



YOUR CROSS-BORDER  
E-COMMERCE PARTNER

21 July 2021

## Quarterly Activities Report and Appendix 4C for the Period Ended 30 June 2021

### Quarter Highlights

- Record cash receipts of **\$5.5m** collected in 4Q FY2021
- Record revenue of **\$3.9m** for 4Q FY2021 (unaudited), up 15% from prior quarter and up 280% from 4Q FY2020 (\$1.02m)
- Net positive cashflow of **\$1.35m** for 4Q FY2021
- RLG expects another record sales quarter in 1Q FY2022, driven by growing product sales
- Client base expanded with addition of new brands including Australia's #1 Kombucha Brand, Remedy Drinks
- Direct private placement to strategic investor completed in first week of July, raising \$1.7m
- Strong balance sheet to drive future growth with closing cash position of \$3.8m as at 30 June 2021, further strengthened with additional \$1.7m placement funds

e-Commerce and digital marketing company RooLife Group Ltd (**ASX: RLG**) ("**RLG**" or the "**Company**") is pleased to provide shareholders with the Company's Quarterly Activities Report and Appendix 4C for the Quarter ended 30 June 2021 (the "**Quarter**").

RLG has delivered its third consecutive quarter of record revenue with **\$3.9m** achieved in the June Quarter. Revenue achieved for FY2021 was a record \$9.6m, up 182% on FY2020 (\$3.4m).

The Company collected **\$5.5m** in cash receipts from customers due to strong and growing sales revenue.

In the week following the end of the Quarter RLG completed a private placement to a new strategic investor, Mr Daniel Love. RLG issued 74,000,000 new fully paid ordinary shares to Mega Holdings Pty Ltd, a company controlled by Mr Daniel Love, raising \$1,702,000. This investment will enable RLG to expand its business model in China at an even faster pace.

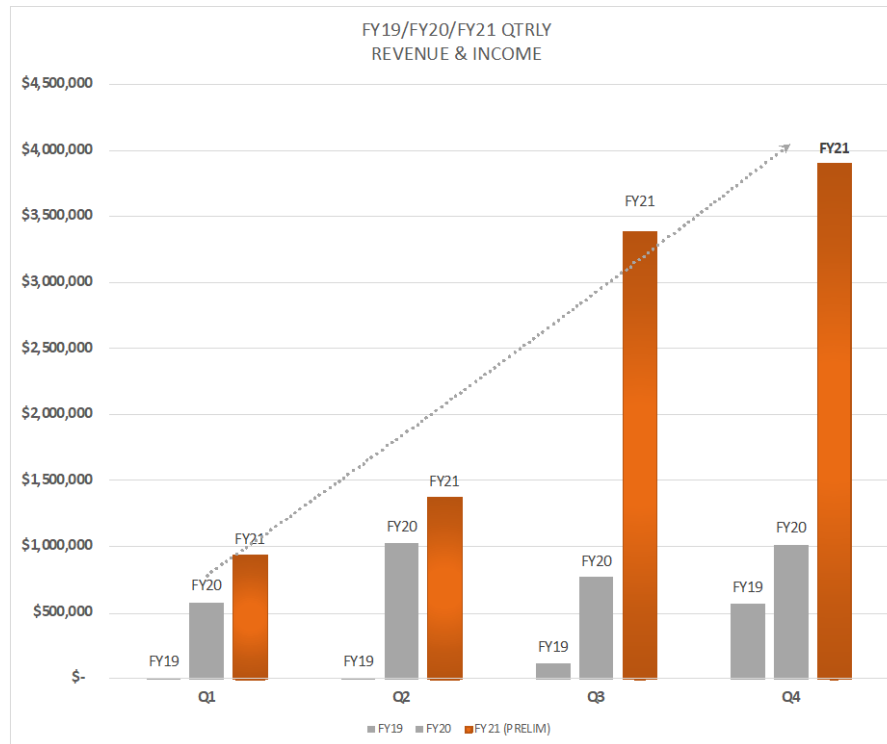


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### Continued Strong Sales Revenue Growth

During the Quarter RLG continued to drive product sales in China delivering revenue of \$3.9m. contributing to record full year revenue of approximately \$9.6m (preliminary and unaudited), which is up 182% on full year revenue for FY2020 of \$3.4m.

RLG expects that this strong sales performance will continue into FY2022, supported by the strong balance sheet.



RLG's revenue mix is increasingly progressing from marketing services fees to scalable product sales, validating its vision of being a platform between global suppliers and Chinese consumers. Initial investment in sales channels is already seeing rapid revenue growth and increased sales efficiency.

### Contract Wins and Store Launches in Popular Categories

In the week following the end of the June Quarter, RLG secured two new, exclusive brand distribution rights contracts to market and sell Remedy Drinks International ("Remedy") and Amie Skincare ("Amie") products in China.

Remedy is Australia's # 1 kombucha brand. RLG's distribution agreement with Remedy, which is subject to sales and performance milestones, has a minimum revenue target of \$5m over a three-year period.

Amie is a skincare brand of RLG partner SLG Brands ([www.slgbands.com](http://www.slgbands.com)), a U.K. beauty and wellness company. Based on the performance of RLG in marketing and selling SLG Brands' COLAB Dry Shampoo, SLG Brands appointed RLG to exclusively market and sell Amie in China. The appointment by SLG to partner with another of its brands is a testament to the success achieved with COLAB and the strength of the working relationship.

These continued contract wins, strengthen RLG's cross-border product offering to Chinese consumers.



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### **Steady Inflows, Increasing Efficiency, Cost Reductions and Strong Balance Sheet**

The Company recorded \$3.9m unaudited revenue for the Quarter with cash receipts of \$5.52m consisting of \$5.41m in receipts from customers and \$114k in receipts from Government grants, primarily associated with the Company's export activities. RLG closed the Quarter with cash of \$3.85m.

As highlighted in the March Quarterly Report, RLG continues to increase its sales and financial efficiency leveraging its developing expertise and technology. As such, administrative, corporate and staff costs and advertising and marketing expenditure have been further reduced this Quarter.

Payments for staff costs in the quarter totalled \$726k down 10% from the prior quarter, which followed the 20% reduction in staff costs in the March Quarter.

Admin and corporate costs were \$220k in the June quarter down 4% from the prior quarter.

Advertising and marketing expenditure was \$352k for the Quarter, down 2% from the prior quarter, with Company reaping the benefits of investment in sales and marketing initiated in the March Quarter.

Attached is the Appendix 4C for 4Q FY2021 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 \$30,112 and fees paid to Executive Directors during the Quarter totalled \$116,875.

Payments totalling \$7,097 were made to Murcia Pestell Hillard Pty Ltd, a company related to Mr. Grant Pestell, for the provision of legal services.

### **ENDS**

**Issued by:** RooLife Group Ltd

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

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

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## RLG OVERVIEW

RLG is a cross-border platform that matches Chinese consumer demand with international brands and products.

RLG identifies trends in Chinese consumer demand, secures distribution rights for international products that fit consumers' needs and provides the technology and sales infrastructure necessary for brands to sell at scale in China.

RLG's fully integrated offering includes:

- Market research and data analysis;
- Online and offline b2c and b2b sales channel establishment and management;
- Product localisation, brand and marketing development;
- International and local logistics, warehousing, and shipping; and
- Payment acceptance and remittance.

RLG has secured a broad range of international clients from **Australia, New Zealand, U.S.A., Europe, United Kingdom and South America.**

A selection of these clients include:

- Remedy Drinks (#1 kombucha brand in Australia)
- Nuria (skincare)
- Colab (dry shampoo)
- AFT Pharmaceuticals (pharmacy)
- Blis Probiotics (probiotics)
- Murray River Organics (health food)



The online shopping market in China is \$2.2 trillion, comprising 925m online shoppers and is growing at 12% per annum. (Source: [www.statista.com/outlook/dmo/ecommerce/china#revenue](http://www.statista.com/outlook/dmo/ecommerce/china#revenue))

## 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 2021

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (12<br/>months)<br/>\$A'000</b> |
|---|------------------------------------|---|
| <b>1. Cash flows from operating activities</b>            |                                    |   |
| 1.1 Receipts from customers                               | 5,406                              | 8,910   |
| 1.2 Payments for  |                                    |   |
| (a) research and development                              | (34)                               | (83)  |
| (b) product manufacturing and operating costs             | (2,741)                            | (6,982)   |
| (c) advertising and marketing                             | (352)                              | (1,299)   |
| (d) leased assets   | -                                  | -   |
| (e) staff costs   | (726)                              | (3,235)   |
| (f) administration and corporate costs                    | (220)                              | (817)   |
| 1.3 Dividends received (see note 3)                       | -                                  | -   |
| 1.4 Interest received                                     | -                                  | 8   |
| 1.5 Interest and other costs of finance paid              | (1)                                | (1)   |
| 1.6 Income taxes paid                                     | -                                  | -   |
| 1.7 Government grants and tax incentives                  | 114                                | 465   |
| 1.8 Other (provide details if material)                   | (99)                               | (346)   |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>1,347</b>                       | <b>(3,380)</b>                                  |
| <b>2. Cash flows from investing activities</b>            |                                    |   |
| 2.1 Payments to acquire or for:                           |                                    |   |
| (a) entities  | -                                  | -   |
| (b) businesses  | -                                  | -   |
| (c) property, plant and equipment                         | (6)                                | (25)  |
| (d) investments   | -                                  | -   |
| (e) intellectual property                                 | -                                  | -   |
| (f) other non-current assets                              | -                                  | -   |

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date (12<br>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)                   | (5)                        | 42                                     |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(11)</b>                | <b>17</b>                              |

|             |   |          |              |
|-------------|---|----------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |          |              |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | -        | 6,259        |
| 3.2         | Proceeds from issue of convertible debt securities                                      | -        | -            |
| 3.3         | Proceeds from exercise of options   | 1        | 1            |
| 3.4         | Transaction costs related to issues of equity securities or convertible debt securities | -        | (476)        |
| 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>1</b> | <b>5,784</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                             | 2429  | 1,343   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | 1,347 | (3,380) |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (11)  | 17      |

| Consolidated statement of cash flows |  | Current quarter<br>\$A'000 | Year to date (12 months)<br>\$A'000 |
|--------------------------------------|--|----------------------------|-------------------------------------|
| 4.4                                  | Net cash from / (used in) financing activities (item 3.10 above) | 1                          | 5,784                               |
| 4.5                                  | Effect of movement in exchange rates on cash held                | 49                         | 51                                  |
| 4.6                                  | <b>Cash and cash equivalents at end of period</b>                | <b>3,815</b>               | <b>3,815</b>                        |

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances  | 3,815                      | 2,429                       |
| 5.2 | Call deposits  | -                          | -                           |
| 5.3 | Bank overdrafts  | -                          | -                           |
| 5.4 | Other (provide details)  | -                          | -                           |
| 5.5 | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>   | <b>3,815</b>               | <b>2,429</b>                |

| 6.  | Payments to related parties of the entity and their associates                          | Current quarter<br>\$A'000 |
|---|---|----------------------------|
| 6.1   | Aggregate amount of payments to related parties and their associates included in item 1 | 154 <sup>1</sup>           |
| 6.2   | Aggregate amount of payments to related parties and their associates included in item 2 | -                          |
| <i>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.</i> |   |                            |

<sup>1</sup> Payments totalling \$147,000 were made to directors for fees and superannuation on fees.

Payments totalling \$7,000 were made to Murcia Pestell Hillard Pty Ltd, a company related to Mr. Grant Pestell, for the provision of legal services.

|   |   |  |
|---|---|--|
| <b>7. Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i><br><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>   | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
| 7.1 Loan facilities   | -   | -  |
| 7.2 Credit standby arrangements   | 50  | -  |
| 7.3 Other (please specify)  | -   | -  |
| 7.4 <b>Total financing facilities</b>   | 50  | -  |
| 7.5 <b>Unused financing facilities available at quarter end</b>   |   | 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.   |   |  |

|  |                |
|--|----------------|
| <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)  | 1,347          |
| 8.2 Cash and cash equivalents at quarter end (item 4.6)  | 3,815          |
| 8.3 Unused finance facilities available at quarter end (item 7.5)  | 50             |
| 8.4 Total available funding (item 8.2 + item 8.3)  | 3,865          |
| 8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>  | N/A            |
| <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>     |                |
| 8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:  |                |
| 8.6.1 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: N/A  |                |
| 8.6.2 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: N/A  |                |
| 8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?  |                |
| Answer: N/A  |                |
| <i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>   |                |



## 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: 21 July 2021

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.