



UNLOCK A WORLD  
OF POTENTIAL

31 August 2021

### **Release of RooLife Group Ltd's financial results for the year ended 30 June 2021**

e-Commerce and digital marketing company RooLife Group Ltd (ASX: RLG) ("RooLife Group" or the "Company") provides the following for release:

1. Appendix 4E – preliminary final report; and
2. Annual report for the year ended 30 June 2021.

**ENDS**

**Issued by:** RooLife Group Ltd

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

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

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## 1. Reporting periods

Current Reporting Period: 30 June 2021  
Previous Corresponding Period: 30 June 2020

## 2. Results for announcement to the market

	Year ended 30 June 2021 \$'000	Year ended 30 June 2020 \$'000	Increase / (Decrease) \$'000	% Change
Revenue from continuing operations	9,132	2,967	6,165	208%
Loss before income tax benefit	(4,991)	(3,444)	(1,547)	45%
Income tax benefit	-	1	(1)	100%
Net loss for the year	(4,991)	(3,443)	(1,548)	45%

The Company also recorded other revenue of \$479k (2020: \$430k) during the year.

At balance date, the company held \$3,815,089 (30 June 2020: \$1,342,942) in cash.

The Company successfully completed placements to raise a total of \$6,258,919 (2020: \$2,431,498), less costs during the year.

The attached Annual Report contains a detailed review of operations for the year.

## 3. Dividends

No dividends were declared or paid during the year.

## 4. Net tangible asset backing

	2021 \$	2020 \$
Net assets (\$)	5,697,804	4,577,705
Less intangible assets and goodwill (\$)	(2,439,085)	(3,971,828)
Net tangible assets of the Company (\$)	<u>3,258,719</u>	<u>605,877</u>
Fully paid ordinary shares on issue at balance date (number)	<u>579,753,113</u>	<u>340,621,291</u>
Net tangible asset backing per issued ordinary share at balance date	<u>0.0056</u>	<u>0.0018</u>

## 5. Control gained over entities

Not applicable.

## 6. Loss of control over entities

Not applicable.

**7. Details of associates and joint venture entities**

Not applicable.

**8. Foreign entities accounting framework**

Foreign entities comply with International Financial Reporting Standards (IFRS).

**9. Audit opinion**

The financial statements have been audited and an unqualified opinion has been issued.

**10. Attachments**

The Annual report of RooLife Group Limited for the year ended 30 June 2021 is attached and forms part of the Appendix 4E.

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# Annual Report

## 2021



# Annual Report

## 2020/2021



**Unlock a world of potential**

Fully integrated digital marketing and eCommerce platform to help you promote your brand and drive sales globally.

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UNLOCK A WORLD  
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## STRATEGY

Connect Brands  
and Producers  
Globally with Online  
Customers

## PRODUCT

Source high quality,  
in-demand and  
healthy Products

## TECHNOLOGY

Technology Stack to  
manage Product to  
Customer

## CUSTOMER

Attract, understand  
and sell direct to  
Customers



# Corporate Information

**ABN 14 613 410 398**

**Directors**

Grant Pestell  
Ye (Shenny) Ruan  
Bryan Carr  
Warren Barry

**Company secretary**

Peter Torre

**Registered office**

Unit B9, 1<sup>st</sup> Floor, 431 Roberts Road  
Subiaco WA 6008  
Tel: +61 (8) 6444 1702

**Principal place of business**

Level 1 1304 Hay Street  
West Perth WA 6005  
Tel: +61 (8) 6444 1702

**Share register**

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
Perth WA 6000  
Tel: +61 (8) 9323 2000

**Solicitors**

Murcia Pestell Hillard  
Suite 183, Level 6, 580 Hay Street  
Perth WA 6000

Non-Executive Chairman  
Non-Executive Director  
Managing Director and Chief Executive Officer  
Executive Sales Director

**Bankers**

National Australia Bank  
Level 14, 100 St Georges Terrace  
Perth WA 6000

**Auditors**

HLB Mann Judd (WA Partnership)  
Level 4, 130 Stirling Street  
Perth WA 6000

**Securities Exchange Listing**

RooLife Group Ltd shares and options are listed on the  
Australian Securities Exchange (ASX: RLG and RLGO)

**Website address**

[www.roolifegroup.com.au](http://www.roolifegroup.com.au)

## Welcome

# Directors' Report

Your directors present their report on the consolidated entity (referred to hereafter as “the Group”) consisting of RooLife Group Ltd (“RLG” or the “Company”) and the entities it controlled at the end of, or during, the year ended 30 June 2021. 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 year and until the date of this report are as follows.

Directors were in office for this entire period unless otherwise stated.

### Grant Pestell LL.B.

Non-Executive Chairman

#### Experience and expertise

Independent non-executive chairman since July 2016. Founding director of Murcia Pestell Hillard solicitors, who act for the Company. Over 20 years experience in commercial litigation, corporate and commercial law with extensive experience advising both listed and private companies particularly in the Information & Technology, Energy Resources and Mining Resources Industries; and Managing Director of Murcia Pestell Hillard since 2000.



#### Other current listed directorships

Non-Executive Director of COSOL Limited from August 2019.

#### Former listed directorships in the last 3 years

None.

#### Interests in shares and options

7,076,626 ordinary shares in RLG.

5,850,000 options over ordinary shares in RLG.

### Ye (Shenny) Ruan BEcon, MBA, FINSIA

Non-Executive Director appointed 27 July 2021

#### Experience and expertise

Ms Ruan carries 26 years of experience in various financial management roles in global companies and has worked in various APAC counties including China, Singapore, Indonesia and Australia. Her previous roles include CFO of Noble Group China (currently COFCO), Managing Director/Coverage Head of Rabobank China and Finance Head for Cargill's Starch and Metals business units. In her most recent role as Group CFO and Director of FKS Food and Agri, and Indonesian Conglomerate, Ms Ruan covered all aspects of financial and treasury operations and led key strategic initiatives, including investor sourcing, debt financing, M&A's and Risk Management of commodity merchandising business in the Group.



#### Other current listed directorships

None.

#### Former listed directorships in the last 3 years

None.



Director's Report (continued)

Directors (continued)

Ye (Shenny) Ruan BEcon, MBA, FINSIA (continued)

Interests in shares and options

Nil ordinary shares in RLG.  
Nil options over ordinary shares in RLG.

Tim Allison B. Com, MBA, GAICD

Non-Executive Director resigned 27 July 2021

Experience and expertise

Mr Allison has extensive digital and e-Commerce experience and a successful track record in commercialisation and scaling across a range of technology businesses, from traditional retail and distribution to cutting-edge consumer technology in the online and mobile sectors. He has proven experience in growing export value and delivering strong operational results in international markets for technology businesses, including structuring, negotiating and managing joint ventures in China. Mr Allison is currently Executive Director and Chairman of Custom Innovation Company and Executive Director of Tec. Fit, a B2B cloud based SaaS licensing company focused on providing world-class technology solutions to the fashion industry and collaborating with for Universities focused on innovation and cutting edge 3D/2D scanning and 3D printing.

Other current listed directorships

None.

Former listed directorships in the last 3 years

None.

Interests in shares and options

Nil ordinary shares in RLG.  
Nil options over ordinary shares in RLG.

Bryan Carr BSC.

Managing Director and Chief Executive Officer

Experience and expertise

Mr Carr is an experienced ASX public company Managing Director and Chief Executive Officer with extensive operating experience in Australia and China. He has over 20 years' experience working in technology companies in the private and public company environment where he has developed proven business development skills and comprehensive corporate governance, finance, capital markets and risk management expertise. In addition to his experience in the Australian corporate environment, Mr Carr has a highly developed understanding of Asia-based business operations, including 10 years based in China during which time he developed an in-depth understanding of China and Hong Kong's commercial, corporate and regulatory operating requirements.



Director's Report (continued)

Directors (continued)

Bryan Carr BSC. (continued)

Other current listed directorships

None.

Former listed directorships in the last 3 years

None.

Interests in shares, options and performance shares

12,250,000 ordinary shares in RLG.  
13,642,857 options over ordinary shares in RLG.

Warren Barry BSC, MBA.

Executive Sales Director

Experience and expertise

Mr Barry has been involved in the digital space for over 22 years and has been actively involved in taking several companies to ASX listing. He has setup and sold several digital agencies over the years as well as being a former CEO of publicly listed Company Gruden. Mr Barry has a BSC from UNSW and a MBA from UWA. Mr Barry's key area of focus is developing online strategies for companies but also working with them on developing ways to commercialise and monetise their digital footprint. Over his journey to date, Mr Barry has worked with very high-profile clients including Telstra, AFL, CUB, Betta, Sydney Airports, Adelaide Airports, Curves Gym, Shop a Docket, Sealink and The Agency.

Other current listed directorships

None.

Former listed directorships in the last 3 years

Corella Resources Ltd from August 2020 to March 2021.

Interests in shares, options and performance shares

24,107,142 ordinary shares in RLG.  
9,000,000 options over ordinary shares in RLG.

Company Secretary

The company secretary is Peter Torre CA, AGIA, MAICD.

Mr Torre was appointed to the position of company secretary in March 2017. Mr Torre is the principal of Torre Corporate, a specialist corporate advisory firm providing corporate secretarial services to a range of listed companies. He is a director of ASX listed Mineral Commodities Ltd, Connexion Telematics Ltd, VEEM Ltd and Volt Power Group Limited.



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## Directors' Report

### Principal Activities

RLG provides its technology systems focussed on selling food, beverages and health and wellbeing products matching consumer demand with businesses and producers seeking to enter and sell into growth markets with the Group's focus in Asia and Latin America where RLG is forming a strong foothold.

The Company is experiencing high demand and achieving strong growth in product sales driven by COVID-19 travel restrictions, the evolution of shopping online and the demand for fresh food and health products.

As the world becomes increasingly connected, consumers aren't constrained by geography as they seek out brands and products that represent a better quality of life. This trend along with the impact of COVID is driving demand through developing growth markets with Asia, one of the fastest growing markets for desirable health and wellbeing brands and products.

RLG is unlocking the potential of this unprecedented growth in demand with the experience and systems needed to overcome the risks and barriers to entry, delivering access to this highly lucrative online market sector.

Leveraging our Asian market expertise, we have developed a proven go-to-market system that enables us to connect niche, lifestyle products and brands with the world's fastest growing consumer markets.

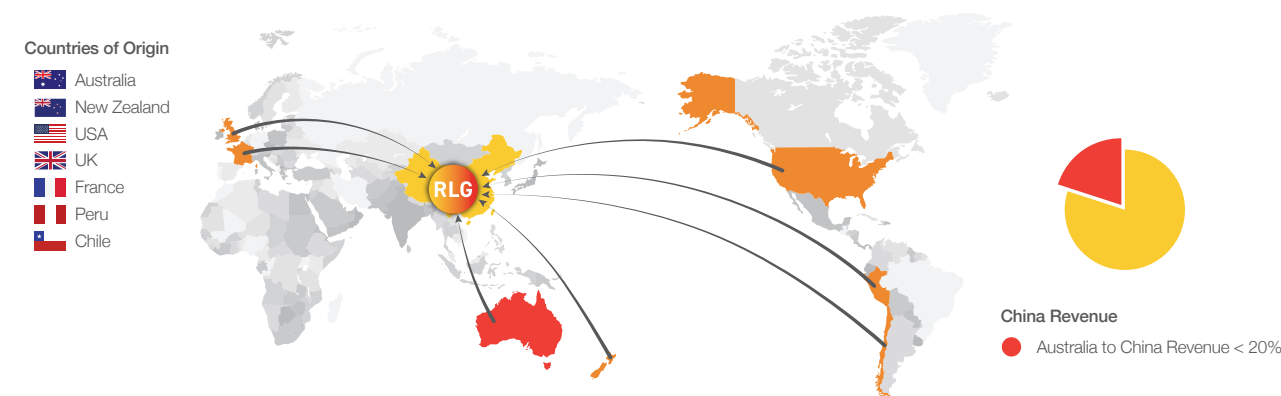
RLG's technology stack connects global producers and brands directly with consumers and over the last year the Company has focussed on servicing the high demand for these products in China with the Company aiming to continue expansion of its services globally through FY2022.

## Director's Report (continued)

### Principal Activities (continued)

The Company now represents and sells a growing number of quality products and international brands from Australia, New Zealand, USA, Europe, UK and South America, selling online and directly to consumers with the technology and sales infrastructure necessary for products and brands to sell at scale.

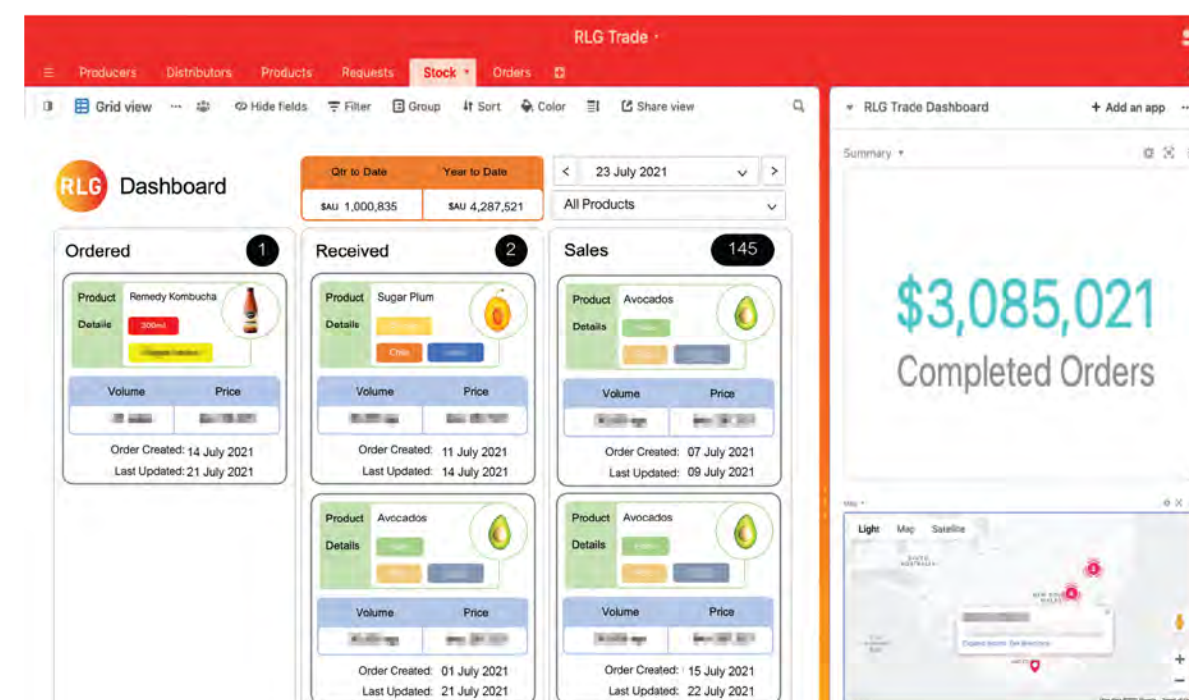
RLG Global Reach



RLG's rapid global expansion through FY2021 sees 80%+ of its revenue now derived through global sales outside Australia and into other markets.

Through FY2021 the Company continued to develop and roll out its technology stack which short circuits layers of infrastructure required to procure, market and sell remotely, facilitating the sale of products direct to consumers.

The technology stack links consumers with brands and facilitates transaction control by providing a cloud-based operational dashboard with real-time visibility of inventory, consumer purchases and preferences with sales data and other business intelligence, managing sales from order to buyer through direct-to-consumer online store integration.



RLG's technology stack – connecting producers and customers

Director's Report (continued)

Principal Activities (continued)

It incorporates market information, pricing, logistics and warehousing as well as payment and international remittance management, giving consumers access to international, quality products and enabling global brands to sell online remotely.

RLG's technology stack coupled with the diverse product portfolio presently services strong Chinese consumer demand, unlocking growth opportunities for international products and brands and opens cross-market opportunities with the Company's international market exposure.



Director's Report (continued)

Principal Activities (continued)

RLG's expertise and credentials in online operations are reflected in the partnerships it has with both Google and Alibaba with whom RLG is an official international marketing partner through its Alipay.com subsidiary.

With RLG's expertise in Search and Mobile advertising and marketing, growing brand awareness and driving sales in the e-Commerce sales, RLG has been appointed as a Google Partner.

Additionally, RLG has been appointed by Hangzhou, P.R.C. based Alipay.com Co Ltd as a Marketing Partner for Alipay's online platform and services. Under the Marketing Cooperation Agreement between the Company and Alipay, RLG provides services for businesses enabling them to list, promote and sell via Alipay's platform.

The Company is well positioned to take advantage of a pipeline of identified consumer and business demand for imported healthy food and beverage products in the rapidly growing market for health and well-being products by onboarding new suppliers to its technology stack and selling these products internationally and into China through Cross Border e-Commerce, General Trade and B2B distribution channels connecting international producers directly to consumers.





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## Directors' Report

### Review of Operations

RLG's objectives for FY2021 were to drive scalable growth through global expansion and delivery of its technology stack to manage and expand product sales. During the year the Group invested in the development of its technology stack and also strongly in business development to drive these outcomes.

The Company is pleased to have successfully delivered on this plan with the following achievements in the last year:

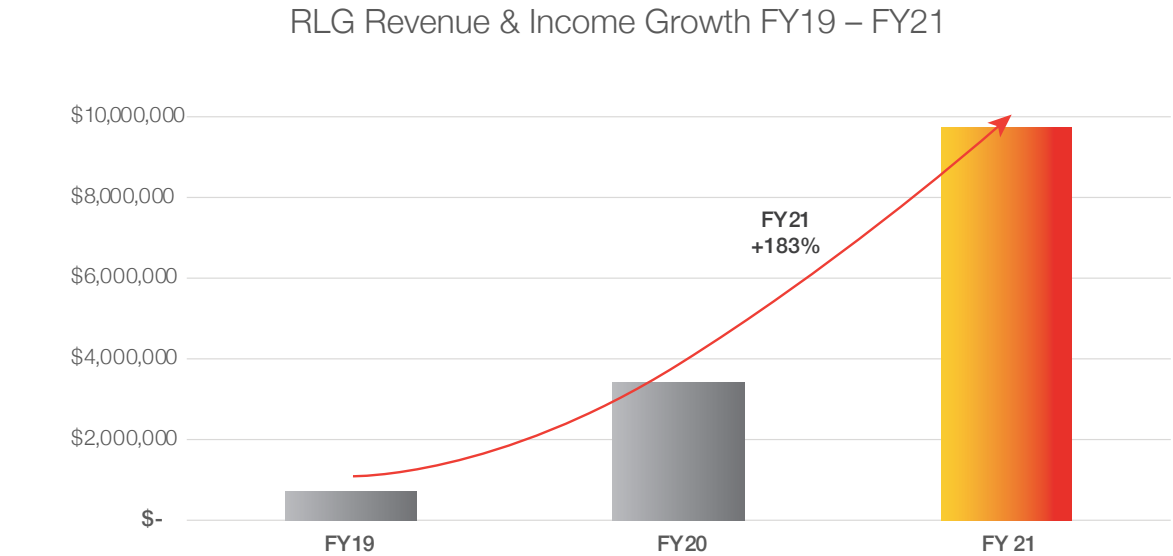
- » A 183% increase in revenue and income to \$9,611,225; (RLG also has \$511k in deferred revenue to be carried into FY2022 for which payment is still to be received);
- » Establishment of a global footprint with wide ranging supply contracts for the sale and distribution of food and health and wellbeing products;
- » Developed and delivered its technology stack and direct-to-consumer stores to manage the sale and distribution of goods;
- » Identification and delivery of a product mix aligned with consumer demand.

The investment in technology, business development, marketing and product selection through FY2021 has driven the growth in product sales and revenue achieved through the year and this is expected to continue into FY2022 with the company planning to launch more direct-to-consumer online stores.

RLG's portfolio of food and beverage products on the company's technology stack will be marketed and sold to an expanded customer base commencing in the first Quarter of FY2022.

## Director's Report (continued)

### Review of Operations (continued)



These online stores will service the rapidly growing demand for fresh food products delivered direct to consumers as shopping behaviour changes in response to COVID-19 restrictions and reduced fresh markets visits.

The Company has invested in the business in FY2021 to drive scale in product sales, to develop and deliver its technology stack and enters the next phase of growth in which the company is focussing on increasing gross margin of product sales via its platform to achieve scalable growth and to drive the business towards profitability in FY2022.

The achievement of these and other key milestones during the year positions RLG well to continue its growth and expansion.



## Directors' Report

# Operating results for the year

Revenue & Income  
\$9,611,225  
+ 183%

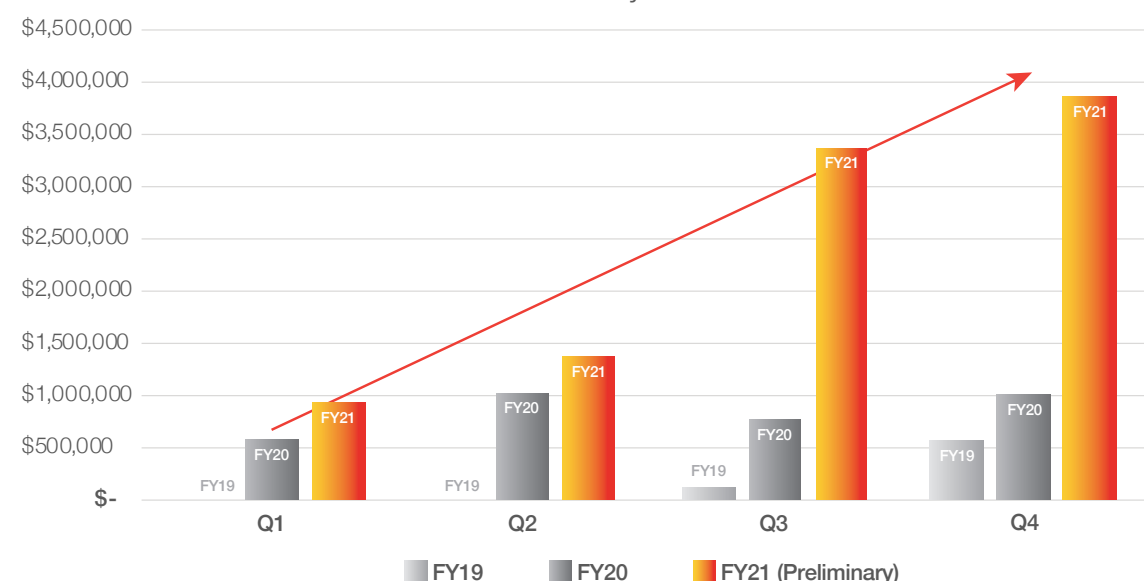
Cash Receipts  
\$9,383,763  
+ 183%

Cash Holdings \$3.8m (30 June 21)  
Placement Raising \$1.7m (6 July 21)

The Group has earned revenue and other income of \$9,611,225 (30 June 2020: \$3,397,120) with cash receipts of \$9,383,763 (30 June 2020: \$3,307,658), with the consolidated loss attributable to members of the Group \$4,991,382 (30 June 2020: \$3,442,596), which includes significant one-off items adversely affecting the reported result in this financial year, however removing these expenses from future reporting periods.

FY2021 saw the Group deliver four consecutive Quarters of strong sales growth as it targeted to scale its business with a growing portfolio of products and a maturing technology stack and is confident of further growth in FY2022.

FY19/FY20/FY21 Quarterly Revenue & Income



## Director's Report (continued)

### Operating results for the year (continued)

The Group's loss for the year included one-off impairments costs and amortisation expenses totalling \$1,532,743 with the Group taking a conservative approach and settling to reduce the carrying value of its Technology Asset.

With the continued evolution of the business, there has been ongoing development of its next generation of technology for wider application to service the Group's online platforms, with the Company applying new approaches and techniques to its technology development. As a result, the Group has shifted the focus of its Artificial Intelligence System technology development away from servicing travel and tourism to other online applications and with the uncertainty surrounding the timing of when both local and international travel can resume, the Group has determined to reduce the expected recoverable amount of this Technology Asset.

Through FY2021, the Group has taken the approach of fully expensing all development costs associated with building out its technology stack and this is recognised in the operating result for the financial year.

During the year, the Group successfully completed placements to raise a total of \$5,786,238, net of cash costs. At balance date, the Group held \$3,815,089 (30 June 2020: \$1,342,942) in cash to be applied to expand the RLG business, which was augmented with a private placement on 6 July 2021 to a new strategic investor, Mega Holdings Pty Ltd, raising \$1,702,000.

Mega Holdings Pty Ltd is a Company controlled and owned by Mr Daniel Love, a successful Australian businessman with diverse business interests in agriculture, transport logistics, supply chain management, properties and listed securities. Mr Love has significant prior experience in business dealings in China and made his investment decision following extensive discussions with the Company and on the back of RLG's achievements in cross border e-Commerce for core products in food, health and well-being products.

Despite the business challenges globally in FY2021, the circumstances have presented an environment which plays to RLG's strength – as an online digital marketing and e-Commerce business driving online engagement and sales for our clients, our capability and reach in China the largest e-Commerce market in the world, is in high demand.

Through Financial Year 2021, RLG focussed on driving product sales and product and client acquisition globally with investment in its technology and new market entry. The Company closes the year with a clear business objective to achieve strong ongoing product sales growth driven by a growing global customer and customer base to drive the Company towards profitability.

In FY2022, the Group intends to continue to scale up product sales by expanding online channel and supplier integrations into its technology stack and expects to grow revenue in excess of 50% for the upcoming year and increase sales efficiency, thus driving the Company towards profitability.

### Significant changes in the state of affairs

Other than disclosed elsewhere in this report, there have been no significant changes in the state of affairs of the Group to the date of this report.

### Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

## Director's Report (continued)

### Significant events after balance date

On 6 July 2021, the Group completed a placement to a strategic investor to raise \$1,702,000 before costs, via an issue of 74,000,000 ordinary shares at \$0.023 each.

Other than noted above, there has been no additional matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

### Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Therefore, this information has not been presented in this report.

### Directors' Meetings

The number of board meetings of the Company's board of directors held during the year ended 30 June 2021, and the number of meetings attended by each director are set out below. As set out in the Company's Corporate Governance Statement, the Company does not currently have any fully constituted committees, however, matters typically dealt with by an Audit and Risk Committee, and a Remuneration and Nomination Committee are dealt with in full board meetings as and when required.

	Board Meetings
Number of meetings held	9
Number of meetings attended	
Grant Pestell	9
Timothy Allison	9
Warren Barry	9
Bryan Carr	9

Other matters of Board business have been resolved by circular resolution of directors, which are a record of decisions made at a number of informal meetings of the directors held to control, implement and monitor the Company's activities throughout the year.

## Director's Report (continued)

### Interests in the ordinary shares, options and performance shares of the Company and related bodies corporate

At the date of this report, ordinary shares, options and performance shares granted to Directors of the Company and the entities it controlled are:

Directors	Fully paid ordinary shares Number	Share options Number
Grant Pestell	7,076,626	5,850,000
Tim Allison	-	-
Bryan Carr	12,250,000	13,642,857
Warren Barry	24,107,142	9,000,000
Shenny Ruan	-	-
	<b>43,433,768</b>	<b>28,492,857</b>

### Unissued shares under option

At the date of this report unissued ordinary shares of the Company under option are:

Date options granted	Number of shares under option	Exercise price of option	Expiry date of option
9 September 2016	3,000,000	\$0.40	30 June 2023
18 January 2017	600,000	\$0.40	18 January 2022
28 September 2018	7,214,307	\$0.05	31 October 2021
23 November 2018	53,500,000	\$0.05	31 October 2021
1 February 2019	10,000	\$0.05	31 October 2021
13 May 2019	16,666,667	\$0.05	31 October 2021
28 June 2019	11,333,333	\$0.05	31 October 2021
06 March 2020	20,000,000	\$0.055	5 February 2024
06 March 2020	31,455,821	\$0.05	31 October 2021
08 October 2020	54,127,489	\$0.05	31 October 2021
14 October 2020	128,931,546	\$0.05	31 October 2021
24 October 2020	33,312,993	\$0.05	31 October 2021
	<b>360,152,156</b>		

Director's Report (continued)

Shares issued during or since the end of the year as a result of exercise of options

25,000 ordinary shares were issued during the year as a result of the exercise of an option.

No ordinary shares have been issued by the Company since the end of the financial year as a result of the exercise of an option.

Remuneration report

The Remuneration Report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of the Group for the financial year ended 30 June 2021 and is included on page 22.

Environmental legislation

The Group is not subject to any significant environmental legislation.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 24 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110: Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Auditor Independence and Non-Audit Services

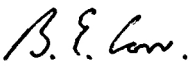
Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 34 and forms part of this directors' report for the year ended 30 June 2021.

Director's Report (continued)

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Signed in accordance with a resolution of the directors.



Bryan Carr  
Managing Director and Chief Executive Officer  
Perth, 31 August 2021

# Remuneration Report

This report, which forms part of the directors’ report, outlines the remuneration arrangements in place for the key management personnel (“KMP”) of RooLife Group Ltd for the financial year ended 30 June 2021. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

## Remuneration Report (continued)

### Key Management Personnel

The directors and other key management personnel of the Group during or since the end of the financial year were:

#### Directors

Grant Pestell	Non-Executive Chairman
Ye (Shenny) Ruan	Non-Executive Director (appointed 27 July 2021)
Tim Allison	Non-Executive Director (resigned 27 July 2021)
Bryan Carr	Managing Director and Chief Executive Officer
Warren Barry	Executive Sales Director

#### Executives

Jyotika Gondariya	Chief Financial Officer (appointed 7 May 2021)
Russell Francis	Chief Technical Officer
Jacqueline Gray	Chief Financial Officer (resigned 7 May 2021)

Except as noted, the named persons held their current positions for the whole of the financial year and since the financial year.

### Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- » set competitive remuneration packages to attract and retain high calibre employees;
- » link executive rewards to shareholder value creation; and
- » establish appropriate, demanding performance hurdles for variable executive remuneration.

Other than the performance bonus scheme applicable to certain employees, remuneration is not linked to Group performance.

### Remuneration Committee

The Company does not have a separate remuneration committee until such time as the board is of a sufficient size and structure, and the Company’s operations are of a sufficient magnitude for a separate committee to be of benefit to the Company.

The full board carries out the duties that would ordinarily be assigned to that committee, ensuring that the level and composition of remuneration provided to attract and retain high quality directors and employees is commercially appropriate and targeted to align with the interests of the Company whilst not resulting in a conflict with the objectivity of its independent directors.

The board of directors of the Company is responsible for determining and reviewing compensation arrangements for the directors, the CEO and the executive team.

The board assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.



Remuneration Report (continued)

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Use of remuneration consultants

Independent external advice is sought from remuneration consultants as required.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Constitution of the Company provides that the directors may determine the remuneration of directors prior to the first annual general meeting of the Company. The fees determined by the directors are set out below. The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The Company will seek the approval of shareholders in the event the directors’ fees are increased beyond the levels stated.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors will be reviewed annually. The Board may consider advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each Director receives a fee for being a director of the Company. An additional fee will also be paid for each board committee on which a director sits when such board committees are established. The payment of additional fees for serving on a committee recognises the additional time commitment required by directors who serve on one or more sub committees.

The Company has entered into non-executive director contracts for services with each of Messrs Pestell and Allison and Ms Ruan. Each such contract is on broadly similar terms, which include the following:

- » Term: Continuation of appointment is subject to and contingent upon the fulfilment of the obligations of a non-executive director under the ASX Listing Rules, the Constitution of the Company and the Corporations Act, and the successful re-election by the Company shareholders.
- » Fixed fee:
  - » Mr Pestell: A\$71,175 per annum; and
  - » Mr Allison: A\$45,000 per annum plus superannuation
  - » Ms Ruan: A\$45,000 per annum plus superannuation

The non-executive directors may be entitled to such additional fees or other amounts as the board determines (in its absolute discretion) where performing special duties or otherwise performing services outside the scope of the ordinary duties of a director.

The non-executive directors may also be reimbursed for out of pocket expenses incurred as a result of their respective directorships or any special duties upon production of the relevant receipts.

The non-executive directors are expected to attend regular board meetings involving a minimum commitment of 10 hours per month, as well as attending the annual general meeting of the Company and informal meetings and consider general correspondence from time to time

Executive director and senior manager remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Remuneration Report (continued)

Fixed Remuneration

Fixed remuneration is reviewed annually by the board. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The board has access to external, independent advice where necessary.

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. The fixed remuneration component is detailed in the Key Management Personnel remuneration table for the year ended 30 June 2021.

Variable Remuneration

The objective of the short-term incentive program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short-term incentive available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

The aggregate of annual payments available for executives across the Group is subject to the approval of the board. The Company also makes long term incentive payments to reward senior executives in a manner that aligns this element of remuneration with the creation of shareholder wealth.

Executive Director Consultancy Agreements

(a) Managing Director and Chief Executive Officer

The terms and conditions of the employment contract entered into between the Company and Mr Carr are as follows:

Commencement date:	20 December 2018;
Term:	The consultancy agreement continues until either party terminates by giving the other not less than six months' prior notice in writing;
Fixed fee:	\$273,750 per annum, reviewable annually;
Performance bonus scheme:	Subject to meeting key performance measures, which will be set by the board, the CEO will be eligible every 12 months for a lump sum bonus payment of up to 50% of base fee, payable as either cash or fully paid shares in the capital of the Company;
Intellectual property:	Mr Carr acknowledges that the Company is the exclusive owner of all rights, title and interest in all intellectual property created by the CEO within the course of his consultancy services;
and	
Non-solicitation:	Mr Carr will not, for a period of 24 months after termination of consultancy agreement, solicit any customer or employee of the Group (other than in connection with businesses which are not competitive with those operated by the Group).

(b) Executive Sales Director

The Executive Sales Director was previously employed via a consulting agreement. On the 1st of October 2020, the company entered into an employment agreement. The terms and conditions of the new employment contract remained essentially the same as under the consulting agreement with the exception that the fixed fee now includes superannuation.

## Remuneration Report (continued)

### Variable Remuneration (continued)

#### (b) Executive Sales Director (continued)

The terms and conditions of the employment contract entered into between the Company and Mr Barry are as follows:

Commencement date:	1 October 2020;
Term:	The employment contract continues until either party terminates by giving the other not less than six months' prior notice in writing;
Fixed fee:	\$273,750 per annum (including superannuation), reviewable annually;
Performance bonus scheme:	Subject to meeting key performance measures, which will be set by the board, the Executive Sales Director will be eligible every 12 months for a lump sum bonus payment of up to 50% of base fee, payable as either cash or fully paid shares in the capital of the Company;
Intellectual property:	Mr Barry acknowledges that the Company is the exclusive owner of all rights, title and interest in all intellectual property created by the Executive Sales Director within the course of his employment services; and
Non-solicitation:	Mr Barry will not, for a period of 24 months after termination of employment, solicit any customer or employee of the Group (other than in connection with businesses which are not competitive with those operated by the Group).

### Other Key Management Personnel Employment Contracts

#### (a) Chief Financial Officer's contract

The terms and conditions of the employment contract entered into between the Company and Mrs Gondariya are as follows:

Commencement date:	7 May 2021;
Term:	The employment contract continues until either party terminates by giving the other not less than three months' prior notice in writing;
Remuneration:	\$114,000 per annum plus superannuation for three days per week, reviewable by the Company from time to time;
Performance bonus scheme:	Subject to meeting key performance measures, which will be set by the board, the Chief Financial Officer will be eligible every 12 months for a lump sum bonus payment of \$6,000 payable in cash.
Intellectual property:	Mrs Gondariya acknowledges that the Company is the exclusive owner of all rights, title and interest in all intellectual property created by Mrs Gondariya in the course of her employment; and
Non-solicitation:	Mrs Gondariya will not, for a period of 24 months after termination of employment, solicit any customer or employee of the Company (other than in connection with businesses which are not competitive with those operated by the Company).

#### (b) Chief Technical Officer's contract

The terms and conditions of the employment contract entered into between the Company and Mr Francis are as follows:

Commencement date:	13 January 2020;
Term:	The employment contract continues until either party terminates by giving the other not less than three months' prior notice in writing;

## Remuneration Report (continued)

### Other Key Management Personnel Employment Contracts (continued)

#### (b) Chief Technical Officer's contract (continued)

Remuneration:	\$200,000 per annum plus superannuation, reviewable by the Company from time to time;
Equity incentivisation:	Mr Francis will receive Performance Shares as incentivisation. The conversion of the Performance Shares is conditional upon the achievement of certain milestones, (each Performance Share converts to one fully paid ordinary share upon conversion);
Intellectual property:	Mr Francis acknowledges that all intellectual property rights (including moral rights to any associated copyright) and inventions created by him in the course of his employment with the Company; and
Restraint of outside interests:	Mr Francis may not, except as a representative of the Company or with the prior written approval of the Board, carry on, advise, provide services to or be engaged, concerned or interested in or associated with any business or activity which is competitive with any business carried on by the Company during his employment and for a period of 24 months after termination of employment.

### Remuneration of Key Management Personnel

30 June 2021	Short-term employee benefits		Post-employment benefits	Share-based payments	Total \$	Relative proportions of remuneration of KMP that are linked to performance	
	Salary & fees \$	Other \$	Superannuation \$	Shares / Share options <sup>2</sup> \$		Fixed remuneration %	Remuneration linked to performance %
<b>Directors</b>							
Grant Pestell	71,175	-	-	-	<b>71,175</b>	100%	0%
Tim Allison	45,000	-	4,275	-	<b>49,275</b>	100%	0%
Bryan Carr <sup>1</sup>	273,750	151,875	-	10,195	<b>435,820</b>	63%	37%
Warren Barry <sup>2</sup>	253,937	139,432	30,256	6,797	<b>430,422</b>	66%	34%
<b>Executives</b>							
Jyotika Gondariya	25,773	-	2,458	-	<b>28,231</b>	100%	0%
Russell Francis <sup>3,5</sup>	200,000	705	19,000	17,500	<b>237,205</b>	92%	8%
Jacqueline Gray <sup>4,5</sup>	199,410	10,000	18,652	15,227	<b>243,289</b>	90%	10%
	<b>1,069,045</b>	<b>302,012</b>	<b>74,641</b>	<b>49,719</b>	<b>1,495,417</b>		

1. Other benefits for Mr Carr comprise of a cash bonus of \$151,875. \$15,000 of the bonus has been paid in the current financial year, with the balance of \$136,875 remaining unpaid and included in amounts payable as at 30 June 2021.

Share-based payments for Mr Carr comprise of the vested component of Executive options granted in the previous financial year. These options were valued using the Monte Carlo model taking into account the inputs as disclosed in Note 18.

## Remuneration Report (continued)

### Remuneration of Key Management Personnel (continued)

- Other benefits for Mr Barry comprise of a cash bonus of \$139,432. \$15,000 of the bonus has been paid in the current financial year, with the balance of \$124,432 remaining unpaid and included in amounts payable as at 30 June 2021.  
Superannuation benefits for Mr Barry comprise of the statutory superannuation on salary of \$17,813 and superannuation payable of \$12,443 on the unpaid bonus. Superannuation payable is included in amounts payable as at 30 June 2021.  
Share-based payments for Mr Barry comprise of the vested component of Executive options granted in the previous financial year.
- Other benefits for Mr Francis comprise of a motor vehicle mileage allowance of \$705.
- Other benefits for Mrs Gray comprise a cash bonus of \$10,000. The bonus has been paid in the current financial year.
- Share-based payments for Mr Francis and Mrs Gray comprise of the vested component of ordinary shares to be granted in satisfaction of past services. The shares have not been formally granted at 30 June 2021 and await formal acceptance of offers. As the employees have provided the services to the Company, AASB 2 "Share-based payments" requires the Company to estimate the expected fair value of the shares that will be recorded on the formal grant date. The shares have been valued at closing market price as at 30 June 2021. Upon formal grant date, the Company will perform a reassessment of the fair value of the shares with any subsequent difference being recorded through the statement of profit or loss and other comprehensive income.

30 June 2020	Short-term employee benefits		Post-employment benefits	Share-based payments	Total \$	Relative proportions of remuneration of KMP that are linked to performance	
	Salary & fees \$	Other \$	Superannuation \$	Shares / Share options <sup>2</sup> \$		Fixed remuneration %	Remuneration linked to performance %
<b>Directors</b>							
Grant Pestell	71,175	-	-	-	<b>71,175</b>	100%	0%
Jay Shah	18,750	-	1,781	-	<b>20,531</b>	100%	0%
Evan Cross	26,250	-	2,494	-	<b>28,744</b>	100%	0%
Bryan Carr <sup>1</sup>	273,750	124,764	-	3,250	<b>401,764</b>	68%	32%
Warren Barry <sup>1</sup>	273,750	124,764	-	2,167	<b>400,681</b>	68%	32%
<b>Executives</b>							
Jacqueline Gray	182,397	-	17,328	-	<b>199,725</b>	100%	0%
Russell Francis	94,203	-	8,949	-	<b>103,152</b>	100%	0%
George Irwin	103,334	-	-	-	<b>103,334</b>	100%	0%
	<b>1,043,609</b>	<b>249,528</b>	<b>30,552</b>	<b>5,417</b>	<b>1,329,106</b>		

- Other benefits for Mr Carr and Mr Barry comprise of cash bonuses for achieving 91% of the performance milestones in the amount of \$124,764 each. The bonuses have not been paid in the current financial year and are included in amounts payable at 30 June 2020.  
In response to the COVID-19 situation, the Company directors and staff agreed to reductions in payment of their fees. The following amounts included in KMP remuneration have not been paid in the current financial year and are included in amounts payable at 30 June 2020.
  - Mr Pestell remuneration includes \$3,559
  - Mr Allison remuneration includes \$2,250
  - Mr Carr remuneration includes \$22,584
  - Mr Barry remuneration includes \$28,698

## Remuneration Report (continued)

### Remuneration of Key Management Personnel (continued)

- Mrs Gray remuneration includes \$9,375
  - Mr Francis remuneration includes \$10,000
- Mr Carr and Mr Barry have been granted executive options during the year. These options have been valued using the Monte Carlo model taking into account the inputs as disclosed in Note 18.

### Employee share option plan

#### Options granted as compensation

No options were granted as compensation during the current year.

#### 30 June 2020

As approved at the Company's 2019 Annual General Meeting, the following listed options were issued to Executives:

Name	No of options granted	Grant date	Vesting date	Exercise price	Fair value per option at grant
Bryan Carr	12,000,000	6 March 2020	5 February 2023	\$0.055	\$0.0013 - \$0.0034
Warren Barry	8,000,000	6 March 2020	5 February 2023	\$0.055	\$0.0013 - \$0.0034

There have been no alterations of the terms and conditions of the above share-based payment arrangements since the grant date.

### Key management personnel equity holdings

#### Fully paid ordinary shares

30 June 2021	Balance at beginning of year Number	Granted as compensation Number	Vendor Shares Number	Acquired on market Number	Balance at end of year Number	Balance held nominally Number
<b>Directors</b>						
Grant Pestell <sup>1</sup>	5,726,626	-	-	1,350,000	7,076,626	-
Tim Allison	-	-	-	-	-	-
Bryan Carr <sup>2</sup>	3,452,381	-	6,904,762	1,892,857	12,250,000	-
Warren Barry <sup>2</sup>	7,619,047	-	15,238,095	1,250,000	24,107,142	-
<b>Executives</b>						
Jyotika Gondariya	-	-	-	-	-	-
Russell Francis <sup>2</sup>	-	-	-	-	-	-
Jacqueline Gray <sup>3</sup>	-	-	-	-	-	-
	<b>16,798,054</b>	<b>-</b>	<b>22,142,857</b>	<b>4,492,857</b>	<b>43,433,768</b>	<b>-</b>

## Remuneration Report (continued)

## Key management personnel equity holdings (continued)

## Fully paid ordinary shares (continued)

- Mr Pestell's shareholding includes shares held directly and indirectly. G Pestell owns 25% of Digrevni Investments Pty Ltd ("Digrevni"), which is the holder of 2,500,000 ordinary shares in RLG. G Pestell also has a 25% interest in Artemis Corporate Limited which holds 2,264,107 ordinary shares in the Company and a 24% interest in Storm Enterprises Pty Ltd which holds 712,514 ordinary shares and 3,500,000 options over ordinary shares in the Company.
- Shares issued to the vendors of Choose Digital Pty Ltd and Roolife Pty Ltd (previously Roolife Ltd) on achievement of the following performance milestones:
  - Tranche 1 – 15,238,095 performance shares converted to ordinary shares upon the businesses achieving aggregate revenue of \$1.8 million in a rolling 12-month period (as confirmed by audited financial statements).
  - Tranche 2 – 15,238,096 performance shares converted to ordinary shares upon the businesses achieving aggregate revenue of \$1.8 million in a rolling 12-month period (as confirmed by audited financial statements).
- Mr Francis is to be issued 700,000 ordinary shares in satisfaction of past services. The shares have not been granted at 30 June 2021 and await formal acceptance of offers.
- Mrs Gray is to be issued 609,091 ordinary shares in satisfaction of past services. The shares have not been granted at 30 June 2021 and await formal acceptance of offers.

30 June 2020	Balance at beginning of year Number	Granted as compensation Number	Vendor Shares Number	Acquired on market Number	Balance at end of year Number	Balance held nominally Number
<b>Directors</b>						
Grant Pestell <sup>1</sup>	5,726,626	-	-	-	5,726,626	-
Tim Allison	-	-	-	-	-	-
Evan Cross <sup>2</sup>	971,969	-	-	-	971,969	-
Bryan Carr	3,452,381	-	-	-	3,452,381	-
Warren Barry	7,619,047	-	-	-	7,619,047	-
<b>Executives</b>						
Jacqueline Gray	-	-	-	-	-	-
Russell Francis	-	-	-	-	-	-
George Irwin <sup>3</sup>	5,008,076	-	-	(5,008,076)	-	-
	<b>22,778,099</b>	<b>-</b>	<b>-</b>	<b>(5,008,076)</b>	<b>17,770,023</b>	<b>-</b>

- Mr Pestell's shareholding includes shares held directly and indirectly. Mr Pestell owns 25% of Digrevni Investments Pty Ltd ("Digrevni"), which is the holder of 2,500,000 ordinary shares in RLG. Mr Pestell also has a 25% interest in Artemis Corporate Limited which holds 2,264,107 ordinary shares in the Company and a 24% interest in Storm Enterprises Pty Ltd which holds 712,514 ordinary shares and 3,500,000 options over ordinary shares in the Company.
- Mr Cross resigned as a Director on 31 January 2020. The shareholding disclosed is as at the date of his resignation as a Director.
- Mr Irwin ceased employment with the Company on 15 November 2019. The shareholding disclosed is as at the date of ceasing employment.

## Remuneration Report (continued)

## Key management personnel equity holdings (continued)

## Share options

30 June 2021	Balance at beginning of year Number	Received as free-attaching Number	Lapsed Number	Balance at end of year Number	Balance vested at end of year Number	Vested but not exercisable Number	Vested and exercisable Number	Options vested during the year Number
<b>Directors</b>								
Grant Pestell	6,500,000	850,000	(1,500,000)	5,850,000	5,850,000	-	5,850,000	-
Tim Allison	-	-	-	-	-	-	-	-
Bryan Carr	12,000,000	1,642,857	-	13,642,857	1,642,857	-	1,642,857	-
Warren Barry	8,000,000	1,000,000	-	9,000,000	1,000,000	-	1,000,000	-
<b>Executives</b>								
Jyotika Gondariya	-	-	-	-	-	-	-	-
Russell Francis	-	-	-	-	-	-	-	-
Jacqueline Gray	-	-	-	-	-	-	-	-
	<b>26,500,000</b>	<b>3,492,857</b>	<b>(1,500,000)</b>	<b>28,492,857</b>	<b>8,492,857</b>	<b>-</b>	<b>8,492,857</b>	<b>-</b>

30 June 2020	Balance at beginning of year Number	Received as free-attaching Number	Lapsed Number	Balance at end of year Number	Balance vested at end of year Number	Vested but not exercisable Number	Vested and exercisable Number	Options vested during the year Number
<b>Directors</b>								
Grant Pestell	8,500,000	-	(2,000,000)	6,500,000	6,500,000	-	-	-
Tim Allison	-	-	-	-	-	-	-	-
Evan Cross <sup>1</sup>	3,000,000	-	(1,200,000)	1,800,000	1,800,000	-	-	-
Bryan Carr	-	12,000,000	-	12,000,000	-	-	-	-
Warren Barry	-	8,000,000	-	8,000,000	-	-	-	-
<b>Executives</b>								
Jacqueline Gray	-	-	-	-	-	-	-	-
Russell Francis	-	-	-	-	-	-	-	-
George Irwin <sup>2</sup>	2,000,000	-	(800,000)	1,200,000	1,200,000	-	-	-
	<b>13,500,000</b>	<b>20,000,000</b>	<b>(4,000,000)</b>	<b>29,500,000</b>	<b>9,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>



Remuneration Report (continued)

Key management personnel equity holdings (continued)

Share options (continued)

1. Mr Cross resigned as a Director on 31 January 2020. The option holding disclosed is as at the date of his resignation as a Director.
2. Mr Irwin ceased employment with the Company on 15 November 2019. The option holding disclosed is as at the date of ceasing employment.

Where applicable, all share options issued to key management personnel were made in accordance with the provisions of the employee share option plan.

No options were exercised by key management personnel during the current or previous financial year.

Performance shares

30 June 2021	Balance at beginning of year Number	Vendor Shares	Converted during the year Number <sup>1</sup>	Net change other number	Balance at end of year Number
Directors					
Grant Pestell	-	-	-	-	-
Tim Allison	-	-	-	-	-
Bryan Carr	6,904,762	-	(6,904,762)	-	-
Warren Barry	15,238,095	-	(15,238,095)	-	-
Executives					
Jyotika Gondariya	-	-	-	-	-
Russell Francis	-	-	-	-	-
Jacqueline Gray	-	-	-	-	-
	22,142,857	-	(22,142,857)	-	-

1. Represents Tranches 1 and 2 performance shares received as part consideration for the sale of shares in RLG Limited and CHOOSE Digital Pty Ltd. The Trance 1 performance shares formed part of contingent consideration on acquisition. The Company valued the consideration at \$0.035 per share being the Company's share price on the date of acquisition, The Company recorded a value of \$533,334 for Tranche 1 shares in the accounting records. The Tranche 2 shares did not form part of contingent consideration on acquisition, as at the date of the acquisition, the directors could not resolve with any certainty whether it would be considered probable that the performance milestone will be achieved. The contingent consideration payable in shares was classified as equity and would not be subsequently remeasured if the performance milestones were satisfied. Shares issued on satisfaction of the performance milestones would be accounted for within equity. During the year, the performance milestones in relation to the performance shares were satisfied. The performance shares have therefore converted to ordinary shares. The issue of ordinary shares has been accounted for within equity. Refer to note 17 for further details. The conditions for those performance shares were achieved during the year and therefore the ordinary shares have been issued.

Remuneration Report (continued)

Key management personnel equity holdings (continued)

Performance shares (continued)

30 June 2020	Balance at beginning of year Number	Vendor Shares	Converted during the year Number	Net change other number	Balance at end of year Number
Directors					
Grant Pestell	-	-	-	-	-
Tim Allison	-	-	-	-	-
Evan Cross <sup>1</sup>	-	-	-	-	-
Bryan Carr	6,904,762	-	-	-	6,904,762
Warren Barry	15,238,095	-	-	-	15,238,095
Executives					
Jacqueline Gray	-	-	-	-	-
Russell Francis	-	-	-	-	-
George Irwin <sup>1</sup>	3,500,000	-	-	-	3,500,000
	25,642,857	-	-	-	25,642,857

1. Mr Irwin ceased employment with the Company on 15 November 2019. The performance share holding disclosed is as at the date of ceasing employment. As employment with the Company has ceased, these performance shares lapsed.

Loans to key management personnel

No loans have been provided to any member of the Group's key management personnel in the year.

Key management personnel transactions

In addition to the above remuneration, related party transactions with key management personnel are described below.

	2021 \$	2020 \$
The following amounts were paid to Murcia Pestell Hillard Pty Ltd, a company related to Mr Pestell:		
- provision of general legal services	46,972	92,038
	46,972	92,038

END OF REMUNERATION REPORT

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of RooLife Group Ltd for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia  
31 August 2021



**L Di Giallonardo**  
Partner

## Consolidated statement of profit or loss and other comprehensive income For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
<b>Continuing operations</b>			
Revenue	2, 4	9,132,242	2,967,448
Other income	2	478,983	429,672
		<b>9,611,225</b>	3,397,120
Direct product, logistics and marketing costs		(7,123,444)	(1,334,439)
Staff and contactor costs of providing goods and services		(1,581,583)	(1,032,466)
Other costs of providing goods and services		(316,963)	(304,917)
Depreciation expense	11	(13,107)	(7,395)
Amortisation expense	12	(510,912)	(514,029)
Impairment of assets	12	(1,021,831)	(3,472)
Share based payment expense	18	(324,160)	(43,042)
Business development costs		(662,836)	(167,318)
Consulting and investor relation fees		(583,391)	(419,096)
Employee costs		(1,845,041)	(2,078,075)
Other expenses	2	(619,339)	(936,567)
		<b>(4,991,382)</b>	(3,443,696)
<b>Loss before income tax</b>			
Income tax benefit	3	-	1,100
		<b>(4,991,382)</b>	(3,442,596)
<b>Net loss for the year</b>			
		<b>(4,991,382)</b>	(3,442,596)
<b>Other comprehensive loss, net of income tax</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(1,937)	(8,485)
<b>Other comprehensive loss for the year, net of income tax</b>		<b>(1,937)</b>	(8,485)
<b>Total comprehensive loss for the year</b>		<b>(4,993,319)</b>	(3,451,081)
Basic loss per share (cents per share)	5	(0.97)	(1.13)
Diluted loss per share (cents per share)	5	(0.97)	(1.13)

The accompanying notes form part of these financial statements

**hlb.com.au**

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## Consolidated statement of financial position As at 30 June 2021

	Notes	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	3,815,089	1,342,942
Trade and other receivables	8	1,097,301	410,627
Other current assets	9	339,624	261,521
Inventories	10	457,014	100,271
<b>Total current assets</b>		<b>5,709,028</b>	<b>2,115,361</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	15,471	7,118
Deferred tax assets	3	37,661	320,580
Other intangible assets	12	50,000	1,582,743
Goodwill	13	2,389,085	2,389,085
<b>Total non-current assets</b>		<b>2,492,217</b>	<b>4,299,526</b>
<b>Total assets</b>		<b>8,201,245</b>	<b>6,414,887</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	1,948,205	1,405,069
Deferred revenue		511,348	95,796
<b>Total current liabilities</b>		<b>2,459,553</b>	<b>1,500,865</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	3	37,661	320,580
Provisions	15	6,227	15,737
<b>Total non-current liabilities</b>		<b>43,888</b>	<b>336,317</b>
<b>Total liabilities</b>		<b>2,503,441</b>	<b>1,837,182</b>
<b>Net assets</b>		<b>5,697,804</b>	<b>4,577,705</b>
<b>Equity</b>			
Issued capital	16	27,574,463	21,298,469
Reserves	17	1,547,894	1,712,407
Accumulated losses		(23,424,553)	(18,433,171)
<b>Total equity</b>		<b>5,697,804</b>	<b>4,577,705</b>

The accompanying notes form part of these financial statements

## Consolidated statement of changes in equity For the year ended 30 June 2021

### Year ended 30 June 2021

	Notes	Issued capital \$	Share-based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance as at 1 July 2020		21,298,469	1,867,682	(155,275)	(18,433,171)	4,577,705
Loss for the year		-	-	-	(4,991,382)	(4,991,382)
Other comprehensive loss, net of income tax		-	-	(1,937)	-	(1,937)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>(1,937)</b>	<b>(4,991,382)</b>	<b>(4,993,319)</b>
Shares issued during the year	16	6,260,169	-	-	-	6,260,169
Share issue costs	16	(517,509)	-	-	-	(517,509)
Conversion of performance shares	17	533,334	(533,334)	-	-	-
Share-based payments	17	-	370,758	-	-	370,758
<b>Balance as at 30 June 2021</b>		<b>27,574,463</b>	<b>1,705,106</b>	<b>(157,212)</b>	<b>(23,424,553)</b>	<b>5,697,804</b>

### Year ended 30 June 2020

	Notes	Issued capital \$	Share-based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance as at 1 July 2019		18,560,841	1,827,498	(146,790)	(14,990,575)	5,250,974
Loss for the year		-	-	-	(3,442,596)	(3,442,596)
Other comprehensive loss, net of income tax		-	-	(8,485)	-	(8,485)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>(8,485)</b>	<b>(3,442,596)</b>	<b>(3,451,081)</b>
Shares issued during the year	16	2,921,974	-	-	-	2,921,974
Share issue costs	16	(184,346)	-	-	-	(184,346)
Share-based payments	17	-	40,184	-	-	40,184
<b>Balance as at 30 June 2020</b>		<b>21,298,469</b>	<b>1,867,682</b>	<b>(155,275)</b>	<b>(18,433,171)</b>	<b>4,577,705</b>

The accompanying notes form part of these financial statements

## Consolidated statement of cash flows

### For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		8,910,824	2,871,038
Payments to suppliers and employees		(12,762,724)	(5,940,299)
Interest received		7,917	6,179
Interest paid		(1,532)	(760)
Government grants and tax incentives		465,022	436,620
<b>Net cash outflow from operating activities</b>	7	<b>(3,380,493)</b>	<b>(2,627,222)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(25,679)	(7,990)
Proceeds from/ (payment for) security deposits (net)		41,721	(16,679)
Payments to acquire subsidiaries, net of cash acquired	26	-	(365,948)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>16,042</b>	<b>(390,617)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		6,260,168	2,431,498
Payments for share issue costs		(473,930)	(156,403)
<b>Net cash inflow from financing activities</b>		<b>5,786,238</b>	<b>2,275,095</b>
Net increase/(decrease) in cash and cash equivalents		2,421,787	(742,744)
Cash and cash equivalents at the beginning of the year		1,342,942	2,093,478
Effect of exchange rate fluctuations on cash held		50,360	(7,792)
<b>Cash and cash equivalents at the end of the year</b>	7	<b>3,815,089</b>	<b>1,342,942</b>

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 1: Statement of significant accounting policies

##### (a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The consolidated financial statements are for the Group consisting of RooLife Group Ltd and its subsidiaries. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in Australian dollars.

The Company is a listed public Company, incorporated in Australia and operating in Australia, China and Hong Kong. The entity's principal activities are the provision of fully integrated digital marketing and customer acquisition services driving online sales of products and services for clients in Australia and China.

##### (b) Adoption of new and revised standards

*Standards and Interpretations applicable to 30 June 2021*

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

*Conceptual Framework for Financial Reporting (Conceptual Framework)*

The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

*Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2021. 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.

##### (c) Statement of compliance

The financial report was authorised for issue on 31 August 2021.

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

##### (d) Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accompanying notes form part of these financial statements



Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 1: Statement of significant accounting policies (continued)

(d) Significant accounting estimates and judgements (continued)

*Impairment of goodwill:*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill is allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill are discussed in Note 13.

*Impairment of other intangibles:*

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount, being the higher of its fair value less costs to sell and its value in use. The value in use requires an estimation of the recoverable amount of the cash generating units to which the intangibles are allocated.

During the year, the recoverable amount of the Group's Technology Asset was estimated to be nil. As a result, an impairment loss to write down the carrying amount has been recorded for the year. Refer to Note 12 for further details.

*Share-based payment transactions:*

The Group measures the cost of equity-settled transactions with employees and third parties by reference to the fair value of the equity instruments at the date at which they are granted. For share-based payments that do not contain market conditions, the fair value is determined using a Black and Scholes model, using the assumptions detailed in Note 18. For share-based payments that contain market conditions, the fair value is determined using a Monte Carlo model, using the assumptions detailed in Note 18.

(e) Going concern

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

(f) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights if an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including,

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

*Changes in the Group's ownership interest in existing subsidiaries*

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries.

Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 1: Statement of significant accounting policies (continued)

(f) Basis of consolidation (continued)

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(g) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of RooLife Group Ltd.

(h) Foreign currency translation

Both the functional and presentation currency of RooLife Group Ltd is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The functional currencies of the foreign operations are:

- OpenDNA (UK) Limited: Wholly owned UK subsidiary. Currency: GBP
- OpenDNA (Singapore) Pte Ltd: Wholly owned Singaporean subsidiary. Currency: SGD
- RooLife (HK) Limited: Wholly owned Hong Kong subsidiary. Currency: HKD
- Roolife China: Wholly owned Chinese subsidiary. Currency: CNY

As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of RooLife Group Ltd at the rate of exchange ruling at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to the partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange rate differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences are recognised in other comprehensive income.

Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 1: Statement of significant accounting policies (continued)

(i) Revenue recognition

Revenue arises mainly from the provision of services in the areas of digital marketing, website services, application development and subscription, and marketing consulting. The Group generates revenue largely from it's China operations.

To determine whether to recognise revenue, the Group follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

In determining the amount of revenue and profits to record, and related items in the statement of financial position (such as contract fulfilment assets, capitalisation of costs to obtain a contract, trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of key judgements and assumptions. This includes an assessment of the costs the Group incurs to deliver the contractual commitments and whether such costs should be expensed as incurred or capitalised.

Revenue is recognised either when the performance obligation in the contract has been performed, so 'point in time' recognition or 'over time' as control of the performance obligation is transferred to the customer.

For contracts with multiple components to be delivered such as Web Development management applies judgement to consider whether those promised goods and services are (i) distinct - to be accounted for as separate performance obligations; (ii) not distinct - to be combined with other promised goods or services until a bundle is identified that is distinct or (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

Transaction price

At contract inception the total transaction price is estimated, being the amount to which the Group expects to be entitled and has rights to under the present contract.

The transaction price does not include estimates of consideration resulting from change orders for additional goods and services unless these are agreed.

Once the total transaction price is determined, the Group allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when (or as) those performance obligations are satisfied.

For each performance obligation, the Group determines if revenue will be recognised over time or at a point in time. Where the Group recognises revenue over time for long term contracts, this is in general due to the Group performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract.

For each performance obligation to be recognised over time, the Group applies a revenue recognition method that faithfully depicts the Group's performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Group has promised to transfer to the customer. The Group applies the relevant output or input method consistently to similar performance obligations in other contracts.

When using the output method, the Group recognises revenue on the basis of direct measurements of the value to the customer of the goods and services transferred to date relative to the remaining goods and services under the contract. Where the output method is used, in particular for long term service contracts where the series guidance is applied, the Group often uses a method of time elapsed which requires minimal estimation. Certain long term contracts use output methods based upon estimation of number of users, level of service activity or fees collected.

If performance obligations in a contract do not meet the over time criteria, the Group recognises revenue at a point in time. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria.

Disaggregation of revenue

The Group disaggregates revenue from contracts with customers by contract type, which includes (i) Digital Marketing, (ii) Marketing Consulting (iii) Application Development and Subscription and (iv) Website Services as management believe this best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows.

Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 1: Statement of significant accounting policies (continued)

(i) Revenue recognition (continued)

Performance obligations

The nature of contracts or performance obligations categorised within these revenue types include the following:

- a) Digital marketing services  
This category includes:
  - SEO services and media management with performance conditions linked to the completion of the contracts;
  - Marketing consulting which is invoiced as the service is being performed with the performance obligations satisfied during the delivery of the service;
  - Application development and subscription services which include content fees, page view fees and user subscription fees linked to the activity of subscribers; and
  - Website services which include bespoke website builds, hosting fees and creative and design services. Performance obligations are linked to milestone events and for hosting, on an ongoing delivery basis.

Revenue in relation to digital marketing services is recognised over time.

- b) Product and Platform sales  
This category includes the sale of products and sale of products via platforms. Performance obligations are satisfied on delivery of the goods to the customer. Revenue is recognised at a point in time.

Contract assets and contract liabilities

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

(i) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

(k) Leases

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(l) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 1: Statement of significant accounting policies (continued)

(l) Income tax (continued)

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(m) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 1: Statement of significant accounting policies (continued)

(n) Impairment of tangible and intangible assets other than goodwill

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(o) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(p) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 30 – 90 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(q) Financial instruments

*Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*Classification and initial measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).



Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 1: Statement of significant accounting policies (continued)

(q) Financial instruments (continued)

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity’s business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held- to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss.

Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

This category includes unlisted equity securities that were previously classified as ‘available-for-sale’ under AASB 139. Any gains or losses recognised in other comprehensive income (OCI) are not recycled upon derecognition of the asset.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI.

Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 1: Statement of significant accounting policies (continued)

(q) Financial instruments (continued)

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is to “hold to collect” the associated cash flows and sell financial assts; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets

AASB 9’s impairment requirements use more forward-looking information to recognise expected credit losses – the ‘expected credit loss (ECL) model’.

Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Level 1’) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Level 2’).
- ‘Level 3’ would cover financial assets that have objective evidence of impairment at the reporting date.

‘12-month expected credit losses’ are recognised for the first category while ‘lifetime expected credit losses’ are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Group’s financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in profit or loss are included within finance costs or finance income.

(r) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Office equipment	4 years
Computer equipment	3 years

The assets’ residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.



Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 1: Statement of significant accounting policies (continued)

(r) Property, plant and equipment (continued)

*Impairment*

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

*Derecognition and disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(s) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with AASB 8 Operating Segments.

Impairment is determined by assessing the recoverable amount of the cash-generating unit or groups of cash-generating units, to which the goodwill relates. When the recoverable amount of the cash-generating unit or groups of cash-generating units is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit or groups of cash-generating units and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(t) Intangible assets

*Intangible assets acquired separately*

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

*Internally generated intangible assets – research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 1: Statement of significant accounting policies (continued)

(t) Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Amortisation is calculated on a straight-line basis over the estimated useful life of 4 years. The assets' residual value, useful lives and amortisation are reviewed and adjusted if appropriate, at each financial year end.

*Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

(u) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(v) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(w) Employee leave benefits

*Wages, salaries, annual leave and sick leave*

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 1: Statement of significant accounting policies (continued)

(w) Employee leave benefits (continued)

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(x) Share-based payments

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either a Black-Scholes model or a Monte Carlo model, further details of which are given in Note 18.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of RooLife Group Ltd (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share, refer Note 5.

(y) Earnings/loss per share

Basic earnings/loss per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings/loss per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(z) Parent entity financial information

The financial information for the parent entity, RooLife Group Ltd, disclosed in Note 23 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 2: Revenue and expenses

Revenue

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

	2021	2020
	\$	\$
Revenue from contracts with customers	9,132,242	2,967,448

Reconciliation of revenue from contracts with customers

At a point in time

Product and Platform sales	5,931,208	458,264
	5,931,208	458,264

Over time

Digital marketing services	3,201,034	2,509,184
	3,201,034	2,509,184
Total Revenue	9,132,242	2,967,448

	2021	2020
	\$	\$

Other income

Interest income	8,142	6,472
Grants and subsidies	470,841	423,200
	478,983	429,672

	2021	2020
	\$	\$

Other expenses

Accountancy fees	30,334	46,705
Auditors' remuneration	58,653	56,806
Bad and doubtful debts	9,180	40,364
Foreign exchange (gains) and losses	(11,908)	12,681
Interest expense	1,532	1,262
Legal fees	44,612	119,053
Rent and associated costs	131,603	165,220
Subscriptions and fees	61,896	40,261
Travel and accommodation	42,890	152,344
Other expenses	250,547	301,871
	619,339	936,567

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 3: Income tax

##### Income tax recognised in profit or loss

The major components of tax benefit are:

	2021 \$	2020 \$
Current tax benefit	-	-
Deferred tax benefit relating to the origination and reversal of temporary differences	-	(1,100)
Total tax benefit	-	(1,100)

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:

Accounting loss before tax from continuing operations	(4,991,382)	(3,443,696)
Income tax benefit calculated at 26% (2020: 27.5%)	(1,297,759)	(947,016)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
• Effect of expenses that are not deductible in determining taxable profit	102,322	120,227
• Effect of unused tax losses and timing differences not recognised as deferred tax assets	1,195,437	825,689
Income tax benefit reported in the consolidated statement of comprehensive income	-	(1,100)

The tax rate used in the above reconciliation is the corporate tax rate of 26% payable by Australian corporate entities on taxable profits under Australian tax law.

##### Deferred tax assets comprise:

Tax losses - revenue	37,661	320,580
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##### Deferred tax liabilities comprise:

Fair value adjustments on acquisition	-	287,382
Property, Plant and Equipment	-	-
Timing differences	37,661	33,198
	37,661	320,580

##### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Tax losses – revenue	3,614,224	2,640,826
Timing differences	198,099	131,356
Blackhole expenditure	216,557	360,476
	4,028,880	3,132,658

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits thereof.

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 4: Segment reporting

##### Description of segments

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. Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group primarily reports on a geographical segment basis as its risks and rates of return are affected predominantly by differences in the various locations in which it operates and this is the format of the information provided for management purposes.

##### Segment information

The following tables present revenue and profit/loss information and certain asset and liability information regarding geographical segments for the year ended 30 June 2021. Revenue is attributed to geographical location based on the location of the target market.

	Australia \$	United Kingdom \$	Singapore \$	China \$	Consolidation adjustments \$	Total \$
<b>30 June 2021</b>						
<b>Revenue</b>						
Sales to external customers	2,050,684	-	-	7,221,562	(140,004)	9,132,242
Total	2,050,684	-	-	7,221,562	(140,004)	9,132,242
<b>Segment result</b>	(2,663,500)	82,213	(230,575)	(804,580)	(1,374,940)	(4,991,382)
Interest income	8,014	-	-	128	-	8,142
Grants and subsidies	283,100	-	3,040	184,701	-	470,841
Depreciation	(5,241)	-	-	(7,866)	-	(13,107)
Amortisation	-	-	-	-	(510,912)	(510,912)
Impairment expense	-	-	-	(20,207)	(1,001,624)	(1,021,831)
Income tax benefit	-	-	-	-	-	-
<b>Segment assets</b>	20,615,874	49,829	3,004	3,162,156	(15,629,618)	8,201,245
<b>Segment liabilities</b>	(1,832,239)	(2,918,448)	(4,030,572)	(4,696,142)	10,973,960	(2,503,441)
<b>Cash flow information</b>						
Net cash flow from operating activities	(1,988,899)	(2,701)	(37,829)	(1,351,064)	-	(3,380,493)
Net cash flow from investing activities	(1,920,130)	2,970	19,806	1,913,396	-	16,042
Net cash flow from financing activities	5,786,238	-	-	-	-	5,786,238

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 4: Segment reporting (continued)

30 June 2020	Australia \$	United Kingdom \$	Singapore \$	China \$	Consolidation adjustments \$	Total \$
<b>Segment revenue</b>						
Sales to external customers	1,918,796	-	-	1,085,257	(36,605)	<b>2,967,448</b>
Total	1,918,796	-	-	1,085,257	(36,605)	<b>2,967,448</b>
<b>Segment result</b>	<b>(2,244,559)</b>	<b>7,225</b>	<b>(359,295)</b>	<b>(396,859)</b>	<b>(449,108)</b>	<b>(3,442,596)</b>
Interest income	6,304	-	-	168	-	<b>6,472</b>
Grants and subsidies	172,500	44,992	579	205,129	-	<b>423,200</b>
Depreciation	(7,011)	-	-	(384)	-	<b>(7,395)</b>
Amortisation	-	(3,115)	-	-	(510,914)	<b>(514,029)</b>
Impairment expense	-	(3,400)	-	(72)	-	<b>(3,472)</b>
Income tax benefit	-	1,107	-	-	(7)	<b>1,100</b>
<b>Segment assets</b>	<b>16,263,035</b>	<b>48,679</b>	<b>21,965</b>	<b>1,499,973</b>	<b>(11,418,765)</b>	<b>6,414,887</b>
<b>Segment liabilities</b>	<b>(1,074,011)</b>	<b>(2,917,895)</b>	<b>(4,037,372)</b>	<b>(2,146,325)</b>	<b>8,338,421</b>	<b>(1,837,182)</b>
<b>Cash flow information</b>						
Net cash flow from operating activities	(1,945,255)	41,521	(312,015)	(411,473)	-	<b>(2,627,222)</b>
Net cash flow from investing activities	(1,294,113)	3,584	251,788	648,124	-	<b>(390,617)</b>
Net cash flow from financing activities	2,275,095	-	-	-	-	<b>2,275,095</b>

#### Other segment information

#### Segment revenue reconciliation to the statement of comprehensive income

	2021 \$	2020 \$
Total segment revenue	<b>9,272,246</b>	3,004,053
Inter-segment sales elimination	<b>(140,004)</b>	(36,605)
Total	<b>9,132,242</b>	2,967,448

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 5: Loss per share

##### Basic and diluted loss per share

	2021 Cents per share	2020 Cents per share
Total basic and diluted loss per share attributable to the ordinary equity holders of the Company	<b>(0.97)</b>	(1.13)

##### 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	<b>(4,991,382)</b>	(3,442,596)

##### 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	<b>516,862,759</b>	305,553,913

##### 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. Details relating to the options are set out in Note 18.

#### Note 6: Dividends

There were no dividends paid or declared to equity holders during the year ended 30 June 2021.



## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 7: Cash and cash equivalents

	2021 \$	2020 \$
Cash at bank and on hand	<b>3,815,089</b>	1,342,942

Cash at bank earns interest at floating rates based on daily bank deposit rates.

At 30 June 2021, the Group had available \$49,999 (2020: \$49,999) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

#### *Reconciliation to the Statement of Cash Flows:*

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2021 \$	2020 \$
Cash at bank and on hand, as above	<b>3,815,089</b>	1,342,942
Balance per statement of cash flows	<b>3,815,089</b>	1,342,942

#### *Reconciliation of loss for the year to net cash flows from operating activities*

	2021 \$	2020 \$
Net loss for the year	<b>(4,991,382)</b>	(3,442,596)
Foreign exchange (gain)/loss	<b>(11,908)</b>	12,681
Equity settled share-based payment	<b>324,160</b>	40,184
Bad and doubtful debts	<b>9,180</b>	40,364
Depreciation	<b>13,107</b>	7,395
Amortisation	<b>510,912</b>	514,029
Impairment of assets	<b>1,021,831</b>	3,472
Loss on disposal of fixed assets	-	1,426
Increase/(decrease) in deferred tax accounts	-	(1,059)

Change in net assets and liabilities, net of effects from acquisition and disposal of businesses:

(Increase)/Decrease in assets:

Trade and other receivables	<b>(773,645)</b>	90,336
Inventories	<b>(356,743)</b>	24,518

Increase/(Decrease) in liabilities:

Trade and other payables	<b>883,505</b>	82,799
Provisions	<b>(9,510)</b>	(771)
Net cash from operating activities	<b>(3,380,493)</b>	(2,627,222)

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 8: Trade and other receivables

	Note	2021 \$	2020 \$
Trade debtors	(i)	<b>1,091,947</b>	414,572
Allowance for impairment		<b>(49,350)</b>	(40,000)
Total		<b>1,042,597</b>	374,572

(i) the average credit period on sales of goods and rendering of services is 30 days.

In determining the recoverability of a trade receivable, the Group considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the balance date. The concentration of credit risk is limited due to the customer base being large and unrelated. The above allowance for impairment relates to one specific debtor which management has deemed to be non-recoverable. Accordingly, the Directors believe that there are no further credit provisions required in excess of the allowance for impairment.

#### *Reconciliation of trade and other receivables*

	2021 \$	2020 \$
Trade debtors, noted above	<b>1,042,597</b>	374,572
GST and VAT receivable	-	18,970
Accrued revenue	<b>52,866</b>	12,595
Other receivables	<b>1,838</b>	4,490
Total	<b>1,097,301</b>	410,627

#### Note 9: Other current assets

	2021 \$	2020 \$
Prepayments	<b>145,317</b>	60,635
Security deposits	<b>191,298</b>	200,166
Other	<b>3,009</b>	720
Total	<b>339,624</b>	261,521

#### Note 10: Inventories

	2021 \$	2020 \$
Inventories at cost	<b>457,014</b>	100,343
Impairment allowance	-	(72)
Total	<b>457,014</b>	100,271

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 11: Property, plant and equipment

##### Carrying value

30 June 2021	Office equipment \$	Computer equipment \$	Total \$
Cost	9,350	26,241	35,591
Accumulated Depreciation	(2,222)	(17,898)	(20,120)
Carrying value	7,128	8,343	15,471

30 June 2020	Office equipment \$	Computer equipment \$	Total \$
Cost	10,710	56,466	67,176
Accumulated Depreciation	(9,787)	(50,271)	(60,058)
Carrying value	923	6,195	7,118

##### Reconciliation

30 June 2021	Office equipment \$	Computer equipment \$	Total \$
Opening balance	923	6,195	7,118
Additions	7,027	14,433	21,460
Depreciation expense	(822)	(12,285)	(13,107)
Closing balance	7,128	8,343	15,471

30 June 2020	Office equipment \$	Computer equipment \$	Total \$
Opening balance	-	3,934	3,934
Acquisitions through business combinations	1,560	-	1,560
Additions	2,323	8,122	10,445
Disposals	(1,426)	-	(1,426)
Depreciation expense	(1,534)	(5,861)	(7,395)
Closing balance	923	6,195	7,118

##### Impairment of fixed assets:

The recoverable amount of fixed assets is estimated to be in line with the carrying values, therefore, no impairment loss has been recognised during the year (2020: \$Nil).

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 12: Other intangible assets

##### Carrying value

30 June 2021	Technology \$	Website development \$	Customer contracts \$	Total \$
Cost	3,230,747	14,857	50,000	3,295,604
Accumulated amortisation	(1,696,309)	(11,457)	-	(1,707,766)
Accumulated impairment	(1,534,438)	(3,400)	-	(1,537,838)
Carrying value	-	-	50,000	50,000

30 June 2020	Technology \$	Website development \$	Customer contracts \$	Total \$
Cost	3,230,747	14,857	50,000	3,295,604
Accumulated amortisation	(1,185,397)	(11,457)	-	(1,196,854)
Accumulated impairment	(512,607)	(3,400)	-	(516,007)
Carrying value	1,532,743	-	50,000	1,582,743

##### Reconciliation

30 June 2021	Notes	Technology \$	Website development \$	Customer contracts \$	Total \$
Opening balance		1,532,743	-	50,000	1,582,743
Amortisation		(510,912)	-	-	(510,912)
Impairment		(1,021,831)	-	-	(1,021,831)
Carrying value		-	-	50,000	50,000

##### Impairment

The Group has applied a conservative approach, having regard to the potential ongoing impact of the COVID-19 pandemic, and the carrying value of its Technology Asset.

The RooLife Group hyper personalisation and profiling Artificial Intelligence System has been a key component in the provision of the Group's services. However, with the continued evolution of the business, there has been subsequent development of its next generation of technology for wider application to service the Group's Marketplace platforms with the Company applying new approaches and techniques to its technology development. As a result, the Group has divested the use of its Artificial Intelligence System technology development away from servicing travel and tourism to other online applications and with the uncertainty surrounding the timing of when both local and international travel can resume, the Group has determined to reduce the expected recoverable amount of this Technology Asset.

Whilst the Group and its impacted customers have indicated a willingness to re-engage when appropriate, at this stage the Group is not able to define the point in time at which revenue generation from those projects may recommence. As a result, the Group has adopted a conservative approach and an impairment loss of \$1,021,831 (2020: \$Nil) has been recognised to restate the carrying value of the technology asset to recoverable amount.

In the previous financial year, the recoverable amount of the website development asset was estimated to be nil as the website was no longer operational. An impairment loss of \$3,400 was recognised in the previous financial year to restate the carrying value to recoverable amount.

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 12: Other intangible assets (continued)

##### Reconciliation (continued)

30 June 2020	Notes	Technology \$	Website development \$	Customer contracts \$	Provisionally accounted intangibles \$	Total \$
Opening balance		2,043,657	6,273	-	1,566,667	3,616,597
Transfer to customer contracts		-	-	50,000	(50,000)	-
Transfer to goodwill	13	-	-	-	(1,516,667)	(1,516,667)
Foreign currency differences		-	242	-	-	242
Amortisation		(510,914)	(3,115)	-	-	(514,029)
Impairment		-	(3,400)	-	-	(3,400)
Carrying value		1,532,743	-	50,000	-	1,582,743

#### Note 13: Goodwill

##### Carrying value

	2021 \$	2020 \$
Cost	4,405,266	4,405,266
Accumulated impairment	(2,016,181)	(2,016,181)
Carrying value	2,389,085	2,389,085

##### Reconciliation

	Note	2021 \$	2020 \$
Opening balance		2,389,085	-
Transfer from provisionally accounted intangibles	12	-	1,516,667
Acquisitions through business combinations – QBID		-	872,418
Carrying value		2,389,085	2,389,085

##### Impairment

Goodwill acquired through business combinations has been allocated to the following cash generating units:

- Australia focused digital marketing
- China focused digital marketing and e-commerce

Carrying amount of goodwill allocated to each of the cash generating units:

	2021 \$	2020 \$
Australia focused digital marketing	958,333	958,333
China focused digital marketing and e-commerce	1,430,752	1,430,752
Carrying value	2,389,085	2,389,085

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 13: Goodwill (continued)

##### Impairment (continued)

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a one year projection period approved by management and extrapolated for a further five years using a steady rate, together with a terminal value.

##### Key assumptions used in value-in-use calculations

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

		30 June 2021		30 June 2020	
	Note	Australia focused digital marketing	China focused digital marketing and e-commerce	Australia focused digital marketing	China focused digital marketing and e-commerce
Pre-tax discount rate	(i)	22.4%	22.4%	18.5%	18.5%
Revenue growth rate	(ii)	10% - 54%	28% - 33%	2.7% - 20%	10% - 119%
Cost of sales growth rate	(iii)	5% - 26%	10% -34%	10% - 15%	18% - 118%
Overheads growth rate	(iv)	(23%) - 5%	(38%) - 5%	7% - 63%	5%

(i) The discount rate reflects management's estimate of the time value of money and the Group's weighted average cost of capital adjusted for the relevant cash generating unit, the risk free rate and the volatility of the share price relative to market movements.

(ii) The revenue growth rate for the Australia focused digital marketing unit has been estimated by management based on past performance and contracted sales wins. Compared to prior year, the revenue growth rate estimation has increased as the Group has secured new contracts. The estimates for the 2020 Financial Year were also adjusted for the impact of COVID-19.

The revenue growth rate for the China focused digital marketing and e-commerce unit has been estimated by management based on the increase in contracted sales wins. There is an expectation that further brands will be signed on as the China operations expand. Compared to prior year, the revenue growth rate estimation has reduced as the Group has delivered the acquisition strategy of focusing on significant growth in the year after acquisition to expand the business.

(iii) The cost of sales growth rate for the Australia focused digital marketing unit has been based by management on past performance adjusted for incremental costs for sales wins.

The cost of sales growth rate for the China focused digital marketing and e-commerce unit has been estimated by management in accordance with past performance, adjusted for cost reductions expected to be achieved from contractual renegotiations. Compared to prior year, the costs of sales growth rate estimation has reduced as the Group has delivered the acquisition strategy of focusing on significant growth in the year after acquisition to expand the business.

(iv) The overheads growth rate for the Australia focused digital marketing unit and China focused digital marketing and e-commerce unit has been based by management on past performance adjusted for cost savings initiatives implemented by the Group. Compared to prior year, the overheads growth rate has decreased as it is expected that overhead costs will be positively impacted in the upcoming financial year due to the flow through of cost saving initiatives and then stabilise at a more conservative growth rate.

##### Impact of possible changes in key assumptions

As disclosed in note 1, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

Revenue would need to decrease by more than 19% (2020: 6%) for the Australia focused digital marketing unit and 14% (2020: 6%) for the China focused digital marketing and e-commerce unit before goodwill would need to be impaired, with all other assumptions remaining constant.

The discount rate would be required to increase by 35% (2020: 6%) for the Australia focused digital marketing unit and 10% (2020: 3%) for the China focused digital marketing and e-commerce unit before goodwill would need to be impaired, with all other assumptions remaining constant.

The directors believe that other reasonable changes in the key assumptions on which the recoverable amount of, both the Australia focused digital marketing unit and China focused digital marketing and e-commerce unit, goodwill is based on would not cause the cash-generating units' carrying amounts to exceed their recoverable amounts.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in an impairment charge for the goodwill of both the Australia focused digital marketing unit and the China focused digital marketing and e-commerce unit.

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 14: Trade and other payables (current)

	Note	2021 \$	2020 \$
Trade payables	(i)	843,840	418,281
Accruals		281,532	286,628
Deferred remuneration and bonuses payable	(ii)	365,307	329,745
Payroll liabilities		280,294	275,875
Security deposits payable		134,678	71,155
GST/VAT payable		8,395	-
Other payables		34,159	23,385
		<b>1,948,205</b>	<b>1,405,069</b>

- (i) Trade payables are non-interest bearing and are normally settled on 30-day terms.
- (ii) In the prior year, in response to the COVID-19 situation, the Company directors and staff agreed to reductions in payment of their fees. These fees were fully settled in the current financial year.

#### Note 15: Provisions

	2021 \$	2020 \$
Long service leave	<b>6,227</b>	15,737

#### Note 16: Issued capital

##### Share capital

	2021 \$	2020 \$
579,753,113 / 340,621,291 Ordinary shares issued and fully paid	<b>27,754,463</b>	21,298,469

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.

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 16: Issued capital (continued)

##### Movement in ordinary share capital

##### 30 June 2021

Date	Details	Note	Number	\$
	Opening balance		340,621,291	21,298,469
27 August 2020	Shares issued to sophisticated investors		25,546,595	766,398
22 September 2020	Shares issued on conversion of performance Shares	(i)	30,476,191	533,334
8 October 2020	Shares issued under the Entitlement Issue		54,152,489	1,624,575
14 October 2020	Shortfall Shares issued under the Entitlement Issue		128,931,546	3,867,946
30 December 2020	Shares issued on cancellation of performance shares		1	-
27 April 2021	Shares issued on exercise of options		25,000	1,250
	Less: Transaction costs arising on share issue			(517,509)
	Closing balance		<b>579,753,113</b>	<b>27,574,463</b>

- (i) Shares issued to the vendors of Choose Digital Pty Ltd and RooLife Pty Ltd (previously RooLife Ltd) on achievement of the following performance milestones:
- Tranche 1 – 15,238,095 performance shares converted to ordinary shares upon the businesses achieving aggregate revenue of \$1.8 million in a rolling 12-month period (as confirmed by audited financial statements).
  - Tranche 2 – 15,238,096 performance shares converted to ordinary shares upon the businesses achieving aggregate revenue of \$1.8 million in a rolling 12-month period (as confirmed by audited financial statements).

##### 30 June 2020

Date	Details	Note	Number	\$
	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 services	18	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	20	12,938,605	452,851
16 December 2019	Shares issued on placement	(ii)	55,185,650	1,931,498
	Less: Transaction costs arising on share issue	(iii)	-	(184,346)
	Closing balance		<b>340,621,291</b>	<b>21,298,469</b>

- (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 accepted subscriptions under a placement of securities to sophisticated and professional investors.
- (iii) Share issue costs include \$34,767 for options issued to consultants assisting in the placements during the year. As the options were issued in connection with capital raisings, the value attributed to the options has been recorded directly in equity. Refer to note 18 for further details.



## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 16: Issued capital (continued)

##### Options over ordinary shares

Options to subscribe for ordinary shares in the Company have been granted as follows:

- (i) to employers and consultants under share based payment plans, details of which are disclosed in Note 18; and
- (ii) to shareholders as free attaching options under placements offered by the Company.

##### Movement in options over ordinary shares

#### 30 June 2021

Grant date	Expiry date	Exercise Price	Note	Opening balance	Options issued	Options exercised	Options lapsed	Closing balance
Unlisted options:								
9 September 2016	30 June 2021	\$0.35		3,000,000	-	-	(3,000,000)	-
9 September 2016	30 June 2023	\$0.40		3,000,000	-	-	-	3,000,000
11 November 2016	11 November 2020	\$0.30		2,000,000	-	-	(2,000,000)	-
18 January 2017	18 January 2021	\$0.35		600,000	-	-	(600,000)	-
18 January 2017	18 January 2022	\$0.40		600,000	-	-	-	600,000
05 March 2020	31 October 2021	\$0.55		20,000,000	-	-	-	20,000,000
Listed options:								
28 September 2018	31 October 2021	\$0.05		7,214,307	-	-	-	7,214,307
23 November 2018	31 October 2021	\$0.05		53,500,000	-	-	-	53,500,000
1 February 2019	31 October 2021	\$0.05		10,000	-	-	-	10,000
13 May 2019	31 October 2021	\$0.05		16,666,667	-	-	-	16,666,667
28 June 2019	31 October 2021	\$0.05		11,333,333	-	-	-	11,333,333
06 March 2020	31 October 2021	\$0.05		31,455,821	-	-	-	31,455,821
08 October 2020	31 October 2021	\$0.05	(i)	-	54,152,489	(25,000)	-	54,127,489
14 October 2020	31 October 2021	\$0.05	(i)	-	128,931,546	-	-	128,931,546
24 November 2020	31 October 2021	\$0.05	(ii)	-	25,546,595	-	-	25,546,595
24 November 2020	31 October 2021	\$0.05	(iii)	-	7,766,398	-	-	7,766,398
				149,380,128	216,397,028	(25,000)	(5,600,000)	360,152,156

- (i) The terms of the Entitlement Issue in October 2020 entitled the holder to be issued with 1 free attaching listed option for every ordinary share purchased at \$0.030.
- (ii) The terms of the share placement to sophisticated and professional investors in August 2020 entitled the holder to be issued with 1 free attaching listed option for every ordinary share purchased at \$0.030. The issue of the free attaching options was subject to shareholder approval and the options were therefore issued post shareholder approval in November 2020.
- (iii) The Company issued 7,766,398 options to various brokers for their assistance in relation to the Entitlement issue. Details of these options are disclosed in Note 18.

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 16: Issued capital (continued)

##### Movement in options over ordinary shares (continued)

#### 30 June 2020

Grant date	Expiry date	Exercise Price	Note	Opening balance	Options issued	Options lapsed	Closing balance
Unlisted options:							
9 September 2016	9 September 2019	\$0.35		4,500,000	-	(4,500,000)	-
9 September 2016	30 June 2021	\$0.35		3,000,000	-	-	3,000,000
9 September 2016	30 June 2023	\$0.40		3,000,000	-	-	3,000,000
11 November 2016	11 November 2020	\$0.30		2,000,000	-	-	2,000,000
18 January 2017	18 January 2020	\$0.30		1,800,000	-	(1,800,000)	-
18 January 2017	18 January 2021	\$0.35		600,000	-	-	600,000
18 January 2017	18 January 2022	\$0.40		600,000	-	-	600,000
05 March 2020	31 October 2021	\$0.55	(i)	-	20,000,000	-	20,000,000
Listed options:							
28 September 2018	31 October 2021	\$0.05		7,214,307	-	-	7,214,307
23 November 2018	31 October 2021	\$0.05		53,500,000	-	-	53,500,000
1 February 2019	31 October 2021	\$0.05		10,000	-	-	10,000
13 May 2019	31 October 2021	\$0.05		16,666,667	-	-	16,666,667
28 June 2019	31 October 2021	\$0.05		11,333,333	-	-	11,333,333
06 March 2020	31 October 2021	\$0.05	(ii), (iii)	-	31,455,821	-	31,455,821
				104,224,307	51,455,821	(6,300,000)	149,380,128

- (i) Mr Carr and Mr Barry have been granted executive options during the year. These options have been valued using the Monte Carlo model taking into account the inputs as disclosed in Note 18.
- (ii) The terms of the share placement in December 2019 entitled the holder to be issued with 1 free attaching listed option for every 2 ordinary shares purchased at \$0.035.
- (iii) The Company issued 2,862,996 options to the Lead Manager to the Placement. 1,000,000 options were also issued to other consultants for their assistance in relation to the Placement. Details of these options are disclosed in Note 18.

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 17: Reserves

	2021 \$	2020 \$
Share based payments reserve	1,705,106	1,867,682
Foreign currency translation reserve	(157,212)	(155,275)
	<b>1,547,894</b>	<b>1,712,407</b>

#### *Nature and purpose of reserves*

##### *Share based payments reserve*

This reserve is used to record the value of equity benefits provided to directors and executives as part of their remuneration, as well as to consultants and advisors for provision of services.

The value of performance shares issued on acquisition of subsidiaries is also recorded in this reserve. Details of performance shares on issue are provided in Note 18.

##### *Foreign currency translation reserve*

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

#### *Movement in reserves*

##### *Share-based payments reserve*

	Note	2021 \$	2020 \$
Opening balance		1,867,682	1,827,498
Conversion of performance shares to ordinary shares	16	(533,334)	-
Options granted under Plan 2: Incentive Share Option Plan	18	16,991	5,417
Options granted to Lead Manager and Advisory on Entitlement Issue	16, 18	46,598	34,767
Options to be granted for corporate and investor relation fees	18	78,430	-
Shares to be granted to employees and consultants	18	228,739	-
Closing balance		<b>1,705,106</b>	<b>1,867,682</b>

##### *Foreign currency translation reserve*

Opening balance	(155,275)	(146,790)
Currency translation differences arising during the year	(1,937)	(8,485)
Closing balance	<b>(157,212)</b>	<b>(155,275)</b>

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 18: Share-based payment plans

##### *Performance shares*

##### *Class of performance shares on issue during the year*

Performance shares comprise of the following classes and conversion details for each class are as follows:

<b>Class A</b>	Convert to ordinary shares upon the Company achieving within five years of issue annualised gross revenue exceeding \$3.5m (measured over any three-consecutive month period) or achieving 20m users (at least half of which are directly revenue generative).
<b>Class B</b>	Convert to ordinary shares upon the Company achieving within five years of issue annualised gross revenue exceeding \$7.5m (measured over any three-consecutive month period) or achieving 30m users (at least half of which are directly revenue generative).
<b>Class C</b>	Convert to ordinary shares upon the Company achieving within five years of issue annualised gross revenue exceeding \$12m (measured over any three-consecutive month period) or achieving 50m users (at least half of which are directly revenue generative).
<b>Tranche 1</b>	Convert to ordinary shares upon CHOOSE Digital Pty Ltd and RooLife Pty Ltd (previously RooLife Limited) businesses first achieving aggregate revenue of \$1.8 million in a rolling 12-month period (as confirmed by audited financial statements).
<b>Tranche 2</b>	Convert to ordinary shares upon CHOOSE Digital Pty Ltd and RooLife Limited businesses first achieving aggregate revenue of \$3 million in a rolling 12-month period (as confirmed by audited financial statements).

##### *Movement in performance shares*

#### *30 June 2021*

Details	Note	Number Class A	Number Class B	Number Class C	Number Tranche 1	Number Tranche 2	Number Total
Opening balance		1,200,000	1,200,000	1,100,000	15,238,095	15,238,095	<b>33,976,190</b>
Shares converted to ordinary shares					(15,238,095)	(15,238,095)	<b>(30,476,190)</b>
Shares lapsed on cessation of employment		(1,200,000)	(1,200,000)	(1,100,000)	-	-	<b>(3,500,000)</b>
Closing balance		-	-	-	-	-	<b>-</b>

#### *30 June 2020*

Details	Note	Number Class A	Number Class B	Number Class C	Number Tranche 1	Number Tranche 2	Number Total
Opening balance		1,800,000	1,800,000	1,650,000	15,238,095	15,238,095	<b>35,726,190</b>
Shares lapsed on cessation of employment		(600,000)	(600,000)	(550,000)	-	-	<b>(1,750,000)</b>
Closing balance		<b>1,200,000</b>	<b>1,200,000</b>	<b>1,100,000</b>	<b>15,238,095</b>	<b>15,238,095</b>	<b>33,976,190</b>

Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 18: Share-based payment plans (continued)  
Ordinary shares and share options

Recorded directly in equity:

	Note	2021	2020
		\$	\$
Options granted under Plan 1: Special Purpose Share Option Plan	(i)	46,598	34,767
		46,598	34,767

Recognised as a share-based payment expense:

Options granted under Plan 2: Incentive Share Option Plan		16,991	5,417
Options to be granted under Plan 1: Special Purpose Share Option Plan	(ii)	78,430	-
Shares to be granted to employees and consultants for services rendered	(iii)	228,739	-
Shares granted for corporate and investor relations fees		-	37,625
		324,160	43,042
		370,758	77,809

- (i)

Options issued to consultants assisting in the Entitlement issue / placements during the year. As the options were issued in connection with capital raisings, the value attributed to the options has been recorded directly in equity.
- (ii)

The Company is required to issue options as consideration for corporate, investor and public relations services. The services have been provided during the financial year but the options have not been formally granted at 30 June 2021 and await formal acceptance of offers. Details regarding the valuation of the options are disclosed further below.
- (iii)

The Company is required to issue shares as consideration for employment and consulting services. The services have been provided during the financial year but the shares have not been formally granted at 30 June 2021 and await formal acceptance of offers. As the employees have provided the services to the Company, the shares have been valued at the closing share price of \$0.025 at balance date. On formal granting of the shares, the Company will perform a reassessment of the fair value and any subsequent difference will be recorded through the statement of profit or loss and other comprehensive income.

Share options

The Company has an Incentive Share Option Plan ("ISOP") under which options to subscribe for the Company's shares have been granted to certain directors and executives. In addition, further options were issued to certain directors and executives outside of the ISOP, but substantially on the same terms and conditions. The Company refers to these as Special Purpose Options and whilst no formal plan has been adopted for these options, the Company refers to any issues outside of the shareholder approval ISOP as being issued under the Special Purpose Option Plan ("SPP").

The purpose of both the SPP and ISOP is to Special Purpose Share Option Plan ('SPP') is to:

- assist in the reward, retention and motivation of eligible participants;
- link the reward of eligible participants and the creation of shareholder value;
- align interests of eligible participants more closely with the interest of shareholders by providing an opportunity for eligible participants to receive shares;
- provide eligible participants with the opportunity to share in any future growth in value of the Company; and
- provide greater incentive for eligible participants to focus on the Company's longer-term goals.

Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 18: Share-based payment plans (continued)  
Share Options (continued)

The following share option based payment arrangements were in place during the current and prior periods:

30 June 2021

	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$	Vesting date
Listed Options:						
Lead Manager – Entitlement Issue	4,966,398	24 November 2020	31 October 2021	\$0.05	\$29,798	24 November 2020
Advisory – Entitlement Issue	1,800,000	24 November 2020	31 October 2021	\$0.05	\$10,800	24 November 2020
Advisory – Entitlement Issue	1,000,000	24 November 2020	31 October 2021	\$0.05	\$6,000	24 November 2020
Unlisted Options:						
Corporate, investor and public relations consultant	10,000,000	30 June 2021	31 March 2023	\$0.05	\$78,430	30 June 2021

There has been no alteration of the terms and conditions of the above share-based payment arrangement since grant date.

The fair value of the equity settled listed share options granted under the option plan is calculated with reference to the listed market price of the option on grant date, being \$0.006. Those options are not issued yet but the service was provided at vesting date.

The fair value of the equity settled unlisted share options, with non-market conditions, to be granted under the option plan is estimated at grant date using the Black & Scholes model, taking into account the terms and conditions upon which the options were granted, as follows:

	Note	
Expected volatility (%)	(i)	90.2%
Risk-free interest rate (%)		0.08%
Expected life of option (days)	(ii)	698
Exercise price (cents)		5.0
Grant date share price (cents)	(iii)	3.2

- (i)

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.
- (ii)

The expected life of the options is not based on historical data and is not necessarily indicative of exercise patterns that may occur. The number of days is calculated by the number of days between the grant date and expiry date of the option.
- (iii)

The options have been valued at grant date, being the date that the service was deemed to be provided. The options will be issued subsequent to year end.

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 18: Share-based payment plans (continued)

##### Share Options (continued)

##### 30 June 2020

	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$	Vesting date
<i>Listed Options:</i>						
Lead Manager – Entitlement Issue	2,862,996	6 March 2020	31 October 2021	\$0.05	\$25,767	6 March 2020
Advisory – Entitlement Issue	1,000,000	6 March 2020	31 October 2021	\$0.05	\$9,000	6 March 2020
<i>Unlisted Options:</i>						
Bryan Carr (Tranche 1)	3,600,000	6 March 2020	5 February 2024	\$0.055	\$4,680	5 February 2023
Bryan Carr (Tranche 2)	3,600,000	6 March 2020	5 February 2024	\$0.055	\$8,640	5 February 2023
Bryan Carr (Tranche 3)	4,800,000	6 March 2020	5 February 2024	\$0.055	\$16,320	5 February 2023
Warren Barry (Tranche 1)	2,400,000	6 March 2020	5 February 2024	\$0.055	\$3,120	5 February 2023
Warren Barry (Tranche 2)	2,400,000	6 March 2020	5 February 2024	\$0.055	\$5,760	5 February 2023
Warren Barry (Tranche 3)	3,200,000	6 March 2020	5 February 2024	\$0.055	\$10,880	5 February 2023

There has been no alteration of the terms and conditions of the above share-based payment arrangement since grant date.

The fair value of the equity settled listed share options granted under the option plan is calculated in reference to the listed market price of the option on grant date, being \$0.009.

The fair value of the equity settled unlisted share options, with market conditions, granted under the option plan is estimated at grant date using the Monte Carlo model, taking into account the terms and conditions upon which the options were granted, as follows:

	Note	B Carr	W Barry
Expected volatility (%)	(i)	80.5%	80.5%
Risk-free interest rate (%)		0.36%	0.36%
Expected life of option (days)	(ii)	1,067	1,067
Exercise price (cents)		5.5	5.5
Grant date share price (cents)		1.9	1.9

(i) The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

(ii) The expected life of the options is not based on historical data and is not necessarily indicative of exercise patterns that may occur. The number of days is calculated by the number of days between the grant date and expiry date of the option.

The unlisted options granted were in three tranches with separate market conditions for each tranche as outlined below. The market conditions were incorporated into the measurement of fair value.

Tranche	Vesting conditions	Number
Tranche 1	The Vesting Condition for Tranche 1 will be taken to have been met if, for any 30 consecutive trading day period between the date of the grant of the Executive Officer Options and 5 February 2021, the VWAP of the Company's Shares is equal to or greater than \$0.055 per Share.	6,000,000
Tranche 2	The Vesting Condition for Tranche 1 will be taken to have been met if, for any 30 consecutive trading day period between the date of the grant of the Executive Officer Options and 5 February 2021, the VWAP of the Company's Shares is equal to or greater than \$0.08 per Share.	6,000,000
Tranche 3	The Vesting Condition for Tranche 3 will be taken to have been met if, for any 30 consecutive trading day period between 6 February 2022 and 5 February 2023, the VWAP of the Company's Shares is equal to or greater than \$0.12 per Share.	8,000,000

No other features of options granted were incorporated into the measurement of fair value.

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 18: Share-based payment plans (continued)

##### Share Options (continued)

The following table illustrates the movement (number) in share options issued under share based payment arrangements:

	2021 Number	2020 Number
Outstanding at the beginning of year	58,062,996	40,500,000
Granted during the year	7,766,398	23,862,996
Lapsed during the year	-	-
Exercised during the year	-	-
Expired during the year	(5,600,000)	(6,300,000)
Outstanding at the end of year	60,229,394	58,062,996
Exercisable at the end of year	60,229,394	58,062,996

The weighted average exercise price for all options noted above was \$0.07 (2020: \$0.10).

#### Note 19: Financial instruments

##### Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

##### Categories of financial instruments

	2021 \$	2020 \$
<u>Financial assets</u>		
Cash and cash equivalents	3,815,089	1,342,942
Trade and other receivables	1,097,301	410,627
Other current assets	339,624	261,521
<u>Financial liabilities</u>		
Trade and other payables	1,948,205	1,405,069
Deferred revenue	511,348	95,796

##### Financial risk management objectives

The Group is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

##### Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates.



## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 19: Financial instruments (continued)

##### Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	Liabilities		Assets	
	2021	2019	2021	2020
	\$	\$	\$	\$
Great British Pounds (GBP or £)	-	1,450	50,333	48,160
Singapore Dollars (SGD or S\$)	(9,101)	35,835	3,004	21,965
Hong Kong Dollars (HKD or H\$)	-	2,698	23,591	26,184
Chinese Yuan (CNY)	(2,060)	418	13,350	17,551

##### Foreign currency sensitivity analysis

The Group is exposed to both GBP and SGD currency fluctuations.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

A positive number indicates an increase in profit or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	Profit or loss (i)		Equity (ii)	
	2021	2020	2021	2020
	\$	\$	\$	\$
GBP Impact	4,575	4,246	(265,354)	(265,085)
SGD Impact	(555)	(1,260)	(365,595)	(363,776)
HKD Impact	2,144	2,135	(2,782)	(2,407)
CNY Impact	1,026	1,558	(2,025)	(2,025)

(i) This is mainly attributable to the exposure outstanding on foreign currency denominated net assets at year-end in the Group.

(ii) This is mainly as a result of the restating of the intercompany loans between the Company and its foreign subsidiaries, where on consolidation the exchange rate difference on restating loans into their AUD equivalent is transferred to the foreign exchange translation reserve in equity.

##### Interest rate risk management

The Group is limited in its exposure to interest rate risk as entities in the Group do not borrow any funds. The only exposure to interest rate risk is on the Group's exposures on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

##### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 19: Financial instruments (continued)

##### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group has no non-derivative financial liabilities.

##### Fair value of financial instruments

The Group has a number of financial instruments which are not measured at fair value in the statement of financial position. The directors consider that the carrying value of the financial assets and financial liabilities are considered to be a reasonable approximation of their fair values.

#### Note 20: Commitments and contingencies

##### Lease commitments – Group as lessee

The Group has entered into commercial leases on certain premises. These leases have an average life of less than 1 year with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases. These leases have not been accounted for under AASB 116 as they are exempt due to the short term nature of the leases.

Future minimum rentals payable under the leases are as follows:

	2021	2020
	\$	\$
Within one year	48,228	12,400
After one year but not more than five years	-	-
More than five years	-	-
	<b>48,228</b>	<b>12,400</b>

##### Capital commitments

As at 30 June 2021 and 30 June 2020 the Group has no capital commitments.

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 21: Related party disclosure

##### Parent entity

RooLife Group Ltd is the ultimate Australian parent entity and ultimate parent of the Group.

##### Subsidiaries

Interests in subsidiaries are set out in Note 22 below.

##### Key management personnel compensation

The aggregate compensation made to directors and other key management personnel of the Group is set out below:

	2021	2020
	\$	\$
Short-term employee benefits	1,371,057	1,293,137
Post-employment benefits	74,641	30,552
Share-based payments	49,719	5,417
	<b>1,495,417</b>	<b>1,329,106</b>

During the year ended 30 June 2021 and 30 June 2020, no share options were exercised by, and no loans were made to, key management personnel.

##### Key management personnel transactions

Related party transactions with key management personnel are described below. These payments were made based on normal commercial terms and conditions.

The following amounts were paid to Murcia Pestell Hillard Pty Ltd, a company related to Mr. G Pestell:

	2021	2020
	\$	\$
Provision of general legal services	46,972	92,038
	<b>46,972</b>	<b>92,038</b>

#### Note 22: Interests in subsidiaries

The consolidated financial statements include the financial statements of RooLife Group Ltd and the subsidiaries listed in the following table.

Name of entity	Country of incorporation	% Equity interest		Investment	
		2021	2020	2021	2020
		%	%	\$	\$
OpenDNA (UK) Limited	United Kingdom	100	100	4,865,516	4,865,516
OpenDNA (Singapore) Pte Ltd	Singapore	100	100	98	98
CHOOSE Digital Pty Ltd	Australia	100	100	658,333	658,333
RooLife Pty Limited	Australia	100	100	558,334	558,334
RooLife (HK) Limited	Hong Kong	100	100	-	-
Blackglass Pty Ltd	Australia	100	100	300,000	300,000
QBID Pty Ltd	Australia	100	100	652,851	652,851
QBID Holdings Pty Ltd	Australia	100	100	-	-
Qualis Pty Ltd	Australia	100	100	-	-
Qualis Brands Pty Ltd	Australia	100	100	-	-
RooLife China	China	100	100	-	-
Kiwi Health Pty Ltd	Australia	100	-	-	-

RooLife Group Ltd is the ultimate Australia parent entity and the ultimate parent of the Group. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Details of transactions between the Group and other related entities are disclosed below.

##### Trading transactions

There were no balances outstanding from related parties at the end of the reporting period.

## Notes to the financial statements (continued)

### For the year ended 30 June 2021

#### Note 23: Parent entity disclosures

	2021	2020
	\$	\$

##### Financial position

Current assets	2,841,219	768,689
Non-current assets – equipment	7,233	1,983
Non-current assets – investments in, and loans to, subsidiaries	3,570,557	4,345,043
Current liabilities	(721,205)	(538,010)
Net assets	<b>5,697,804</b>	<b>4,577,705</b>

##### Equity

Issued capital, net of capital raising costs	27,574,463	21,298,469
Share-based payments reserve	1,705,106	1,867,682
Accumulated losses	(23,581,765)	(18,588,446)
Total equity	<b>5,697,804</b>	<b>4,577,705</b>

##### Financial performance

Loss for the year	(4,993,319)	(3,451,081)
Other comprehensive loss	-	-
Total comprehensive loss	<b>(4,993,319)</b>	<b>(3,451,081)</b>

##### Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity;
- Investments in associates are accounted for at cost, less any impairment, in the parent entity;
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

##### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

As at 30 June 2021, the Company has not entered into any cross guarantees with any of its subsidiaries (30 June 2020: Nil).

##### Contingent liabilities of the parent entity

As at 30 June 2021 the Company has no contingent liabilities (30 June 2020: Nil).

##### Capital commitments

As at 30 June 2021 the Company has no capital commitments (30 June 2020: Nil).

#### Note 24: Auditor's remuneration

The auditor of RooLife Group Ltd is HLB Mann Judd.

	2021	2020
	\$	\$
Auditor of the parent entity		
Audit or review of the financial statements	51,960	55,373
Other assurance service	5,000	-
	<b>56,960</b>	<b>55,373</b>

##### Network firm of the parent Company auditor

Audit or review of the financial statements of RooLife (HK) Limited

	2,350	1,433
	<b>59,310</b>	<b>56,806</b>

Notes to the financial statements (continued)  
For the year ended 30 June 2021

Note 25: Events subsequent to the reporting date

On 6 July 2021, the Group completed a placement to a strategic investor to raise \$1,702,000 before costs, via an issue of 74,000,000 ordinary shares at \$0.023 each.

Other than noted above, there has been no additional matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Note 26: Business combination

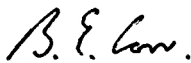
In the previous year, the following net cash flows were made for acquisition of subsidiaries:

	QBID Pty Ltd \$	Blackglass Pty Ltd \$	Total \$
Cash paid	50,000	155,000	205,000
Cash consideration applied to working capital	150,000	-	150,000
Cash deficit assumed on acquisition	10,948	-	10,948
	210,948	155,000	365,948

Directors declaration

1. In the opinion of the directors of RooLife Group Ltd ('the Company'):
- a. the accompanying 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 30 June 2021 and of its performance for the 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 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 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

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



Bryan Carr  
Managing Director and Chief Executive Officer  
Dated: 31 August 2021

## INDEPENDENT AUDITOR'S REPORT

To the members of RooLife Group Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of RooLife Group Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

[hlb.com.au](http://hlb.com.au)

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Key Audit Matter	How our audit addressed the key audit matter
<b>Carrying Value of Intangible Assets including Goodwill</b> Notes 12 and 13 of the financial report	
In accordance with AASB 136 <i>Impairment of Assets</i> , the Group was required to assess at balance date whether there was any indication that the technology asset may have been impaired. If any such indication existed, the Group was required to estimate the recoverable amount of the asset.  The Group was also required to test goodwill for impairment.  We focused on this area as the intangible assets including goodwill represent significant assets of the Group. We planned our work to address the audit risk that the intangible assets including goodwill may have been impaired.	Our procedures included, but were not limited to the following: <ul style="list-style-type: none"> <li>- We reviewed management's assessment of whether any impairment indicators existed that would require the technology asset to be tested for impairment. We further assessed the decision made by management to fully impair the technology asset at balance date and ensured that appropriate disclosures were made in the financial report;</li> <li>- We critically evaluated the assumptions used in management's discounted cash flow forecasts to support the carrying value of the goodwill; and</li> <li>- We performed sensitivity analyses on management's discounted cash flow forecasts to determine reasonableness.</li> </ul>

#### Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



#### *Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on the Remuneration Report**

##### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of RooLife Group Ltd for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

##### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*HLB Mann Judd*

**HLB Mann Judd**  
Chartered Accountants

**Perth, Western Australia**  
31 August 2021

*L Di Giallonardo*

**L Di Giallonardo**  
Partner

## Additional Securities Exchange Information

The shareholders information set out below was applicable as at 27 August 2021.

### (a) Distribution of equity securities

The following is a distribution schedule for fully paid ordinary shares:

Range	Total holders	Units	% of Issued Capital
1 - 1000	33	4,323	0.00
1,001 - 5,000	35	141,825	0.02
5001-10,000	63	541,708	0.08
10,001-100,000	849	36,039,600	5.51
100,001 Over	592	617,025,657	94.38
Rounding			0.01
<b>Total</b>	<b>1,572</b>	<b>653,753,113</b>	<b>100.00</b>

Unmarketable Parcels	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$0.025 per unit	20,000	322	3,573,202

The following is a distribution schedule for Listed Options

Range	Total holders	Units	% of Issued Capital
1 - 1000	37	1,761	0.00
1,001 - 5000	13	49,288	0.01
5,001 – 10,000	28	233,681	0.07
10,001 – 100,000	104	5,247,494	1.56
100,001 Over	258	331,019,932	98.36
Rounding			0.00
<b>Total</b>	<b>440</b>	<b>336,552,156</b>	<b>100</b>

## Additional Securities Exchange Information (continued)

### (b) Equity security holders

The following is a listing of the top 20 holders of fully paid ordinary shares.

Rank	Name	Units	% Units
1	MEGA HOLDINGS PTY LTD	81,850,904	12.52
2	MR JAY SHAH	32,338,332	4.95
3	PASSIO PTY LTD <G WESTON & ASSOC S/F A/C>	23,710,000	3.63
4	BARRY CONSULTING PTY LTD <BARRY FAMILY A/C>	20,871,428	3.19
5	MS XIAODAN WU	15,233,831	2.33
6	NEXT GENERATION FISHERIES PTY LTD	14,824,561	2.27
7	MR BRYAN EDWARD CARR <SHABAZ FAMILY A/C>	12,250,000	1.87
8	MR GARY ROGER KNIGHTS <KNIGHTS FAMILY A/C>	11,500,001	1.76
9	PELLICCIONE SF PTY LTD <PELLICCIONE S/F A/C>	8,963,782	1.37
10	MR MARK AUGUST NICKEL	7,400,000	1.13
11	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,889,352	1.05
12	MR BRADLEY ANTHONY SAXBY	6,400,000	0.98
13	MR STEWART WILKINSON	6,365,244	0.97
14	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	6,183,218	0.95
15	ASB NOMINEES LIMITED <ACCOUNT 937802 A/C>	6,000,000	0.92
16	CITICORP NOMINEES PTY LIMITED	5,931,832	0.91
17	KERRY JOHN MASON + MARY CATHERINE [COUGHLAN-MASON]	5,820,827	0.89
18	MR JEREMY NICHOLAS TOLCON	5,500,000	0.84
19	MR JEFCOATE JENSEN DICKIE	5,000,000	0.76
20	MRS WEI YA JUN FENG HU	4,937,600	0.76
<b>Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)</b>		<b>287,970,912</b>	<b>44.05</b>
<b>Total Remaining Holders Balance</b>		<b>365,782,201</b>	<b>55.95</b>

## Additional Securities Exchange Information (continued)

### (b) Equity security holders (continued)

The following is a listing of the top 20 holders of Listed Options.

Rank	Name	Units	% Units
1	PASSIO PTY LTD <G WESTON & ASSOC S/F A/C>	23,684,341	7.04
2	M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	15,840,000	4.71
3	MR PETER DAVID SHEPPEARD <SHEPPEARD FAMILY A/C>	11,500,000	3.42
4	MRS QUYNH CHI PHAN	10,300,000	3.06
5	MR JOHN ANDREW SECCULL	10,038,449	2.98
6	DR AHMED TOAHA MOBASHSHER	9,403,145	2.79
7	PIGEQUITY PTY LTD	8,499,994	2.53
8	NORTHEYCORP PTY LTD <TAP NORTHEY FAMILY A/C>	7,832,716	2.33
9	MR JAMES CHEN	7,000,000	2.08
10	ALTOR CAPITAL MANAGEMENT PTY LTD <ALTOR ALPHA FUND A/C>	6,457,243	1.92
11	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	5,701,958	1.69
12	UBS NOMINEES PTY LTD	5,700,000	1.69
13	MR MATHEW OMER SKYE	5,500,000	1.63
14	THE GALVANISED TRAILER COMPANY PTY LTD	5,490,000	1.63
15	MTR CONTROLLED EQUITIES PTY LTD	5,166,666	1.54
16	SEQUOIA CORPORATE FINANCE PTY LTD	4,966,398	1.48
17	DR STEPHEN DENNIS GIPPS	4,647,781	1.38
18	MR BRADLEY ANTHONY SAXBY	4,634,435	1.38
19	MR DANIEL AARON HYLTON TUCKETT	3,689,997	1.10
20	MR JIA-JIAN CHEN + MRS ZHANG PING	3,500,000	1.04
20	STORM ENTERPRISES PTY LTD	3,500,000	1.04
20	MR JEREMY NICHOLAS TOLCON	3,500,000	1.04
<b>Totals: Top 22 holders of LISTED OPTIONS EXPIRING 31/10/2021 @ \$0.05 (Total)</b>		<b>166,553,123</b>	<b>49.49</b>
<b>Total Remaining Holders Balance</b>		<b>169,999,033</b>	<b>50.51</b>

## Additional Securities Exchange Information (continued)

The following unlisted options are on issue:

Number of Options	Number of holders	Option Terms
3,000,000	3	Options exercisable at \$0.40 expiring 30 June 2023
600,000	1	Options exercisable at \$0.40 expiring 18 January 2022
20,000,000	2	Executive Options exercisable at \$0.055 expiring 4 February 2024
<b>23,600,000</b>		

### (c) Restricted Securities

There are no Restricted Securities on Issue

### (d) Voting rights

Every ordinary shareholder present in person or by proxy at meetings of shareholders shall have one vote for every share held.

Option holders and Performance Share Holders have the right to attend meetings but have no voting rights until the options are exercised.

### (e) Substantial holders

The following shareholders are considered substantial shareholders of the Company:

» Mega Holdings Pty Ltd: 81,850,904 Shares (Representing 12.52% of total issued shares)

### (f) Corporate governance statement

In accordance with ASX Listing Rule 4.10.3, the Company's Corporate Governance Statement can be found on its website at [www.roolifegroup.com.au](http://www.roolifegroup.com.au).



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