



**ROOLIFE GROUP LTD**

**ACN 613 410 398**

**PROSPECTUS**

For:

- a pro-rata non-renounceable issue of one (1) New Share for every two (2) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.03 per New Share, with one (1) accompanying New Option exercisable at \$0.05 and expiring on 31 October 2021 to be issued with every New Share (**Rights Issue**); and
- an offer of Residual Securities on the terms set out in Section 1.11 (**Residual Offer**),

to raise approximately \$5,492,518 before costs of the issue.

Sequoia Corporate Finance Pty Ltd is acting as Lead Manager to the Rights Issue. The Rights Issue is not underwritten.

**ASX Code: RLG**

**IMPORTANT NOTICE**

***This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser.***

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## IMPORTANT NOTICE

### Prospectus

This Prospectus is dated 25 August 2020 and was lodged with ASIC on that date. No responsibility for the contents of this Prospectus is taken by ASIC nor ASX.

The New Shares and New Options issued pursuant to this Prospectus (**New Securities**) will be issued on the terms and conditions set out in this Prospectus. No New Securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

In preparing this Prospectus regard has been had to the fact the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult. No person is authorised to give any information or to make any representation in connection with the Rights Issue described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. Those words and phrases (and their associated definitions) are set out in Section 5 of this Prospectus.

### Electronic Prospectus

A copy of this Prospectus in electronic format may be viewed at <https://roolifegroup.com.au/> or the website of ASX by Australian investors only. The Rights Issue constituted by this Prospectus in electronic form is only available to Eligible Shareholders receiving this Prospectus in electronic form within Australia.

New Securities and Residual Securities will only be issued with respect to the Entitlement and Acceptance Form or Residual Securities Application Form, as the case may be, if the Company is satisfied the Entitlement and Acceptance Form or Residual Securities Application Form was attached to a complete and unaltered version of this Prospectus. A paper copy of this Prospectus may be obtained free of charge on request by contacting the Company before 5pm (WST) on the Closing Date.

### Risk factors

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the risk factors that could affect the performance of the Company. Please refer to Section 3 for further information.

## Overseas Shareholders

The New Securities being offered under this Prospectus are being offered to Eligible Shareholders only.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Securities.

**WARNING:** The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

This document and any other materials relating to the New Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the New Securities may not be issued, circulated or distributed, nor may the New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**the SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Please refer to Section 1.22 for further information.

## Forward-looking statements

This Prospectus may contain forward-looking statements that have been based on current circumstances. Any forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

## Key Dates

Announce Rights Issue and lodgement of Appendix 3B with ASX	21 August 2020
Lodgement of the Prospectus with ASIC and ASX	25 August 2020
Ex-Date for Rights Issue	8 September 2020
Record Date	9 September 2020

Prospectus despatched to Shareholders/Opening Date	14 September 2020
Closing Date (5:00pm WST)	24 September 2020
Deferred settlement trading commences (if agreed by ASX)	25 September 2020
Announce results of issue and Residual Securities	29 September 2020
Issue date – Deferred settlement trading ends	1 October 2020
Commencement of trading of New Shares and New Options	2 October 2020
Last date to issue Residual Securities	24 December 2020

\* The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such, the date the New Shares and New Options are expected to commence trading on ASX may vary.

## LETTER FROM THE CHAIRMAN

25 August 2020

Dear Shareholder,

As a company, RooLife Group has come a long way over the last 12 months and I am delighted to report the achievement of 377% growth in revenue this financial year to \$3.4 million (unaudited). This is a great result and reflects the efforts from our hard-working team both here in Australia and in China.

During the last four months the Company has had a very successful business development period securing contracts which, if minimum sales targets are met, will deliver approximately \$8 million in revenue over an approximate 3 year period, scaled up each year, and highly importantly being appointed a Marketing Partner of China's Alipay.com. Please refer to respective ASX announcements for further information.

Our Company enables businesses to sell more effectively online, and whilst we established our business in Australia, we are now globally focussed with a growing International client base which we assist to achieve online sales delivering marketing and sales support into the Chinese market.

Your investment in RooLife Group provides you with diversified exposure to the largest e-Commerce market in the world, where we sell a diverse range of products, sourced from around the world.

RooLife's systems optimise online engagement, customer acquisition and direct sales for our clients and we have an enviable portfolio of products which we sell directly to a growing online shopper customer base in China.

Our online e-Commerce marketplaces assist businesses to sell directly to Chinese consumers and accept payment for these purchases via the WeChat and Alipay mobile payments platforms.

It has been a very busy and successful 4 months for the Company, during COVID-19 conditions, and the fact that we have been able to expand our business during this period is a strong validation of our business model.

The Company was recently appointed by ASX and NZX listed AFT Pharmaceuticals to launch and operate a New Zealand branded health & pharmacy store, "Kiwi Health" selling key AFT Pharmaceuticals' products on Alibaba's Tmall platform.

The new Kiwi Health store will market and sell a range of health and well-being products online in China leveraging the strong brand awareness of AFT's product range using the "Kiwi's thinking about health" branding.

Most recently we announced a new agreement with NZX-listed Blis Technologies to represent, market and sell their BLIS PROBIOTICS™ product range in China – another great win and endorsement of RooLife's business model and offering.

RooLife has also been appointed as the exclusive marketing, sales and distribution partner in China for SLG Brands, a U.K. based beauty and wellness company, for its COLAB Dry Shampoo brand, which is already sold in 37 countries around the world and is expected to have strong market appeal in China.

This followed on our success in being appointed by U.S. based skincare products company, Nuria, to exclusively market and sell their products into China.

Our appointment by Hangzhou China, based Alipay.com Co Ltd as a Marketing Partner for Alipay's online platform and services was a most satisfying achievement as it confirms our positing and credentials in the online China market.

The Marketing Cooperation Agreement with Alipay appoints RooLife to provide services for businesses enabling them to list, promote and sell via Alipay's platform.

Alipay delivers access to the world's leading mobile and online payment platform serving more than 1.2 billion users across the world with its e-wallet partners and with 900 million users in China.

Our board and management team have settled on what we believe is our unique formula for continued growth and we sincerely hope that you will choose to join and support us in our accelerated growth strategy with the offer to participate in our rights issue to raise approximately \$5.49 million.

Our International expansion has happened sooner than we had planned and anticipated and is vindication that our business offering and services have wide appeal globally. If anything, COVID-19 has accelerated the growth and uptake of e-commerce and is in turn driving the Company's growth.

With the funding we are seeking, our aim is to seize the opportunity in front of us and apply appropriate resources to accelerate our growth and geographic footprint by investing in our sales and marketing teams here and in China.

The tragedy of the COVID-19 pandemic is not lost on us, however the circumstances have presented an environment which plays to RooLife's strength – we are an online digital marketing and e-Commerce business. We drive online engagement and sales for our clients and our capability and reach in China, the largest e-Commerce market in the world, is in high demand.

We look forward to your support and participation in this rights issue and please be assured we will apply your investment in a considered and prudent manner to optimise and drive your Company's growth.

Thank you for your support to date and we look forward to your continued support.

Yours sincerely

**GRANT PESTELL**  
**Chairman**

## CORPORATE DIRECTORY

**DIRECTORS**  
Mr Grant Pestell (Non-Executive Chairman)  
Mr Warren Barry (Executive Director)  
Mr Bryan Carr (Managing Director)  
Mr Timothy Allison (Non-Executive Director)

**SECRETARY**  
Mr Peter Torre (Company Secretary)

**REGISTERED OFFICE**  
Unit B9, 1<sup>st</sup> Floor  
431 Roberts Road  
Subiaco WA 6008  
Email: [info@roolifegroup.com.au](mailto:info@roolifegroup.com.au)  
Website: <https://roolifegroup.com.au/>

**AUDITORS\***  
HLB Mann Judd  
Level 4, 130 Stirling Street  
Perth WA 6000

**SOLICITORS TO THE RIGHTS ISSUE**  
Murcia Pestell Hillard  
Suite 183  
Level 6, 580 Hay Street  
Perth WA 6000  
Tel: +61 8 9221 0033  
Fax: +61 8 9221 0133

**LEAD MANAGER**  
Sequoia Corporate Finance Pty Ltd  
Level 7, 7 Macquarie Place  
Sydney NSW 2000

**SHARE REGISTRAR\***  
Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
Perth WA 6000

**ASX Code**  
RLG

\*For information purposes only. This person has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

## Section 1 DETAILS OF THE RIGHTS ISSUE

### 1.1 Rights Issue

This Prospectus invites Eligible Shareholders to participate in a pro-rata non-renounceable issue of one (1) New Share for every two (2) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.03 per New Share, with one (1) accompanying New Option exercisable at \$0.05 and expiring on 31 October 2021 to be issued with every New Share, to raise approximately \$5,492,518 (less expenses of the Rights Issue).

The Rights Issue is not underwritten. However, the Lead Manager has agreed to procure firm commitments from investors to subscribe for Residual Securities (to the extent any exist following completion of the Rights Issue). Please refer to Section 1.19 for more information.

As at the date of this Prospectus the Company has 340,621,291 Shares on issue and has granted 120,180,128 Listed Options each exercisable at \$0.05 on or before 31 October 2021. A further 25,546,595 Shares will be issued on or around 27 August 2020 pursuant to placement announcements to the ASX on 21 August 2020 (**Placement**).

The Company also has 33,976,191 Performance Shares and 7,200,000 vested Unlisted Options, all with exercise prices above the Offer price.

Holders of Options and Performance Shares will not be entitled to participate in the Rights Issue. However, holders of vested Options and Performance Shares may exercise their Options or Performance Rights prior to the Record Date if they are an Eligible Shareholder and wish to participate in the Rights Issue.

The performance milestones for 15,238,095 of the Performance Shares have been met and at the date of this Prospectus remain subject to audit verification which may occur prior to the Record Date. However, the conversion to Shares will occur subsequent to the Record Date. Similarly, the Directors consider it unlikely that any of the Options will be converted to Shares before the Record Date given the exercise price of all Options is higher than the offer price of New Shares under the Rights Issue.

### 1.2 Purpose of the Rights Issue and Use of Funds

The funds raised will be applied towards the following:

Use of Funds	Full Subscription (\$)
Cost of Rights Issue (estimated)	\$355,000
Mobile Shopping App & Online Marketing Support	\$1,092,000
Global Expansion & Online Marketing Support	\$2,650,000
General Working Capital	\$1,395,518
<b>Total</b>	<b>\$5,492,518</b>

The above-proposed use of funds is a statement of present intention as at the date of this Prospectus and is subject to ongoing review and evaluation by the Company.

If the Company raises less than the Full Subscription column of the use of funds table above, then the



funds raised will be applied proportionately to the activities of the Company set out under the Full Subscription column of the use of funds table above.

Any additional funds raised from the participation of Shareholders in the Rights Issue as a result of the exercise of any of the 120,180,128 Listed Options or 7,200,000 vested Unlisted Options, which may be up to approximately \$8,709,006 (assuming all exercisable Options are exercised - and Shares are issued - prior to the Record Date), will be applied proportionately to the activities of the Company set out under the Full Subscription column of the Use of Funds table above. As at the date of this Prospectus, the applicable exercise prices for the Listed Options and the vested Unlisted Options are higher than the price at which the Shares are currently trading on ASX and, accordingly, the Directors consider that it is unlikely any of those Listed Options or vested Unlisted Options will be exercised by their holders prior to the Record Date.

### 1.3 Opening and Closing Dates

The Rights Issue will open on 14 September 2020 and close at 5pm (WST) on the Closing Date (except where payment is via BPAY<sup>®1</sup> in which case payment must be made by such earlier cut off time as your own financial institution may implement with regard to electronic payments) or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine.

### 1.4 Entitlement to Rights Issue

Eligible Shareholders who are recorded on the Company's Share register at 5pm (WST) on the Record Date are eligible to participate in the Rights Issue. Fractional entitlements will be rounded up to the nearest whole number of New Shares (and corresponding New Options). An Entitlement and Acceptance Form setting out your Entitlement to New Securities accompanies this Prospectus.

### 1.5 Actions required

As an Eligible Shareholder you may:

- (a) subscribe for all of your Entitlement (refer to Section 1.6);
- (b) subscribe for part of your Entitlement and allow the balance to lapse (refer to Sections 1.6 and 1.7); or
- (c) subscribe for all of your Entitlement (refer to Section 1.6) and apply for Additional New Shares (refer to Section 1.10).

You may also choose not to take up any of your Entitlement, in which case no action is required (refer to Section 1.7).

### 1.6 To subscribe for all or part of your Entitlement

If you wish to subscribe for all or part of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in that form or otherwise follow the instructions for online acceptance provided by the Company's registry. That form sets out the number of New Shares you are entitled to subscribe for.

The completed Entitlement and Acceptance Form must be accompanied by a cheque or bank draft made payable to "**RooLife Group Ltd**" and crossed "**Not Negotiable**" for the appropriate Application Money in Australian dollars calculated at \$0.03 per New Share (and free attaching New Option) and

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<sup>1</sup> Registered to BPAY Pty Limited ABN 69 079 137 518

received by the Company's Share Registrar at the below address by no later than 5pm (WST) on the Closing Date. A reply-paid envelope is enclosed for the convenience of Australian shareholders. The Company will present the cheque or bank draft on or around the day of receipt of the Entitlement and Acceptance Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Entitlement and Acceptance Form.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Securities you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Securities as your cleared Application Money will pay for (and to have specified that number of New Securities in your Entitlement and Acceptance Form) or your Application may be rejected.

<b>By post:</b>
RooLife Group Ltd GPO BOX 505  Melbourne Victoria  3001 Australia

**Alternatively, if you are paying by BPAY<sup>®</sup>, you do not need to mail the Entitlement and Acceptance Form.** Please refer to your personalised instructions on your Entitlement and Acceptance Form which includes your unique Customer Reference Number and the Biller Code. It is your responsibility to ensure your BPAY<sup>®</sup> payment is received by the Company by no later than 5pm (WST) on the Closing Date. You should be aware your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration. If you have multiple holdings you will also have multiple customer reference numbers. You must use the reference number shown on each Entitlement and Acceptance Form to pay for each holding separately.

To avoid postal delays, we recommend that you make your payment via BPAY.

#### 1.7 **If you do not wish to take up any part of your Entitlement**

If you do not wish to take up your Entitlement under the Rights Issue, you are not required to take any action. You will receive no New Shares or corresponding New Options and your Entitlement will become available as Additional New Securities or Residual Securities.

The number of securities you hold as at the Record Date and the rights attached to those securities will not be affected if you choose not to accept any of your Entitlement.

#### 1.8 **Entitlement and Acceptance Form binding**

A completed and lodged Entitlement and Acceptance Form or making a BPAY<sup>®</sup> payment constitutes a binding application to acquire New Securities on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Securities. The Directors' decision whether to treat an application as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

#### 1.9 **Eligible Shareholder representations and warranties**

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies or making a BPAY® payment, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given this Prospectus, does not prohibit you from being given this Prospectus and you:

- (a) agree to be bound by the terms of the Rights Issue;
- (b) declare all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Share Registrar using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare you are the current registered holder of Shares;
- (f) represent and warrant the law of your place of residence does not prohibit you from being given this Prospectus and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Securities and you are otherwise eligible to subscribe for part or all of your Entitlement and to participate in the Rights Issue;
- (g) acknowledge the information contained in, or accompanying this Prospectus is not investment or financial product advice or a recommendation that New Securities are suitable for you given your investment objectives, financial situation or particular needs; and
- (h) acknowledge the New Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable overseas securities laws, in particular the US Securities Act.

#### **1.10 Applying for Additional New Shares and New Options**

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Shares and corresponding New Options regardless of the size of their present holding.

An Eligible Shareholder that wishes to take up Additional New Securities must do so in accordance with the instructions on the Entitlement and Acceptance Form.

Any Entitlements not taken up may become available as Additional New Securities, which may be allocated by the Company in consultation with the Lead Manager. It is possible that there will be few or no Additional New Securities available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee that if Additional New Securities are available for issue, they will be allocated to all, or any, of the Eligible Shareholders who have applied for them. The Company may apply any scale-back in its absolute discretion (provided any scale-back will be on equal proportions).

It is an express term of the Rights Issue that applicants for Additional New Securities will be bound to accept a lesser number of Additional New Securities allocated to them than applied for if so allocated. If a lesser number of Additional New Securities is allocated to them than applied for, excess Application Money will be refunded without interest.

A single cheque should be used for the Application Money for your Entitlement and any Additional New Securities as stated on the Entitlement and Acceptance Form.

Alternatively, if you are paying by BPAY®, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY® must ensure payment is received by no later than 5pm (WST) on the Closing Date.

#### 1.11 Offer of Residual Securities

Any New Securities not applied for by the Closing Date will become Residual Securities. The Directors reserve the right to allocate and issue at their absolute discretion any Residual Securities within 3 months after the Closing Date in conjunction with the Lead Manager (**Residual Offer**). In exercising their discretion to allocate Residual Securities:

- (a) the Directors propose to allocate Residual Securities to both new investors and Eligible Shareholders in a manner considered appropriate to applicants having regard to the best interests of the Company and the Company's desire to maximise the amount of funds raised from the Residual Offer;
- (b) Eligible Shareholders are encouraged to apply for Residual Securities but in allocating Residual Securities, preference will not necessarily be conferred on Eligible Shareholders;
- (c) where the Directors consider it is in the best interests of the Company to allocate any portion of Residual Securities to a particular applicant or to particular applicants in order to maximise the total funds raised from the Residual Offer, the Directors may do so and this may result in preference being given to an application from a new investor who is not an Eligible Shareholder;
- (d) subject to the above, to the extent that applications for Residual Securities are made by Eligible Shareholders, as between those Eligible Shareholders the Directors will generally endeavour to allocate Residual Securities in a manner which is considered fair to those Eligible Shareholders, having regard to their existing shareholding interests;
- (e) the Directors will not allocate any Residual Securities to an applicant who is a Related Party of the Company in priority to, or to the exclusion of, another applicant;
- (f) the Company will not allocate Residual Securities under the Residual Offer to the extent that an applicant's voting power in the Company would, together with that applicant's associates, exceed the takeover thresholds in the Corporations Act (i.e. acquiring a controlling interest in 20% or more of the issued Shares, or increasing an existing controlling interest of more than 20%), subject to certain exceptions permitted by law; and
- (g) the Directors will not otherwise exercise their discretion regarding the allocation of Residual Securities in a manner likely to exacerbate a potential unacceptable control effect, except to the extent they consider necessary (acting reasonably) to prevent the issue of shares contrary to law or the Listing Rules.

The Residual Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Residual Offer is made outside Australia, the Residual Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors). Persons outside Australia who apply for Residual Securities represent to the Company that they can apply for Residual Securities in circumstances which do not require the offer for Residual Securities or this Prospectus to be registered.

Investors who are not Eligible Shareholders may apply for Residual Securities by completing the Residual Securities Application Form attached to this Prospectus and returning it together with a cheque for the value of those Residual Securities (at \$0.03 per New Share (and free attaching New Option)) to the Company's Share Registrar.

It is possible that there may be no Residual Securities available for issue.

The Directors reserve the right at their absolute discretion (in conjunction with the Lead Manager) to reject any application for Residual Securities or to issue a lesser number of Residual Securities than that applied for, and it is an express term of the Residual Offer that applicants for Residual Securities will be bound to accept a lesser number of Residual Securities allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable.

#### 1.12 Allotment and Application Money

New Securities will be issued only after all Application Money has been received and ASX has granted permission for the New Securities to be quoted. It is expected New Securities will be issued on 1 October 2020 and normal trading of the New Securities on ASX is expected to commence on 2 October 2020. Residual Securities will be issued on a progressive basis (but by no later than 3 months after the Closing Date).

All Application Money received before New Securities are issued will be held in a special purpose account.

#### 1.13 Market prices of the Shares on ASX

A summary of the sale prices of the Shares on ASX during the last 3 months until the last trading day on ASX immediately prior to lodgement of this Prospectus with ASIC is set out below:

High (\$)	Low (\$)	Volume weighted average price (\$)
\$0.039	\$0.018	\$0.031

The last market sale price of Shares on 24 August 2020 (which was the last day of trading before lodgement of the Prospectus with ASIC) was \$0.037.

#### 1.14 Minimum subscription

There is no minimum subscription amount sought to be raised by the Rights Issue. The Company will proceed to allot the New Securities irrespective of the amount raised.

No brokerage or stamp duty will be payable by Eligible Shareholders for a subscription for New Securities pursuant to their Entitlement.

#### 1.15 Tax implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Rights Issue or Shareholders applying for New Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders.

The Company makes no representation and provides no advice in relation to the tax consequences for any Shareholder taking up their Entitlement under the Rights Issue. Therefore, the Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to Shareholders in the Rights Issue. Shareholders and Option holders (if applicable) should seek professional taxation advice about the tax consequences of taking up their Entitlement.

#### **1.16 ASX quotation**

The Company will apply to ASX for official quotation of the New Shares and New Options offered under the Rights Issue pursuant to this Prospectus. If official quotation of the New Securities is not granted by ASX within 3 months of the date of this Prospectus, then the Company will not allot or issue any New Securities and all Application Money received pursuant to this Prospectus will be repaid as soon as practicable, without interest.

A decision by ASX to grant official quotation of the New Securities is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Securities offered under this Prospectus.

#### **1.17 Notice to custodians and nominees**

Custodians and nominees that currently hold Shares should note the Rights Issue is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws.

#### **1.18 No issue of New Securities after 13 months**

No New Securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

#### **1.19 Lead Manager**

Sequoia Corporate Finance Pty Ltd has been appointed as lead manager to the Rights Issue. Pursuant to the terms of that engagement the Lead Manager will provide corporate advisory and capital raising services in connection with the Rights Issue and will, in addition, arrange for sophisticated and professional investors to bid for any Residual Securities available following completion of the Rights Issue. Refer to Section 4.7 for further details.

#### **1.20 Withdrawal of Rights Issue**

The Company reserves the right not to proceed with the Rights Issue at any time before the issue of the New Securities to Eligible Shareholders. If the Rights Issue does not proceed, the Company will return all Application Money as soon as practicable after giving notice of its withdrawal, without interest.

#### **1.21 Issue and allotment of New Securities**

The New Shares will be issued fully paid. From the date of issue, the New Shares will rank equally in all respects with the Shares currently on issue. Details of the terms of the New Shares are set out in Section 4.4 and details of the terms of the New Options are set out in Section 4.5. By returning your Entitlement and Acceptance Form, you agree to comply with the Constitution for the New Shares and New Options issued to you.

The New Securities issued pursuant to Eligible Shareholders' Entitlements, as well as the Additional New Securities, are expected to be issued and allotted by no later than 1 October 2020. Residual Securities will be issued on a progressive basis.

Until issue and allotment of the New Securities under this Prospectus, the Application Money will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest

earned on the Application Money will be for the benefit of the Company and will be retained by it irrespective of whether allotment and issue of the New Securities takes place.

#### 1.22 **Ineligible Shareholders**

The Company is of the view it is unreasonable to make the offer under this Prospectus to Ineligible Shareholders having regard to:

- (a) the small number of Ineligible Shareholders;
- (b) the small number and value of New Securities to be offered to Ineligible Shareholders; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the various overseas jurisdictions in which Ineligible Shareholders are located.

Accordingly, the Rights Issue is not being extended to, and does not qualify for distribution or sale by, and no New Securities will be issued to Shareholders having registered addresses outside Australia, New Zealand, Hong Kong and Singapore.

The New Securities being offered under this Prospectus are being offered to Eligible Shareholders only.

This Prospectus does not constitute an offer or invitation in any place outside Australia and New Zealand, in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The Company has not made investigations as to the regulatory requirements that may prevail in countries outside Australia, New Zealand, Hong Kong and Singapore in which the Company's Shareholders reside.

Each Shareholder taking up its Entitlement represents and warrants the law of any place does not prohibit that Shareholder from being given this Prospectus and the Entitlement and Acceptance Form, nor does it prohibit that Shareholder from making an application for New Securities and that Shareholder is otherwise eligible to participate in the Rights Issue. It is the responsibility of an Eligible Shareholder to ensure compliance with any laws of a country relevant to their Application.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand, may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Securities.

#### 1.23 **CHESS**

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESS, applicants will not receive a certificate but will receive a statement of their holding of New Shares and New Options.

If you are broker sponsored, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of New Shares and New Options issued to you under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Share Registrar and will contain the number of New Shares and New Options issued to you under this Prospectus and your security holder reference number.

A CHES statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

#### **1.24 Privacy**

The Company collects the information about each Shareholder provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer that Shareholder's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Shareholder agrees the Company may use the information provided by a Shareholder on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registrar, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application.

An applicant has an entitlement to gain access to the information the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

#### **1.25 Enquiries regarding this Prospectus**

Enquiries regarding this Prospectus should be directed to the Company Secretary by telephone on (08) 6444 1702.



## Section 2 CAPITAL STRUCTURE & EFFECT OF THE RIGHTS ISSUE ON THE COMPANY

### 2.1 Principal effects

The principal effects of the Rights Issue (assuming full subscription) are:

- (a) The Company's cash funds will increase by approximately \$5,492,518, less expenses of the Rights Issue, which are estimated to be approximately \$355,000; and
- (b) Assuming none of the Company's existed Listed Options, vested Unlisted Options or Performance Shares are converted or vest into Shares prior to the Record Date, the total number of Shares on issue will increase by 183,083,944 to 549,251,830 (including the Shares to be issued pursuant to the Placement as set out in Section 2.2) and the total number of Listed Options on issue will also increase by 183,083,944, to 303,264,072.

### 2.2 Capital structure

As at the date of this Prospectus 340,621,291 Shares are on issue. The pro-forma capital structure of the Company following the Rights Issue pursuant to this Prospectus is set out below (if 100% of the New Securities offered pursuant to this Prospectus are subscribed for and issued, and assuming no further securities are issued by the Company and no Options or Performance Shares are converted into Shares prior to the Record Date):

<b>Shares</b>	<b>Number<sup>1</sup></b>
Shares currently on issue	340,621,291
Shares to be issued pursuant to the Placement	25,546,595
Shares to be issued pursuant to the Rights Issue	183,083,944
<b>Total Shares on completion of the Right Issue<sup>1, 2</sup></b>	<b>549,251,830</b>
<b>Performance Shares</b>	<b>Number<sup>1</sup></b>
Class A Performance Shares	1,200,000
Class B Performance Shares	1,200,000
Class C Performance Shares	1,100,000
Tranche 1 Performance Shares	15,238,095
Tranche 2 Performance Shares	15,238,096
New Performance Shares to be issued pursuant to the Rights Issue	Nil
<b>Total Performance Shares on completion of the Rights Issue<sup>1</sup></b>	<b>35,726,191</b>
<b>Options</b>	<b>Number<sup>1</sup></b>
Unlisted Options exercisable at \$0.35 expiring 30 June 2021	3,000,000
Unlisted Options exercisable at \$0.40 expiring 30 June 2023	3,000,000

Unlisted Options exercisable at \$0.35 expiring 18 January 2021	600,000
Unlisted Options exercisable at \$0.40 expiring 18 January 2022	600,000
Unlisted Options exercisable at \$0.055 expiring 5 February 2024	20,000,000
Listed Options already on issue	120,180,128
New Options to be issued pursuant to the Rights Issue	183,083,944
<b>Total Options on completion of the Rights Issue<sup>1, 3</sup></b>	<b>330,464,072</b>

Notes:

1. Assumes no Options currently on issue are exercised, or Performance Shares currently on issue vest and are converted, before the Record Date. The Company notes that the performance milestones for 15,238,095 of the Performance Shares have been met and at the date of this Prospectus remain subject to audit verification which may occur prior to the Record Date. However, the conversion to Shares will occur subsequent to the Record Date. The vesting conditions attaching to the other Performance Shares have not been satisfied as at the date of this Prospectus. For clarity, the conditions of the Performance Shares are as follows:

- 1,200,000 Class A Performance Shares will convert into Shares upon the Company achieving 20 million users of its AI Platform (at least half of which are directly revenue generative), or \$875,000 in revenue over any period of three consecutive months (equating to annualised revenue of \$3.5 million).
- 1,200,000 Class B Performance Shares will convert into Shares upon the Company achieving 30 million users of its AI Platform (at least half of which are directly revenue generative), or \$1,875,000 in revenue over any period of three consecutive months (equating to annualised revenue of \$7.5 million).
- 1,100,000 Class C Performance Shares will convert into Shares upon the Company achieving 50 million users of its AI Platform (at least half of which are directly revenue generative), or \$3,000,000 in revenue over any period of three consecutive months (equating to annualised revenue of \$12 million).
- 15,238,095 Tranche 1 Performance Shares will convert into Shares upon the businesses of CHOOSE Digital and RooLife first achieving aggregate revenue of \$1.8 million in a rolling 12-month period (as confirmed by audited financial statements). The Company's management accounts indicate that this vesting condition has been met however the Company is awaiting final audit sign off as final satisfaction of the vesting condition.
- 15,238,096 Tranche 2 Performance Shares will convert into Shares upon the businesses of CHOOSE Digital and RooLife first achieving aggregate revenue of \$3 million in a rolling 12-month period (as confirmed by audited financial statements).

Whilst there is currently no certainty as to whether all of the vesting conditions will be satisfied, if they are satisfied, the number of Shares on issue will increase by up to 35,476,191 Shares.

2. Assumes that the Rights Issue is fully subscribed.

3. This does not include the following Listed Options which the Company intends to grant, subject to Shareholder approval (and which will accordingly not have been granted prior to completion of the Rights Issue):
- 25,546,595 Listed Options to be granted to the participants in the Placement on the basis of one new free-attaching Listed Option for each new Share subscribed for by participants in the Placement;
  - 4,966,398 Listed Options to be granted to the Lead Manager as part consideration for services provided by the Lead Manager in connection with the Placement and Rights Issue;
  - 1,800,000 Listed Options to be granted to Triple C Consulting for services provided in connection with the Rights Issue; and
  - 1,000,000 Listed Options to be granted to Red Leaf for services provided in connection with the Rights Issue.

Refer to Section 4.7 for further information.

### 2.3 Effect on control

There will be no effect on control of the Company if all Shareholders take up their Entitlements.

#### (a) Voting Power

No Shareholder will increase their voting power in the Company to 20% or more under the Rights Issue.

#### (b) Dilution

Shareholders who do not participate in the Rights Issue will have their holdings diluted. The following is a table which sets out the dilutionary effect at various shareholding levels, assuming that the Rights Issue is fully subscribed and no further Shares are issued (other than those Shares to be issued under the Placement) or Options exercised:

Holder	Holding at Record Date			Holding following the Rights Issue if no Entitlement taken up	
	Number	%	Entitlement	Number	%
1	3,661,678	1%	1,830,839	3,661,678	0.6
2	9,154,915	2.5%	4,557,097	9,154,915	1.66
3	18,308,394	5%	9,154,195	18,308,394	3.33
4	36,616,788	10%	18,308,394	36,616,788	6.66

### 2.4 Consolidated Statement of Financial Position

Set out below is the unaudited pro forma statement of financial position of the Company from the June 2020 management accounts, including the effect of the Rights Issue but excluding the exercise of any Options:

	Unaudited 30-Jun-20	Capital raising fees		Funds Received		Proforma	
		Placement	Prospectus - Full subscription	Placement	Prospectus - Full subscription	Placement	Full Subscription & Placement
<b>Assets</b>							
<b>Current Assets</b>							
Cash and cash equivalents	1,342,942	(45,984)	(389,200)	766,398	5,492,518	2,063,356	7,166,674
Trade and other receivables	410,627					410,627	410,627
Other current assets	261,521					261,521	261,521
Inventories	100,271					100,271	100,271
<b>Total current assets</b>	<b>2,115,361</b>	<b>(45,984)</b>	<b>(389,200)</b>	<b>766,398</b>	<b>5,492,518</b>	<b>2,835,775</b>	<b>7,939,093</b>
<b>Non current assets</b>							
Property, plant & equipment	7,118					7,118	7,118
Deferred tax assets	320,580					320,580	320,580
Intangible Assets	1,582,743					1,582,743	1,582,743
Goodwill	2,389,085					2,389,085	2,389,085
<b>Total non current assets</b>	<b>4,299,526</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,299,526</b>	<b>4,299,526</b>
<b>Total Assets</b>	<b>6,414,887</b>	<b>(45,984)</b>	<b>(389,200)</b>	<b>766,398</b>	<b>5,492,518</b>	<b>7,135,301</b>	<b>12,238,619</b>
<b>Non current liabilities</b>							
Trade and other payables	1,500,865					1,500,865	1,500,865
<b>Total current liabilities</b>	<b>1,500,865</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,500,865</b>	<b>1,500,865</b>
<b>Non current liabilities</b>							
Deferred tax liability	320,580					320,580	320,580
Provisions	15,737					15,737	15,737
<b>Total non current liabilities</b>	<b>336,317</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>336,317</b>	<b>336,317</b>
<b>Total Liabilities</b>	<b>1,837,182</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,837,182</b>	<b>1,837,182</b>
<b>Net Assets</b>	<b>4,577,705</b>	<b>(45,984)</b>	<b>(389,200)</b>	<b>766,398</b>	<b>5,492,518</b>	<b>5,298,119</b>	<b>10,401,437</b>
<b>Equity</b>							
Issued capital	21,298,469	(45,984)	(389,200)	766,398	5,492,518	22,018,883	27,122,201
Reserves	1,712,407	6,131	40,000			1,718,538	1,758,538
Accumulated Losses	(18,433,171)	(6,131)	(40,000)			(18,439,302)	(18,479,302)
<b>Total equity</b>	<b>4,577,705</b>	<b>(45,984)</b>	<b>(389,200)</b>	<b>766,398</b>	<b>5,492,518</b>	<b>5,298,119</b>	<b>10,401,437</b>

\*These figures assume the Rights Issue will be fully subscribed and do not take into account Options that may be exercised prior to the Record Date.

## Section 3 RISK FACTORS

### 3.1 Introduction

This Section 3 identifies the areas the Directors regard as the main risks associated with an investment in the Company. There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company. The following summary, which is not exhaustive, represents some of the main risk factors which the Directors consider potential investors need to be aware of.

### 3.2 Company specific risks

#### (a) Coronavirus (COVID-19)

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic and securities markets. The nature and effect of the outbreak on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors will continue to monitor the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market regarding the impact of COVID-19 on its revenue channels and adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

#### (b) Capital requirements

The continued operations of the Company are dependent on its ability to obtain financing through debt and equity means, or generating sufficient cash flows from future operations. There is a risk that the Company may not be able to access capital from debt or equity markets for future projects or developments, which could have a material adverse impact on the Company's business and financial condition.

The Company's ability to borrow money will be subject to the availability of debt at the time the Company wishes to borrow money and the cost of borrowing.

#### (c) Exchange rates

The income and expenditure of the Company can and often will be accounted for in United States and other currencies, exposing the Company to the fluctuations and volatility of the rate of exchange between these currencies and the Australian dollar as determined in international markets.

#### (d) Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management, each of whom has knowledge and experience of the Company's products and services that cannot be replicated by others in the short term. The CEO and management may, subject to the relevant periods of notice specified in their employment agreements with the Company, terminate their employment relationship with the

Company at any time and the loss of any member of the senior management team could harm the Company's business.

The Company will need to hire new technical and sales personnel as the business grows. Competition for such personnel is intense and any shortage of availability of the required skills could impair the development of the Company's business and the rate of such development. Such shortage could also cause wage inflation, which may impact on the Company's financial position and financial performance.

(e) Contract risks

The Company's subsidiaries may operate through a series of contractual relationships with operators and sub-contractors. All contracts carry risks associated with the performance by the parties thereto of their obligations as to time and quality of work performed. Any disruption to services or supply may have an adverse effect on the financial performance of the Company's operations.

The following specific contract risks should also be noted by investors and potential investors.

(f) Regulatory risk

The Directors anticipate that the Company will continue to have operations in a number of overseas jurisdictions and will be exposed to a range of different legal and regulatory regimes. This will give rise to risks relating to labour practices, foreign ownership restrictions, tax regulation, difficulty in enforcing contracts, and other issues. Possible sovereign risks include, without limitation, changes in legislation, a shift in political attitude, changes in economic and social conditions, political instability, the imposition of operating restrictions, government participation, changes to taxation rates and/or concessions, exchange control, licensing, duties or imposts, repatriation of income, or return of capital. Any of these factors may, in the future, adversely affect the financial performance and financial position of the Company.

(g) Litigation risk

The Company is subject to litigation risks. All industries, including the artificial intelligence and technology industries, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of litigation processes, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

(h) Taxation risk

Any change in laws and regulations applicable to the taxation of income, intercompany transactions, withholding taxes, levies and other transactional taxes affecting the Company in the countries it operates in or in which it is listed, or any change in the current interpretation or any disputes with tax authorities or any changes to the Company's income mix, may adversely affect its tax status and increase its tax payable, which would have a negative effect on financial results.

(i) Employment law risk

From time to time, the Company may receive claims from former employees for a variety of labour related matters which may or may not have merit. The Company's approach is to defend these claims as they arise. As with any litigation the outcome of any claim will not be known until heard by the court. Any claim which is not able to be successfully defended may result in a loss to the Company.

### 3.3 Technology and intellectual property

#### (a) Controls on the Company's intellectual property

The Company's intellectual property includes its software development and proprietary artificial intelligence algorithms, knowledge base of business operations (including user, industry and market behaviours), customer records and the experience of its management team and workforce. The Company proposes to maintain strict security and monitoring of its software code and customer records, including protection and restriction on physical access.

#### (b) Unauthorised use of intellectual property

Despite best efforts to the contrary, the Company cannot be certain that third parties will not make unauthorised use of intellectual property relevant to the Company's business to the detriment of the Company, its operations and business. In addition, there can be no guarantee that unauthorised use or copying of the Company's software, data or specialised technology will be prevented. Any unauthorised use, access or copying of the Company's intellectual property could impact adversely on the Company's financial position and financial performance.

#### (c) Inability to protect intellectual property rights

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain, particularly in developing economies around the world. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which it may eventually operate. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

The Company intends to pursue intellectual property protection for technologies it develops in future. However there is a risk that the Company will be unable to register or otherwise protect new intellectual property it develops in the future, or which is developed on its behalf by contractors.

In addition, competitors may be able to work around the intellectual property rights relied on by the Company, or independently develop technologies or competing products or services that do not infringe the Company's intellectual property rights. Those competitors may then be able to offer services that are very similar to or otherwise competitive against those provided by the Company and this could adversely affect the Company's business.

#### (d) Costs of enforcing intellectual property rights

The Company may be required to incur significant expense in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.

In addition, monitoring unauthorised use of the Company's intellectual property is difficult and may require the commitment of a large amount of financial resources. As a result, the Company may be unable to detect the unauthorised use of its intellectual property rights.

#### (e) Challenges to the Company's intellectual property rights

There is a risk that the validity, ownership or authorised use of intellectual property relevant to the Company's business may be challenged by third parties. While this could involve significant expense, it could also result in the Company being unable to use the intellectual property in question, either temporarily or permanently. If an alternative cost-effective solution is not available, it may materially adversely impact the Company's financial position and performance.

Such disputes may also temporarily or permanently adversely impact the Company's ability to develop its software and systems and this may adversely impact the Company's revenue and profitability.

(f) Source Code

The Company owns the copyright in the source code at the heart of its software. If the source code is made available to third parties it may be misappropriated and used in competition with the Company's products and services and this may have an adverse effect on the Group's financial position. It may be difficult for the Company to discover whether a third party has misappropriated and used the source code and it may be expensive for the Company to enforce its rights with respect to its source code. The Company has a policy regarding the use of, and maintaining the secrecy of, its source code and ensures that its staff and contractors are bound by that policy.

(g) Intellectual property infringement claims from third parties

There is a risk that other parties may develop substantially similar products, processes or technologies to those used by the Company and the Company may be subject to claims from time to time that it has infringed a third party's intellectual property rights. If such claims are substantiated, injunctions may be granted against the Company which could adversely affect the operation of its products, and have a negative impact on its business.

The Company does not believe that it is currently infringing any third party's intellectual property rights and, to date, no third party has asserted that the Company is infringing their intellectual property rights.

(j) Developing technology

The Company's future business prospects will depend on its ability to anticipate and respond to technological changes. The Company's prospects will also depend on its ability to develop and protect technology that meets changing market needs and addresses the technological advances and competitiveness of other companies operating in the markets targeted by the Company. There is also a risk that new products or technologies developed by third parties will supersede the Company's technology.

The Company may not be able to successfully respond to new technological developments or identify and respond to new market opportunities, products or services offered by its competitors. In addition, the Company's efforts to respond to technological innovations may require significant capital investments and resources. Failure to keep up with future technological changes or to identify opportunities for use of the Company's technology could have an adverse effect on the value and prospects of the Company and its technology.

(k) Security breaches and data protection issues

The Company collects a wide range of confidential information. Cyber-attacks may compromise or breach the technology the Company uses to protect confidential information.

Despite its efforts, there is a risk that the Company's security measures may not be sufficient to detect or prevent unauthorised access to, or disclosure of, confidential information held by the Company. Data security breaches could result in the loss of information integrity or breaches of the Company's obligations under applicable laws and agreements. This could lead to increased security costs and a slower take up of the Company's products and services by customers, and may adversely impact the Company's reputation, value, and financial performance.

### 3.4 General risks



(a) Securities investments

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Shares trade may be above or below the issue price and may fluctuate in response to a number of factors. Further, the stock market has experienced price and volume fluctuations. There can be no guarantee trading prices will not be subject to fluctuation. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

(b) Share market conditions

The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Economic risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption in any of the areas in which the Company operates, the rate of growth of gross domestic product, interest rates and the rate of inflation.

(d) Policies and legislation

Any material adverse changes in government policies or legislation of Australia, the United States or any other country in which the Company has economic interests may affect the viability and profitability of the Company.

(e) Investment speculative

The above risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by prospective investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Securities offered under this Prospectus. Therefore, the New Securities to be issued pursuant to this Prospectus carry no guarantee for the payment of dividends, returns of capital or their market value. Prospective investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for New Securities pursuant to this Prospectus.

## Section 4 ADDITIONAL INFORMATION

### 4.1 Continuous disclosure obligations

The Company is a "disclosing entity" under the Corporations Act and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, the Company is subject to the Listing Rules, which require continuous disclosure to the market of any information possessed by the Company, which a reasonable person would expect to have a material effect on the price or value of its securities.

### 4.2 Applicability of Corporations Act

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are continuously quoted securities of a body or options to acquire such securities.

The New Shares to be issued under this Prospectus are ordinary shares i.e. a class of shares that were continuously quoted securities at all times in the 3 months before the issue of this Prospectus.

Therefore, in preparing this Prospectus, regard has been had to the fact the Company is a disclosing entity for the purposes of the Corporations Act and matters may reasonably be expected to be known to investors and professional advisers whom investors may consult. It must be read in the context of, and having regard to, the Company's continuous disclosure obligations and publicly available information regarding the Company and its business.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

### 4.3 Information available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus. Alternatively, they can be downloaded from ASX's website at [www.asx.com.au](http://www.asx.com.au):

- (a) the Annual Report for the Company for the period ending 30 June 2019;
- (b) the Half Yearly Report for the Company for the half year ending 31 December 2019; and
- (c) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Report of the Company for the period ending 30 June 2019 and before the issue of this Prospectus:

Date	Description of ASX Announcement
5 September 2019	Full Year Statutory Accounts & Annual Report to Shareholders
5 September 2019	Corporate Governance Statement
5 September 2019	Appendix 4G
9 September 2019	Change of Director Interest Notice 2
12 September 2019	Trading Halt

<b>Date</b>	<b>Description of ASX Announcement</b>
16 September 2019	OPN to Acquire China e-Commerce Business QBID
16 September 2019	OPN Partners with Lobster Shack and Agrees \$500k Placement
14 October 2019	OPN Appointed Digital Partner to drive Brand for NBCF
14 October 2019	Pause in Trading
14 October 2019	Trading Halt
14 October 2019	Response to ASX aware query
16 October 2019	Completion of Capital Raising and Appendix 3B
16 October 2019	Notice under Section 708A(5)(e) of the Corporations Act 2001
21 October 2019	TechKnow Invest Conference Presentation
28 October 2019	Notice of Annual General Meeting/Proxy Form
31 October 2019	Quarterly Activities and Cash Flow Reports
28 November 2019	Acquisition of China e-Commerce Business QBID
2 December 2019	Results of Meeting
4 December 2019	OpenDNA renamed RooLife Grop Ltd and QBID Completion
4 December 2019	Partnership with WMall, new China Diagou e-Commerce Platform
4 December 2019	Appendix 3B
6 December 2019	Forthcoming Release of Voluntary Escrowed Securities
6 December 2019	Trading Halt
9 December 2019	Notice under Section 708A(5)(e) of the Corporations Act 2001
10 December 2019	Placement Completed Successfully Raising \$1.5m
11 December 2019	Additional Fund Raised Through Placement
17 December 2019	Appendix 3B
17 December 2019	Notice Under Section 708A(5)(e) of the Corporations Act 2001
30 January 2020	Quarterly activities Report and Appendix 4C
31 January 2020	Boardroom media Interview – December Quarter Review
3 February 2020	RLG Board Changes, Director Resignation and Appointment
3 February 2020	Final Director's Interest Notice
3 February 2020	Initial Director's Interest Notice

<b>Date</b>	<b>Description of ASX Announcement</b>
3 February 2020	Notice of General Meeting/Proxy Form
25 February 2020	Appendix 4D and Half Yearly Financial Statements
2 March 2020	Australia and China Digital Marketing and e-Commerce Update
5 March 2020	Appendix 3B
6 March 2020	Results of Meeting
10 March 2020	RLG to sell Nuria Beauty in China for Small World Brands
10 March 2020	Appendix 3G
10 March 2020	Appendix 2A
10 March 2020	Appendix 3Y x 2
10 March 2020	Notice under Section 708A(5)(e) of the Corporations Act 2001
2 April 2020	Pause in Trading
2 April 2020	Trading Halt
6 April 2020	RooLife & AFT Pharmaceuticals – China Update
9 April 2020	RooLife Market Update
20 April 2020	RooLife Appointed Alipay Marketing Partner
30 April 2020	Quarterly Activities Report and Appendix 4C
7 May 2020	Media Interview – RooLife Quarterly Overview
28 May 2020	SLG Brands appoints RooLife to sell COLAB Shampoo in China
8 July 2020	Trading Halt
10 July 2020	RLG and AFT Launch Online New Zealand Health Store in China
31 July 2020	Quarterly Activity and Cash flow Reports
5 August 2020	Corporate Presentation
17 August 2020	RLG to launch NZX Listed Blis Technologies products in China
19 August 2020	Trading Halt
21 August 2020	Placement and Entitlement Issue to Raise up to \$6.2m
21 August 2020	Proposed issue of Securities – RLG
21 August 2020	Clarification to Placement Announcement
21 August 2020	Proposed issue of Securities – RLG

#### 4.4 Rights attaching to New Shares

The New Shares to be issued under the Rights Issue pursuant to this Prospectus will rank equally in all respects with existing Shares. Full details of the rights attaching to the Shares are set out in the Company's Constitution, a copy of which can be inspected at the Company's registered office. The following is a summary of the principal rights which attach to the Shares:

(a) Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has;

- (i) one vote for every fully paid Share held by him or her; and
- (ii) a fraction of one vote for each partly paid up Share held by him or her.

A poll may be demanded by the chairman of the meeting, by at least two Shareholders entitled to vote on the particular resolution present in person, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of the Shares held by all Shareholders who have the right to vote on the resolution.

(b) Dividends

The Directors may determine that Dividends are payable on Shares. New Shareholders will be entitled to dividends as a result of ownership of their New Shares in accordance with the Constitution.

(c) Further issue of securities

Subject to the Corporations Act and the Listing Rules, the Directors may allot, grant options over, or otherwise dispose of shares in the Company at the times and on the terms the Directors think fit but the Company shall not issue any share with a voting right more advantageous than that available to any share previously issued by the Company. A share may be issued with a preferential or special right.

(d) Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating dealings in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors of the Company may refuse to register any transfer of Shares, (other than a market transfer) where the Company is permitted or required to do so by the Listing Rules or the ASX Settlement Operating Rules. The Company must not prevent, delay or interfere with the generation of a proper market transfer in a manner which is contrary to the provisions of any of the Listing Rules or the ASX Settlement Operating Rules.

(e) Meetings and notice

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

(f) Liquidation rights

A liquidator may, with the authority of a special resolution of Shareholders:

- (i) distribute among the Shareholders the whole or any part of the remaining property of the Company; and
- (ii) decide how to distribute the property as between the Shareholders or different classes of Shareholders.

The liquidator may vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but no Shareholder can be compelled to accept any shares or other securities in respect of which there is any liability.

(g) Alteration and reduction of capital

The Company may, by resolution, alter its capital in any manner permitted by law and subject to the Corporations Act, the Company may by special resolution reduce its capital.

(h) Indemnities

Subject to the Corporations Act, the Company must indemnify each past and present officer against liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(i) Shareholder liability

As the New Shares offered under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(j) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days' written notice, specifying the intention to propose the resolution as a special resolution must be given.

(k) Listing Rules

Despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Similarly, nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

#### 4.5 Terms of New Options

The terms of the New Options, including those offered under this Prospectus, are as follows:

(a) **Entitlement**

The New Options entitle the holder to subscribe for one Share upon exercise of each New Option.

(b) **Exercise Price and Expiry Date**

The New Options have an exercise price of \$0.05 (**Exercise Price**) and an expiry date of 5.00pm (WST) on 31 October 2021 (**Expiry Date**).

(c) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date. If a New Option is not exercised before the Expiry Date it will automatically lapse (and thereafter be incapable of exercise).

(d) **Notice of Exercise**

The New Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised.

(e) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt by the Company as cleared funds of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(f) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(g) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Options.

(h) **Timing of issue of Shares**

Within 15 business days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the New Options;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and
- (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

(i) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and

Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give Optionholders the opportunity to exercise their New Options prior to the date for determining entitlements to participate in any such issue.

**(j) Adjustment for bonus issue of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a New Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the New Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

**(k) Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of a New Option.

**(l) Adjustment for reorganization**

If there is any reconstruction of the issued share capital of the Company, the rights of the New Options may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

**(m) Quotation of New Options**

The Company will apply for quotation of the New Options on ASX.

**(n) Options transferable**

If the Options are not listed options, then they are transferable provided that the transfer of the New Options complies with section 707(3) of the Corporations Act. Should the New Options become listed options in accordance with paragraph (m) above then the New Options will be transferable in accordance with relevant market rules.

**4.6 Interests of Directors**

**(a) Directors' holdings**

At the date of this Prospectus the relevant interest of each of the Directors in the Shares and Options of the Company are as follows:

Director	Ordinary Shares	Vested Unlisted and Listed Options <sup>1</sup>	Unvested Unlisted Options <sup>2</sup>	Performance Shares <sup>3</sup>
Grant Pestell	5,726,626	6,500,000	-	-



Director	Ordinary Shares	Vested Unlisted and Listed Options <sup>1</sup>	Unvested Unlisted Options <sup>2</sup>	Performance Shares <sup>3</sup>
Warren Barry	7,619,047	-	8,000,000	15,238,095
Bryan Carr	3,452,381	-	12,000,000	6,904,762
Timothy Allison	-	-	-	-

<sup>1</sup> Comprising 1,500,000 Unlisted Options exercisable at \$0.35 each on or before 30 June 2021, 1,500,000 Unlisted Options exercisable at \$0.40 each on or before 30 June 2023 and 3,500,000 Listed Options exercisable at \$0.05 on or before 31 October 2021.

<sup>2</sup> Executive Officer Options expiring 5 February 2021 with an exercise price of \$0.055 subject to the following vesting conditions:

- 6,000,000: Vesting Condition will be taken to have been met if, for any 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: Vesting Condition will be taken to have been met if, for any consecutive trading day period between the date of the grant of the Executive Officer Options and 5 February 2022, the VWAP of the Company's Shares is equal to or greater than \$0.08 per share.
- 8,000,000: Vesting Condition will be taken to have been met if, for any consecutive trading day period between the date of the grant of the Executive Officer Options and 5 February 2023, the VWAP of the Company's Shares is equal to or greater than \$0.12 per share.
- All Executive Officer Options also have a time-based vesting condition of 5 February 2023.

<sup>3</sup> 11,071,443 Tranche 1 Performance Shares will convert into Shares upon the businesses of CHOOSE Digital and RooLife first achieving aggregate revenue of \$1.8 million in a rolling 12-month period (as confirmed by audited financial statements). The Company's management accounts indicate that this vesting condition has been met however the Company is awaiting final audit sign off as final satisfaction of the vesting condition.

11,071,444 Tranche 2 Performance Shares will convert into Shares upon the businesses of CHOOSE Digital and RooLife first achieving aggregate revenue of \$3 million in a rolling 12-month period (as confirmed by audited financial statements).

(b) Remuneration of Directors

Fees and payments to Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Executive Directors' remuneration is reviewed at least annually by the Board. The base remuneration is presently \$273,750 per annum for the Managing Director.

Non-Executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by Shareholders. The maximum currently stands at \$350,000 per annum. The level of fees for Non-Executive Directors is presently set at \$45,000 per annum and \$71,175 per annum for the Non-Executive Chairman. Details of remuneration provided to Directors and their associated entities during the financial years ended 30 June 2020 and 30 June 2019 are as follows:

**Financial year ended 30 June 2020 (unaudited)**

Director	Fees / Salaries \$	Other	Superannuation \$	Long Service Leave	Other non-monetary remuneration <sup>2</sup> \$	Total \$
<b>Directors</b>						
Grant Pestell	71,175		-	-	-	71,175
Evan Cross	26,250		2,494	-	-	28,744
Tim Allison	18,750		1,781	-	-	20,531
Bryan Carr <sup>1</sup>	273,750	124,764	-	-	3,250	401,764
Warren Barry <sup>1</sup>	273,750	124,764	-	-	2,167	400,681
<b>Executives</b>						
Jacqueline Gray	182,397	-	17,328	-	-	199,725
Russell Francis	94,203	-	8,949	-	-	103,152
George Irwin	103,334	-	-	-	-	103,334
	<b>1,043,609</b>	<b>249,528</b>	<b>30,552</b>	-	<b>5,417</b>	<b>1,329,106</b>

In response to the COVID-19 situation, the Company directors and staff agreed to reductions in payment of their fees which was subsequently reviewed on 1 July with the Company electing to leave this arrangement in place and for it to be reviewed on a monthly basis ongoing. 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.

- G Pestell remuneration includes \$3,559
- T Allison remuneration includes \$2,250
- B Carr remuneration includes \$22,584
- W Barry remuneration includes \$28,698
- J Gray remuneration includes \$9,375
- R Francis remuneration includes \$10,000

<sup>1</sup> Other benefits for B Carr and W Barry comprise of cash bonuses for achieving 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.

<sup>2</sup> B Carr and W Barry have been granted executive options during the year. These options have been valued using the Monte Carlo model.

It is the Board's intention that the above amounts, and any further amounts deferred up to the date of this Prospectus are to be paid in part to the respective recipients during the period September to October 2020 with full settlement of all amounts owed expected to be completed upon receipt of funds raised in the Rights Issue.

**Financial year ended 30 June 2019**

Director	Fees / Salaries \$	Other	Superannuation \$	Long Service Leave	Other non-monetary remuneration- Share/Share Options <sup>3</sup> \$	Total \$
<b>Directors</b>						
Grant Pestell	47,450	-	-	-	65,244	112,694
Jay Shah <sup>1</sup>	166,536	150,179	-	-	199,637	516,352
Evan Cross	44,231	-	6,769	-	27,019	78,019
Bryan Carr <sup>2</sup>	123,188	61,594	-	-	-	184,782
Warren Barry <sup>2</sup>	131,135	61,594	-	-	-	192,729
<b>Executives</b>						
Richard Jarvis	284,192	5,342	25,096	-	163,683	478,313
George Irwin	183,321	19,973	-	-	29,981	233,275
Jacqueline Gray	46,875	-	4,453	-	-	51,328
	<b>1,026,928</b>	<b>298,682</b>	<b>36,318</b>	<b>-</b>	<b>485,564</b>	<b>1,847,492</b>

<sup>1</sup> Other benefits payable to J Shah during the year include a living allowance of \$61,675, medical insurance of \$12,002 and Singapore tax clearance of \$76,501 as part of his termination of employment.

<sup>2</sup> Other benefits paid to B Carr and W Barry comprise of cash bonuses for achieving performance milestones in the amount of \$61,594 each.

<sup>3</sup> During the year, ordinary shares were issued at \$0.035 in lieu of director fees and salary deferred from 1 December 2017 through to 30 September 2018, which was implemented as a cash preservation strategy in the 2018 year. In addition, R Jarvis was granted 1,500,000 options. These options have been valued using the Black and Scholes model.

The following amounts are included in remuneration for KMP for services performed but not paid for in the 2018 financial year which was part of the Group's cash preservation strategy from December 2017 to September 2018:

- J Shah remuneration includes \$163,033
- G Pestell remuneration includes \$41,519
- E Cross remuneration includes \$28,743
- G Irwin remuneration includes \$52,598

R Jarvis' remuneration includes \$246,726 which represents deferred remuneration for services performed in the 2018 financial year, including consideration for reduced remuneration which was part of the Group's cash preservation strategy during the period.

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Rights Issue.

#### 4.7 Interests of named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Rights Issue.

#### Lead Manager and other advisors

Sequoia Corporate Finance Pty Ltd was appointed as the Lead Manager to the Placement and the Rights Issue pursuant to a mandate with the Company dated 19 August 2020 (**Mandate**). Pursuant to the Mandate, the Lead Manager has (and will continue to) provide services relating to the management of the Placement and the Rights Issue. In addition, the Lead Manager will procure firm commitments from investors to subscribe for Residual Securities to the extent any exist under the Residual Offer following completion of the Rights Issue.

Pursuant to the Mandate, the Company will pay the following fees to the Lead Manager in consideration for providing services to the Company:

- (a) In respect of the Placement – a completion fee of 6% of funds raised from the Placement, together with 766,397 Listed Options; and
- (b) In respect of the Rights Issue –
  - (i) a completion fee of 6% of funds raised from the Rights Issue and Residual Offer, save and except that the Lead Manager will not be entitled to any payment in respect of securities subscribed for by Directors and parties known to the Company up to an estimated value of \$492,518; and
  - (ii) one Listed Option for each dollar of investment the Lead Manager’s investors provide firm commitments for under the Rights Issue.

In addition, under the Mandate the Company has agreed to grant 1,800,000 Listed Options to Triple C and 1,000,000 Listed Options to Red Leaf for services provided by those parties in connection with the Placement and the Rights Issue. The issue of Listed Options to the Lead Manager, Triple C and Red Leaf is in each case subject to Shareholder approval.

#### Solicitors

Murcia Pestell Hillard has acted as solicitors to the Company in relation to the Rights Issue. For their professional services on this Prospectus, the Company will pay approximately \$25,000 (excluding GST). Murcia Pestell Hillard has provided other professional services to the Company during the last 2 years amounting to approximately \$322,117 (excluding GST).

Except where otherwise specified, the amounts disclosed above are exclusive of any amount of goods and services tax payable by the Company for those amounts.

#### **4.8 Expenses of the Rights Issue**

The approximate expenses of the Rights Issue are \$355,000. These expenses are payable by the Company.

#### **4.9 Consents**

Each of the parties referred to in this Section 4.9:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section 4.9; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 4.9.

The Lead Manager has given and, as at the date hereof, has not withdrawn, its written consent to be named as lead manager regarding the Rights Issue in the form and context in which it is named. The Lead Manager has had no involvement in the preparation of any part of the Prospectus other than being named as lead manager to the Company. The Lead Manager has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Murcia Pestell Hillard has consented to being named in this Prospectus as the solicitors to the Rights Issue and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC.

#### **4.10 Electronic Prospectus**

The offer pursuant to an Electronic Prospectus is only available to Eligible Shareholders receiving an electronic version of this Prospectus within Australia, New Zealand, Hong Kong or Singapore.

If you have received this Prospectus as an Electronic Prospectus please ensure you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form and Residual Securities Application Form. If you have not, please e-mail the Company at [info@roolifegroup.com.au](mailto:info@roolifegroup.com.au) and the Company will send to you, free of charge, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Entitlement and Acceptance Form and/or Residual Securities Application Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form or Residual Securities Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. New Securities or Residual Securities will not be issued except upon receipt of valid Entitlement and Acceptance forms or Residual Securities Application Forms, as appropriate, attached to this Prospectus.

## Section 5 DEFINED TERMS

**\$** means Australian dollars, unless otherwise stated;

**Additional New Securities** means New Shares and New Options in addition to an Eligible Shareholder's Entitlement for which an Eligible Shareholder makes an Application;

**Application** means an application for New Securities pursuant to the Entitlement and Acceptance Form;

**Application Money** means the money received from Eligible Shareholders with respect to completed and returned Entitlement and Acceptance Forms;

**ASIC** means the Australian Securities & Investments Commission;

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

**ASX Settlement** means ASX Settlement Pty Ltd ACN 008 504 532;

**ASX Settlement Operating Rules** means the settlement operating rules of ASX Settlement as amended from time to time;

**Business Day** means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

**CHES** means ASX Clearing House Electronic Sub-register System;

**Closing Date** means the closing date of the Rights Issue being 5pm (WST), 23 September 2020, subject to the right of the Company to vary that date (in accordance with the Listing Rules);

**Company** or **RLG** means RooLife Group Ltd (ACN 613 410 398);

**Constitution** means the constitution of the Company;

**Corporations Act** means the *Corporations Act 2001* (Cth);

**Directors** mean the directors of the Company;

**Electronic Prospectus** means an electronic version of the Prospectus;

**Eligible Shareholder** means a Shareholder at the Record Date whose registered address is situated in Australia, New Zealand, Hong Kong or Singapore;

**Entitlement** means the entitlement of an Eligible Shareholder to participate in the Rights Issue, as shown on the Entitlement and Acceptance Form;

**Entitlement and Acceptance Form** means the entitlement and acceptance form accompanying this Prospectus;

**Existing Shares** means Shares on issue prior to the date of this Prospectus;

**Ineligible Shareholder** means a Shareholder (or beneficial holder of Shares) at the Record Date with a registered address outside Australia, New Zealand, Hong Kong or Singapore;

**Issue Date** means the issue date set out in the key dates timetable on page ii of this Prospectus;

**KMP** means key management personnel of the Company (including the Directors);

**Lead Manager** means Sequoia Corporate Finance Pty Ltd;

**Listed Options** means the Options quoted under the ASX ticker RLGO which are exercisable at \$0.05 each on or before 31 October 2021 and which have the terms and conditions set out in Section 4.5;

**Listing Rules** means the Listing Rules of ASX;

**Mandate** has the meaning given in Section 4.7;

**New Options** means the Listed Options offered under this Prospectus, the terms of which are set out in Section 4.5;

**New Securities** means the New Shares and New Options offered under this Prospectus;

**New Shares** means the Shares offered under this Prospectus, the terms of which are set out in Section 4.4;

**Opening Date** means the opening date of the Rights Issue being 14 September 2020, subject to the right of the Company to vary that date;

**Option** means an option to acquire one Share;

**Placement** has the meaning given in Section 1.1;

**Prospectus** means this prospectus dated 25 August 2020 and includes the Electronic Prospectus (where applicable);

**Record Date** means 5pm (WST), 9 September 2020;

**Red Leaf** means Red Leaf Securities Pty Ltd;

**Related Party** has the meaning given to that term in the Listing Rules;

**Residual Offer** means the offer of Residual Securities under this Prospectus described in Section 1.12;

**Residual Securities** means New Securities for which valid Applications have not been received by the Closing Date under the Rights Issue;

**Residual Securities Application Form** means the residual securities application form either attached to or accompanying this Prospectus;

**Rights Issue** means the issue pursuant to this Prospectus on a pro-rata non-renounceable basis of one (1) New Share for every two (2) Shares held on the Record Date at an issue price of \$0.03 each, together with one (1) accompanying New Option exercisable at \$0.05 and expiring on 31 October 2020 to be issued with every New Share;

**Section** means a section of this Prospectus;

**Share** means an ordinary fully paid share in the capital of the Company;

**Shareholder** means the holder of a Share;

**Triple C** means Triple C Consulting Pty Ltd;

**Unlisted Options** means 27,200,000 Options (vested and unvested) that have an exercise price ranging from



\$0.055 to \$0.40 and expiry dates ranging from 18 January 2021 to 5 February 2024 which are not quoted on ASX; and

**WST** means Australian Western Standard Time.

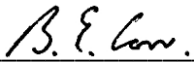
## Section 6 DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT

The Directors state they have made all reasonable enquiries and on that basis have reasonable grounds to believe any statements made by the Directors in this Prospectus are not misleading or deceptive and for any other statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe persons making the statement or statements were competent to make such statements, and those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Director's knowledge, before any issue of New Securities pursuant to this Prospectus.

The Prospectus is prepared on the basis certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 25 August 2020



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Bryan Carr

Managing Director