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RLG



QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C FOR THE PERIOD ENDED 31 DECEMBER 2023

ASX:RLG

31 JANUARY 2024

Q2 FY2024 APPENDIX 4C & KEY FINANCIAL DATA

RLG Revenue (unaudited) for 1HY FY24 was \$7.2m, with an additional \$1m of revenue to be recognised in Q3 FY2024 due to production delays resulting in product delivery delaying from Q2 FY2024 to Q3 FY2024 (Comparable Period 1HY FY23, Revenue was \$6.4m).

Cost reduction initiatives through Q4 FY23 continued into Q2 FY24 with some associated one-off costs in the Quarter.

Q2 FY2024

\$ 2.87m

CASH RECEIPTS Q2 FY2024

\$(2.04m)

PRODUCT & OPERATING COSTS PAYMENTS Q2FY2024

\$(0.19m)

NET CASH USED IN OPERATING ACTIVITIES Q2 FY2024

vs

Q1 FY2024

\$ 4.45m

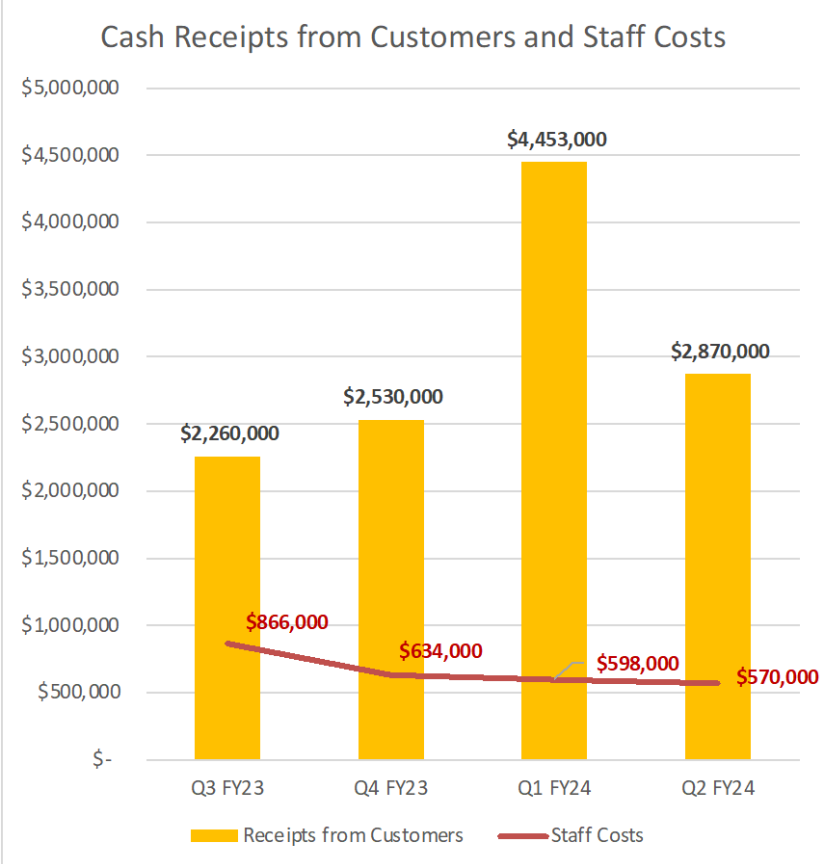
CASH RECEIPTS Q1 FY2024

\$(3.93m)

PRODUCT & OPERATING COSTS PAYMENTS Q1 FY2024

\$(0.47m)

NET CASH USED IN OPERATING ACTIVITIES Q1 FY2024



1HY FY2024

\$7.2m

Approximately \$1m in Revenue Expected in 1HY FY2024 moved to 2HY FY2024 due to delayed Delivery

 +12.5%

1HY FY2023

\$6.4m

REVENUE

Q2 FY2024

\$ 2.49m

CASH AT BANK



RLG OPERATIONAL UPDATE FOR Q2 FY2024

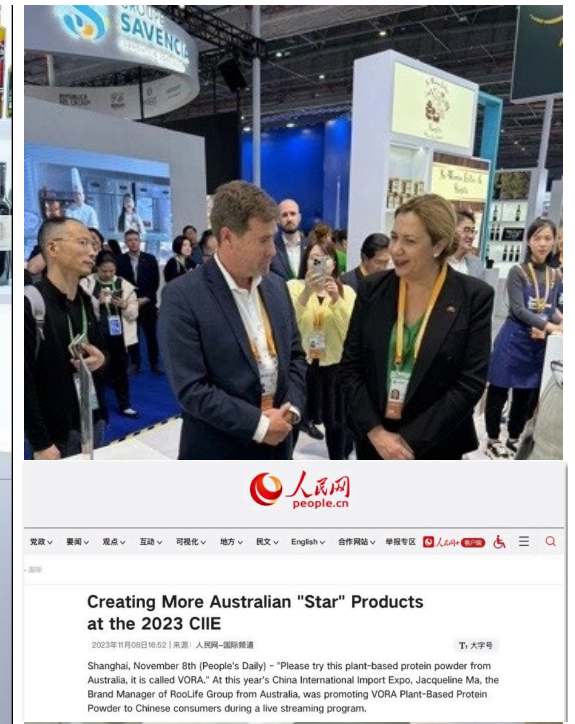
- RLG has been appointed by Minijumbuk (www.minijumbuk.com.au) to market and sell its well-known Australian premium wool bedding products including quilts, mattress toppers and pillows in China, achieving sales and sales orders of approximately \$700,000 driven by a marketing activities implemented through the last two Quarters.
- RLG expanded supply agreements with Shanghai No.1 Pharmaceuticals Company at China International Import Expo (CIIE).
- Additional orders received for Shanghai No.1 Pharmaceuticals for RLG's exclusive-in-China brands.
- Media coverage in China showcasing RLG's achievements and range of products in market, including the Company's own VORA Health range of products and the successful launch and positioning of Remedy Drinks Kombucha, including coverage in the People's Daily (<http://world.people.com.cn/n1/2023/1108/c1002-40114059.html>) and online media.
- Additional contracts signed with an Australian Beauty Products company, an Australian Pharmaceutical company and a European entertainment group.
- RLG and The Calmer Co have concluded the Sales and Marketing agreement for the Fiji Kava range of products in China and Australia with The Calmer Co. purchasing back remaining inventory. Having managed the Australian and China online stores through 1HY FY2024, The Calmer Co assumes operations and control of the Australian online store and the Special Purpose Vehicle, Fiji Kava Global Pty Ltd which operates the Tmall Global Flagship Store in February 2024.
- Continued implementation of cost minimisation across business operations.
- Completed issue of performance rights as incentive to maximise sales and performance under AULife partnership agreement.

RLG – CHINA INTERNATIONAL IMPORT EXPO (CIIE) 2023

TARGETING NEW CHANNELS

During the Quarter, RLG attended and promoted its product portfolio at China International Import Expo in Shanghai, on 5-10 November 2023, with the support of *Austrade, Trade & Investment Queensland, Global Victoria* and *Western Australia's DPIRD*.

RLG was showcased on CCTV on a livestream broadcast attracting 46,000 views and in People's Daily news coverage.



RLG ADDITIONAL SALES & DISTRIBUTION CHANNEL DEVELOPMENT THROUGH Q2 FY2024



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RLG continued to expand the range of online shopping platforms through which it markets and sells its portfolio of products in China with additional distribution channel partnerships established through the Quarter, including at the China International Import Expo (CIIE), the annual major initiative of the Chinese government.

Partnerships were established with sales channels and platforms such as VIP.com and other major channels, including signing with the Large Retail Purchaser Alliance of the Shanghai Trading Group, further expanding the reach for RLG's brands to service consumer demand in China for International and Australian brands on the back of the renewed and open trade engagement between Australia and China.



Signing Ceremony of Procurement of Large Retail Purchaser Alliance of Shanghai Trading Group



Q2 FY2024 - STRATEGIC BOARD CHANGES



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In December 2023, RLG implemented strategic changes to its Board, with Mr Terence Leung joining the Board as an independent Non-Executive Director and Mr Warren Barry stepping down as a Director to focus exclusively on sales and business development in an executive role with the Company.

Mr Leung, based in Hong Kong and with extensive China-based business and financial markets expertise, is working closely with both the China-based and Australia teams to progress new sales opportunities.

Mr Leung has over 15 years of professional experience in the financial services, spanning investment banking and capital markets, principal investment and asset management. He has previously worked for international investment bank Credit Suisse; China's largest securities brokerage Huatai and an Asian hedge fund manager. More recently, he has been engaged in various business ventures involving China cross-border trade and further enhances the Company's expertise in this sector.



Corporate, Financial Performance & Other Cash Items

- Product Manufacturing and Operating Costs in the quarter were \$2.035m, down from \$3.931m in the prior quarter.
- Payments for staff costs, including directors, in the quarter totalled \$570k, down from \$598k in the prior quarter, representing the fourth consecutive quarter of reduced staff costs as the Company continued its focus on cost efficiencies, although some one-off costs being incurred in the Quarter.
- Administration and corporate costs in the quarter were \$286k.
- Fees paid to Non-Executive Directors were \$30k and fees paid to Executive Directors during the Quarter totalled \$119k.
- Ongoing reduction in net cash outflows from operating activities, reflecting the positive impact of recent cost-saving initiatives.

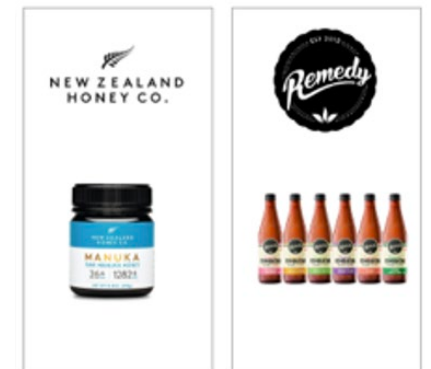
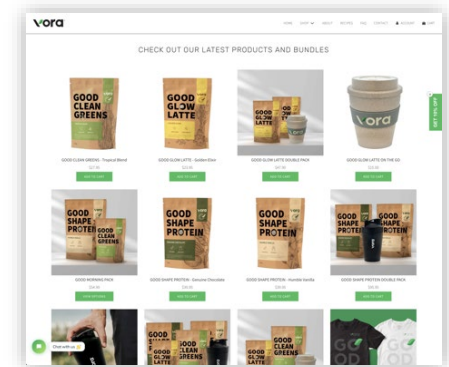
ABOUT ASX:RLG



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SELLING FOOD, HEALTH AND WELLBEING PRODUCTS ONLINE AND VIA SALES CHANNELS

- RLG matches consumer demand with brands via multiple channels
- RLG drives online and in-market sales of international brands
- RLG's focus on Health, Wellbeing and Food products including own VORA brand and product range
- Strong China focus - the largest e-commerce market globally, generating almost 50% of the world's transactions, valued at \$USD2.3 trillion and providing access to 940 million online shoppers*
- The size of the addressable market and RLG's established and expanding platforms for accessing this market provides a solid foundation to drive toward future growth and profitability



* www.trade.gov/country-commercial-guides/china-e-commerce , www.statista.com/statistics/663464/alibaba-cumulative-active-mobile-users-taobao-tmall/

ABOUT RLG'S MULTI-CHANNEL REVENUE MODEL

REVENUE FROM RECURRING SERVICES FEES + PRODUCT SALES



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Ecommerce:
Prominent ecommerce and cross
border channels



Social Commerce:
Influencers livestreaming and
selling direct to consumers



B2B Distributors:
Network connecting with
retailers across China



RLG CONNECTS GLOBAL BRANDS WITH CUSTOMERS

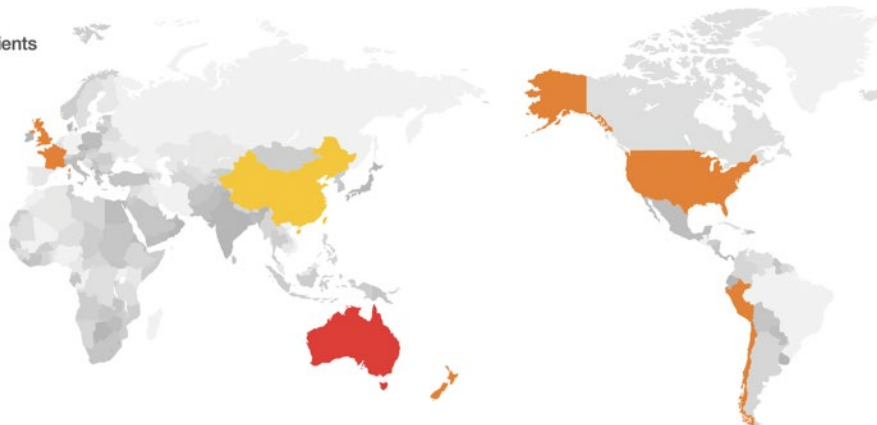


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- An established, leading e-commerce platform provider
- Selling food, health and well being products
- Global Client Base – 7 Countries
- Own Brand – VORA “Good for you” Food Products launched
- Market Focus – Australia, South East Asia & Emerging Markets
- Targeting growing margin on Product Sales

Global Footprint of Clients

- Australia
- New Zealand
- USA
- UK
- France
- Peru
- Chile



RLG China Channel Network



Social/E-commerce



E-commerce Platforms



Online & Offline B2B



High End Retail Grocery



High End Retail Trade



Specialty Retail (Gyms/Clubs/Hotels)



Government Organizations/Events/Seminars/Training





Compelling in-demand service:

E-commerce & sales platforms selling food, health and wellbeing products.

Proven platform ready for scale:

Strong international product range from NZ, UK, Europe, USA, South America, Australia.

Infrastructure investment creates turnkey solution:

China team, Australian team, logistics, warehousing, translation, marketing, distribution and e-commerce support for rapid market entry.

Company Owned Health Brand:

VORA – “Good for you” health food range, selling into high demand, high growth markets, delivering margin benefits & ability to rapidly respond to demand.

Multiple Revenue Lines & Channels:

Mix of stable recurring revenues and product sales with growing range of products and sales channels.



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LinkedIn RooLife Group

Website www.roolifegroup.com.au

Issued by: RooLife Group Ltd

Authorised by: The Board of RooLife Group Ltd

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

RooLife Group Limited

ABN

14 613 410 398

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	2,870	7,323
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(2,035)	(5,966)
	(c) advertising and marketing	(132)	(229)
	(d) leased assets	-	-
	(e) staff costs	(570)	(1,168)
	(f) administration and corporate costs	(286)	(518)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	13	21
1.5	Interest and other costs of finance paid	(29)	(51)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	52	52
1.8	Other (provide details if material)	(71)	(126)
1.9	Net cash from / (used in) operating activities	(188)	(662)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1)	(1)
	(d) investments	-	-
	(e) intellectual property	(7)	(7)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	2	2
	(d) investments	60	60
	(e) intellectual property	10	10
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(2)	58
2.6	Net cash from / (used in) investing activities	62	122

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	1,200
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	400
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	1,600

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,647	1,420
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(188)	(662)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	62	122

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,600
4.5	Effect of movement in exchange rates on cash held	(32)	9
4.6	Cash and cash equivalents at end of period	2,489	2,489

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,489	2,647
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,489	2,647

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	161 ¹
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

¹ Payments totalling \$149,000 were made to directors for fees and superannuation on fees.

Payments totalling \$12,000 were made to Murcia Pestell Hillard Pty Ltd, a company related to Mr. Grant Pestell, for the provision of legal services.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	2,600	2,200
7.2	Credit standby arrangements	50	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	2,650	2,200
7.5	Unused financing facilities available at quarter end		450
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. Working Capital Loan Agreement for a line of credit of \$1,000,000, with Saxby Capital Investments Pty Ltd, to be drawn on a case-by-case basis for each sale of product into China. Interest is calculated at 10% per annum on loan amount drawn down, payable quarterly in arrears. Repayment of the drawn down amount of \$600,000 is due in two equal instalments on 5 January 2024 and 1 April 2024. The finance facility is secured by a fixed and floating charge over receivables and inventory to the equivalent value of amount outstanding of the Loan. Unsecured Loan Agreement for a line of credit of \$400,000, with Directors Bryan Carr and Warren Barry, to be drawn down for sale of productions into China. Interest is calculated at 10% per annum on loan amount drawn down, payable in arrears. Repayment per transaction, typically 90 days terms for repayment to be agreed between lender and Borrower on a case by case basis. Convertible Note Agreement for \$200,000 with existing shareholder Xiaodan Wu (A Hong Kong Based substantial shareholder in RLG). Interest is calculated at 8% per annum on loan amount drawn down, payable quarterly in arrears. Repayment of the loan amount is due on 14 August 2024. The lender may elect to convert part or all of the Loan into RLG Shares at any time prior to the end of the Term. Any conversion of the Loan into RLG Shares will be at a conversion price of \$0.025 per RLG Share The loan is secured by a charge over receivables and inventory to the equivalent value of amount outstanding of the Loan. Convertible Note Agreement for \$1,000,000 with Westcap Pty Ltd. Interest is calculated at 8% per annum on loan amount drawn down, payable quarterly in arrears. Repayment of the loan amount is due on 28 October 2024. The lender may elect to convert part or all of the Loan into RLG Shares at any time prior to the end of the Term. Any conversion of the Loan into RLG Shares will be at a conversion price of \$0.025 per RLG Share The loan is secured by a charge over inventory directly purchased with funds lent to the equivalent value of amount outstanding of the Loan. Business Overdraft Facility of \$49,999 with Australia and New Zealand Banking Group Limited (ANZ) at an interest rate of 10.45%. The facility is unsecured and has no fixed maturity date.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(188)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,489
8.3	Unused finance facilities available at quarter end (item 7.5)	450
8.4	Total available funding (item 8.2 + item 8.3)	2,939
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	15.63
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2024

Authorised by: The Board of RooLife Group Ltd

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.