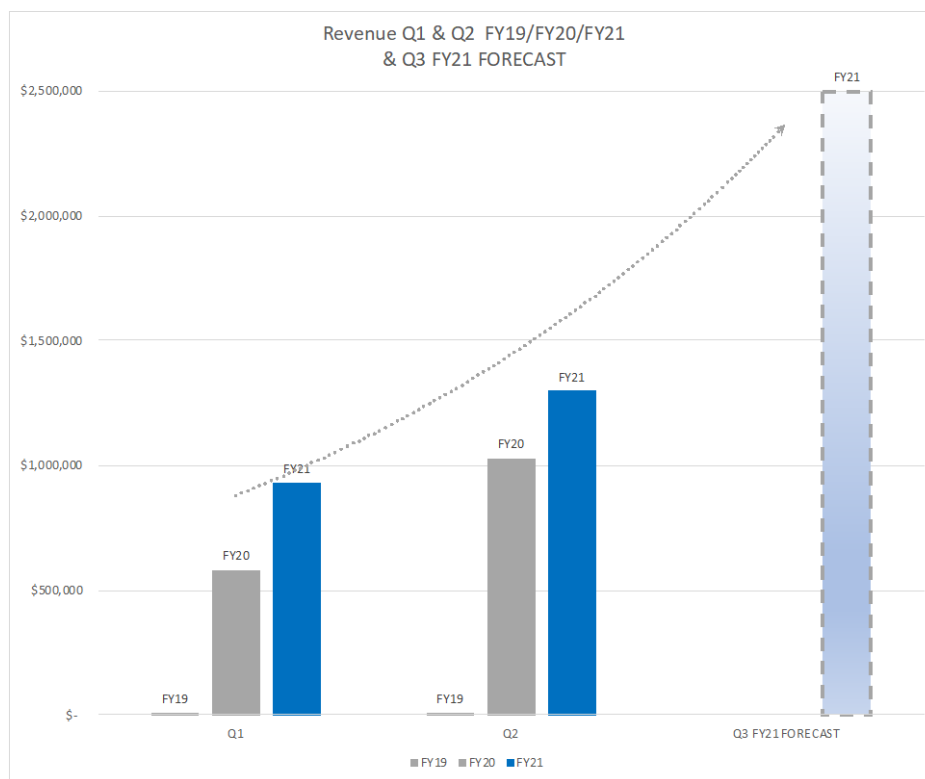
The Company’s contracted revenue consists of monthly services fees and expected product sales revenue which is accretive with the addition of each new contract.

**Revenue Growth**

The Company achieved strong year-on-year revenue growth for 2Q FY2021 with unaudited revenue of \$1.3m which is 40% up from the prior corresponding period and ahead of previous guidance of \$1.2m.

Sales revenue is growing in line with internal expectation and allows the Company to forecast expected sales for the 3Q FY2021 with confidence.

The Company is expecting strong growth to continue through 3Q FY2021 driven by recent contract wins and e-Commerce store launches. RooLife is forecasting revenue of over 90% QoQ to \$2.5m for the current quarter.



***RooLife Growing Year-on-Year Quarterly Revenue Comparison FY2019 – FY2021***

**Contract Wins**

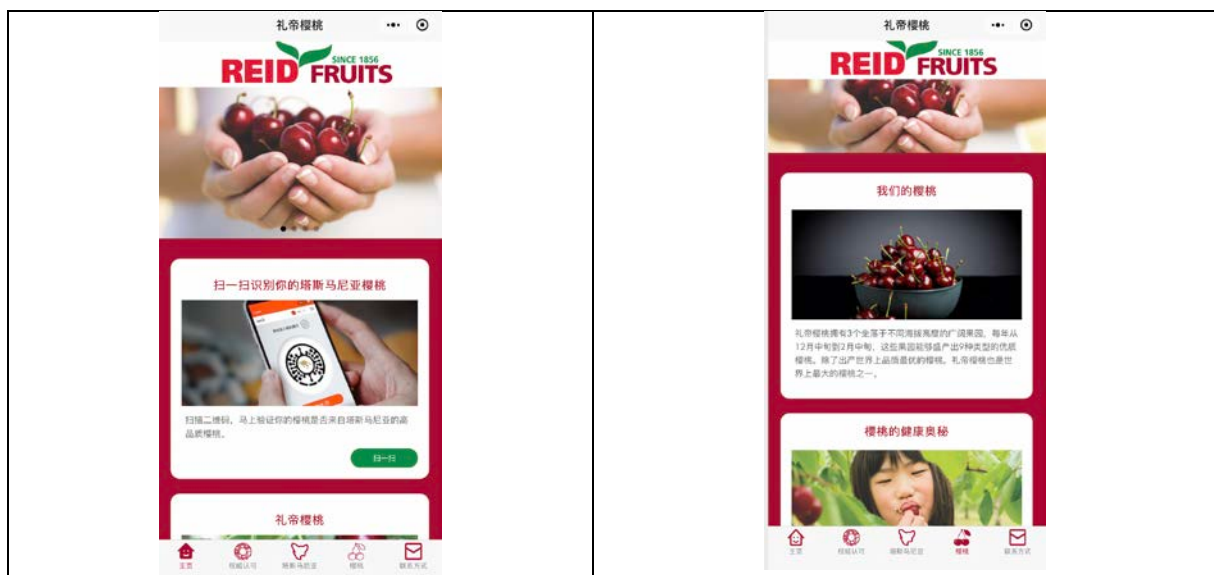
During the December quarter the Company won new major contracts including being appointed as the exclusive Cross Border e-Commerce provider for China by **Ignite Growth Brands** to market and sell the French cosmetics brand **Kadalys**.

RooLife is responsible for all brand management, digital marketing and sales for the award-winning French cosmetic brand.



*RooLife taking Kadalys, Awarding Winning Organic Cosmetic Brand from France to China*

The Company was also engaged by Reid Fruit, one of Australia’s largest cherry producers, to deliver digital marketing services for China, with RooLife providing all social media activity and e-Commerce promotion within WeChat and Little Red Book.



*The RooLife Reid Fruits WeChat mini app launched in China*

South America-based Especialistas en Negocios Internacionales FRUTEEC SAPI de CV appointed RooLife to market and sell its fresh produce in China and immediately following the end of the quarter, RooLife was appointed by ASX-listed Murray River Organics to market and sell its organic, natural and healthy food products.

RooLife is providing Murray River Organics brands existing general trade sales, including through Tmall Flagship store and major national retail chains in China **Costco**, **Ole** and **Alibaba’s** grocery store chain, **Hema**.

The latest agreement takes the value of RooLife’s announced contract wins to \$20 million in total contract value in the last 10 months, subject to minimum annual sales targets being met for each contract.

Additionally, during the Quarter RooLife Group was appointed by Wine WA to drive sales and distribution through SE Asia through key partnerships and distribution partners.

RooLife’s role is to drive sales and distribution through South East Asia for Western Australian wines via RooLife’s digital marketing and channel building capabilities with the objective to drive purchases and ultimately visitations from South East Asian and Chinese tourists by providing an “Integrated Promotion and Fulfilment Solution” for Cellar Door Wine Purchases for when the International Borders reopen. RooLife receives service fees and commission on sale of products and as the project is in the early stages the Company is not able to yet determine the quantum of total expected sales revenue.

Through this project wineries from all Western Australian wine regions will be leveraging the RooLife e-Commerce Platform that provides real time payment through both WeChat and Alipay as well as the ability to capture clients at point of sale to build a fully integrated membership base to drive ongoing sales. This partnership leverages the technology, IP and platform that was rolled out at Perth Airport and provides the ability for ongoing sales in key regions of South East Asia through targeted marketing.

In the short term while International Borders remain closed the focus will be on the 1.4 million Chinese residents in Australia that have access to Alipay and We Chat Pay to pay direct at cellar doors.

Larry Jorgensen (CEO Wine WA) said he was excited about the partnership which is a 5 year plan for Wine WA to boost sales in key markets in South East Asia and significantly increasing visitation at cellar door once international travel recommences. An integral part of the project is for RooLife, through its technology platform and targeted marketing, to drive sales and engagement through key calendar of events for the Wine Industry.

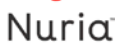






“The first of these events is Pinot Picnic on 11<sup>th</sup> -14<sup>th</sup> February 2021 (coinciding with Chinese New Year) in the provision of marketing and live streaming into China and other South East Asian markets. During the event RooLife Group will be primarily responsible for driving sales of Pinot Hampers to be delivered to consumers’ doors in Singapore and throughout Australia.”

### Store Launches and Sales Update

The Company has now launched 5 Tmall online stores with a further 3 new stores set for launch in 3Q FY2021.

RooLife has continued to build out its China-side expertise focused on identifying products and brands in demand to align with its International brand selection with the aim to source, brand and sell direct-to-consumer products.

### RECENT CONTRACT WINS CONTRIBUTING TO A STRONGLY GROWING REVENUE PROFILE

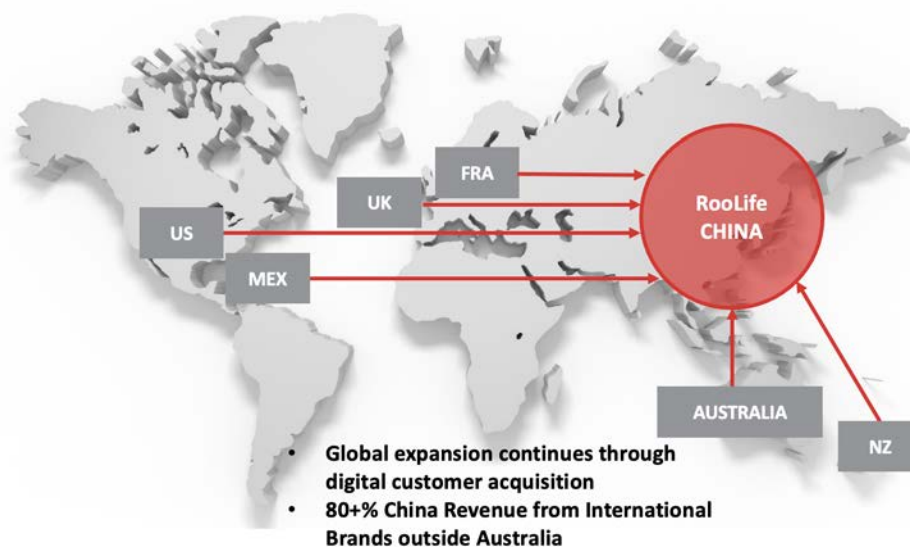
							
	April 2020	May 2020	July 2020	August 2020	September 2020	November 2020	January 2021
Service Fees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Store Launched	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Product Sales	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Term	2 Years	3 Years	3 Years	3 Years	3 Years	2 Years	3 Years
Contract Value*	\$1.3m	\$2.5m	\$2.2m	\$2.7m	\$2.5m	\$1.1m	\$10m

\* Subject to minimum annual sales targets being met for each contract.

RooLife is seeing strong demand for health and well-being and food products in China and is working on direct-to-consumer opportunities in China for a range of produce and healthy foods with the Ministry of Commerce confirming that China imported US\$124.4 billion worth of food in the first nine months of this year, which is up 13.3 percent from the same period last year<sup>1</sup>.

The Company continues to expand its products range and global reach marketing and selling products from New Zealand, USA, UK, France, South American and Australian providing business & brand representation in China.

80+% of RooLife's China revenue is generated from brands from outside Australia with RooLife's expected Quarter on Quarter growth for the December Quarter expected to accelerate in the March quarter.



### **Corporate and Financial Position**

Revenue for the December quarter was \$1.3m with cash receipts totalling \$1.15m consisting of \$1.07m in receipts from customers and Government grants totalling \$85k.

During the quarter the Company completed a non-renounceable entitlement issue and shortfall offer to shareholders raising \$5,492,518.

Payments for staff costs in the quarter were \$1,008k, up from the prior quarter as the Company built out its business development team and implemented its sales growth plan as set out in the Company's non-renounceable entitlement issue prospectus. In addition, this included bonus payments made for achievement of revenue targets related to the previous financial year.

Increased investment made in sales resources both nationally and internationally supported by increased marketing and advertising is starting to show strong returns and is expected to contribute to revenue growth in the subsequent quarters.

This provides the Company confidence in forecasting strong revenue growth for the remainder of the year as the additional sales focus delivers the expected outcomes.

The Company closed the quarter with cash and equivalents of \$5.125m and receivables (net of payables) of \$510k.

Admin and Corporate costs were \$253k in the December quarter.

Attached is the Appendix 4C for the FY20 December 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 \$42,157.

Fees paid to Executive Directors during the Quarter totalled \$439,848 consisting of salary of \$190,321 and bonus payments of \$249,527 for achievement of targets from the prior financial year.

Payments totalling \$55,000 were made to Murcia Pestell Hillard Pty Ltd, a company related to Mr. Grant Pestell, for the provision of legal services.

## ENDS

1. Source: [www.shine.cn/news/nation/2011079314/](http://www.shine.cn/news/nation/2011079314/)

**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 of companies provides fully integrated digital marketing and customer acquisition services focusing on driving online sales of products and services for its clients. 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 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")**

31 DECEMBER 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,067	1,667
1.2 Payments for		
(a) research and development	(23)	(23)
(b) product manufacturing and operating costs	(747)	(1,190)
(c) advertising and marketing	(439)	(589)
(d) leased assets	-	-
(e) staff costs	(1,008)	(1,702)
(f) administration and corporate costs	(253)	(367)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	85	313
1.8 Other (provide details if material)	(65)	(180)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,379)</b>	<b>(2,066)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(3)	(11)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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)	35	67
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>32</b>	<b>56</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,493	6,259
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	(409)	(468)
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>5,084</b>	<b>5,791</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	1,390	1,343
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,379)	(2,066)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	32	56



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,084	5,791
4.5	Effect of movement in exchange rates on cash held	(2)	1
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,125</b>	<b>5,125</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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 \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5,125	1,390
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>5,125</b>	<b>1,390</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

**Current quarter  
\$A'000**

537<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 \$482,000 were made to directors for fees and superannuation on fees.

Payments totalling \$55,000 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.*

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	-	-
	50	-
	-	-
	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)

(1,379)

8.2 Cash and cash equivalents at quarter end (Item 4.6)

5,125

8.3 Unused finance facilities available at quarter end (Item 7.5)

50

8.4 Total available funding (Item 8.2 + Item 8.3)

5,175

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: 28 January 2021

Authorised by: The Board of the Company

## 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.