

31 January 2020

Australian Securities Exchange (**ASX**)
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

FAMILY INSIGHTS Q2 GROUP COMPANY UPDATE

Family Insights Group Limited (ASX: FAM) (Company) is pleased to provide the market with an update on Company operations, development of its grocery comparison engine **Frugl (FG)**, and parental control platform **Family Insights (FI)**.

Highlights

- FAM maintains focus on Frugl development for short term revenue growth
- Frugl mobile app beta test commenced January 2020
- Public launch of Frugl mobile app planned for February 2020
- Business development activities and development of retail analytics platform for business customers in progress
- Circa \$80k/quarter cost savings planned from March quarter onwards after review and consolidation of Family Insights operations

Operational Update

Short-term focus on Frugl as fastest path to revenue growth

The Company continued to focus internal resources on the foundational development of Frugl to accelerate future Company revenue growth, with data warehouse architecture, data collation, Frugl app design and business development as the four key focus areas.

Frugl Data Collation – Development and Operations

The Company continued to develop its data acquisition capabilities with full product, pricing, promotional, nutritional and catalogue data from three major grocery retailers (localised by state and region) being collated on an ongoing basis.

Early analysis of the data delivered major insights into grocery retailer behaviours and tactics, which were utilised for retail analytics development (for retail business clients) and for Frugl App development purposes.

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Frugl App Design

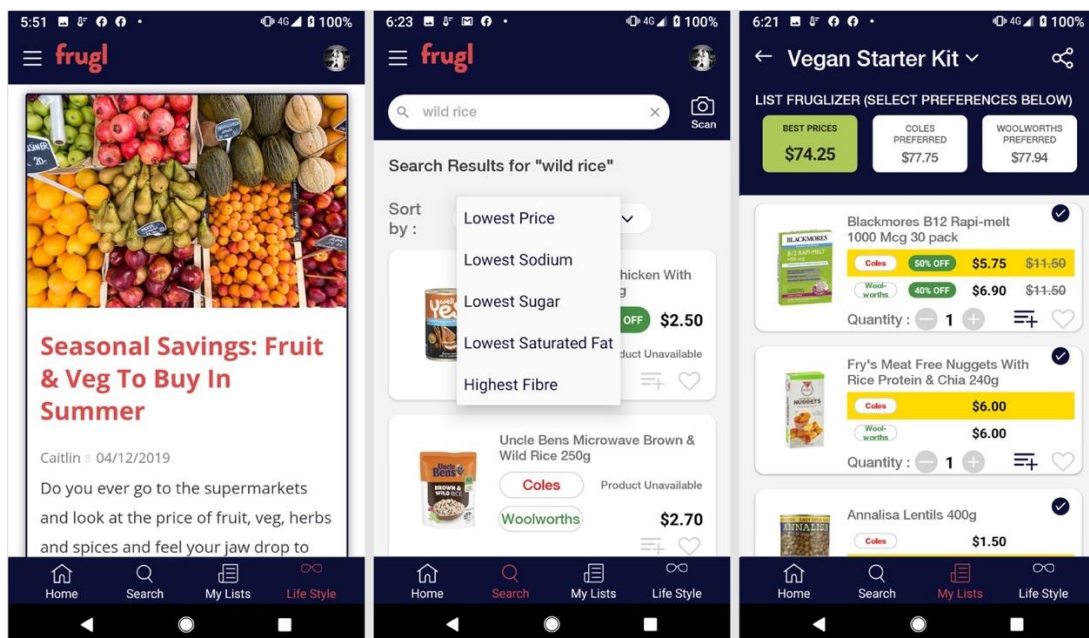
The Frugl App is a supermarket comparison engine that allows shoppers to compare products across Woolworths and Coles supermarkets, create brand-specific shopping baskets and optimise shopping lists by cheapest prices.

In addition, the Company is overlaying wellness tools for shoppers to enable them to compare products and optimise shopping baskets by nutritional value, ingredient listings, allergens inclusions, health ratings and product sustainability.

In December the initial production version of the Frugl Grocery App was received by the FAM team who commenced user acceptance testing (UAT) for both Android and iOS versions of the app. The UAT version of the app is running on the live production environment utilising up to date grocery pricing data from major grocery retailers to enable real time testing by the UAT testers.

The UAT phase allowed for significant internal testing and multiple rounds of bug-logging and bug-fixing prior to the beta-launch, which was packaged for release to the Frugl beta group for further testing at the end of January.

It is anticipated that the beta test period will be completed in early February and public launch of the Frugl app to follow shortly afterwards. The Company will then focus on accelerating user growth during the March and June quarters to enable it to unlock consumer behavioural data models and research panels for commercialisation.



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Frugl Data – Business Development

The Company commenced business development activities for its data analytics products, having initiated discussions with major Australian retailers to determine their key data analytics objectives and identify appropriate FAM-built solutions. Retailer feedback and analytics requirements were utilised for the data warehouse and analytics platform design process, in parallel with the business pipeline creation objectives of the business development team.

Grocery Analytics Platform

The Company developed a Grocery Pricing & Promotion Analytics platform utilising data collated since May 2019, with advanced product, category and retail supplier analytics capabilities now in readiness for immediate deployment with retailer clients.

The Company has been in business development discussions with potential analytics customers across grocery retailer and supply categories and expects to announce further news on business development in the March quarter.



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Family Insights App Operational Costs Consolidated

Following a Q2 review of the Family Insights App operational requirements and costs, the Company initiated a consolidation program to minimise ongoing running costs whilst the core focus remained on Frugl development. The consolidation involves the withdrawal of the Family Insights App from appstores whilst continuing to operate Family Insights as a content provider until the future direction of the app is reviewed in the second half of 2020. Commencing in the March quarter, this consolidation of costs will reduce running costs by circa \$80k per quarter, and will remain in place until the Company returns development focus to Family Insights later in the year.

Corporate Update

During the quarter, the Company successfully completed a placement of 16,000,000 fully paid ordinary shares (**Placement Shares**) at an issue price of \$0.0625 per Placement Share to raise a total of \$1,000,000 before costs (**Placement**). Following the completion of the Placement, the Company was reinstated to official quotation.

As announced on 24 October 2019, the Company entered into a binding loan facility agreement with Mathew Walker, a Company director, for up to \$600,000, available on call, unsecured, interest free and repayable upon the earlier of, the completion of a capital raising of not less than \$1,000,000, or 31 October 2020 (**Director Loan**). The terms of the Director Loan have subsequently been varied and the Director Loan is now available on call, unsecured, interest free and repayable on 1 October 2020.

Additionally, the Company deregistered its New Zealand based wholly owned subsidiary, NexGen Networks Limited.

- ENDS -

For further information, please contact:

Family Insights Group Limited

Quinton Meyers

Company Secretary

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ABOUT FRUGL

Frugl is a data insights business utilising a price comparison platform that allows families to compare the cost of goods between different supermarket retailers in their local areas, whilst simultaneously analysing shopper behaviours in real time against the changing landscape of product merchandising and pricing changes across over 60,000 different products from major supermarket chains.

ABOUT FAMILY INSIGHTS

Family Insights offers parents a unique approach to ensuring the safe use of the internet by children and teenagers. By utilising Family Insights' world class secure VPN network, backed by the research insights of childhood development research organisation Telethon Kids Institute, Family Insights monitors mobile network patterns in real time and advises parents of potential threats as well as providing greater details and resources to parents on the threats identified.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Family Insights Group Limited

ABN

80 096 870 978

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter (Dec 2019) \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1	2
1.2 Payments for:		
(a) research and development	(208)	(511)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(1)	(3)
(d) leased assets	-	-
(e) staff costs	-	(42)
(f) administration and corporate costs	(264)	(569)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(2)	(5)
1.6 Income taxes paid	-	-
1.7 Government tax incentives (R&D Rebate)	6	760
1.8 Other (ATO GST Refund)	(16)	(98)
1.9 Net cash from / (used in) operating activities	(484)	(466)

Consolidated statement of cash flows	Current quarter (Dec 2019) \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	1,000	1,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(66)	(66)
3.5 Proceeds from borrowings	128	128
3.6 Repayment of borrowings	(128)	(128)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	934	934

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Consolidated statement of cash flows	Current quarter (Sept 2019) \$A'000	Year to date (6 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	196	179
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(484)	(467)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	934	934
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	646	646

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter (Dec 2019) \$A'000	Previous quarter (Sep 2019) \$A'000
5.1 Bank balances	17	102
5.2 Call deposits	629	94
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	646	196

6. Payments to directors of the entity and their associates	Current quarter (Dec 2019) \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	(93)
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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7. Payments to related entities of the entity and their associates	Current quarter (Dec 2019) \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	(93)
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
Payment of current and accrued corporate administration, rent and capital raising funds.	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	600 ¹	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

¹ As announced on 24 October 2019, the Company entered into a binding loan facility agreement with Mathew Walker, a Company director, for up to \$600,000, available on call, unsecured, interest free and repayable upon the earlier of, the completion of a capital raising of not less than \$1,000,000, or 31 October 2020 (**Director Loan**). The terms of the Director Loan have subsequently been varied and the Director Loan is now available on call, unsecured, interest free and repayable on 1 October 2020.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(305)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(10)
9.4 Leased assets	-
9.5 Staff costs	(1)
9.6 Administration and corporate costs	(83)
9.7 Other – Payroll Tax Payable etc.	(49)
9.8 Total estimated cash outflows	(448)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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Compliance statement

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

Sign here: 
Company Secretary

Date: 31 January 2020

Print name: Quinton Meyers

Notes

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