

31 July 2020

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

## FRUGL Q4 GROUP COMPANY UPDATE

**Frugl Group Limited (ASX:FGL)(Company)** is pleased to provide the market an update on Company operations, including the development and commercialisation activities for **Frugl Groceries**, the Company's grocery comparison and wellness mobile application (**frugl** or the **App**).

### Q4 Release Highlights

- **frugl development** focuses on user experience, App performance and curated shareable lists **to drive user engagement and viral growth.**
- **Completion of a retail data project** with Millell Pty Ltd (trading as **Pet Circle**) and possibility of **ongoing commercial work.**
- Company restructure and **austerity measures undertaken** to ensure stability throughout COVID-19 pandemic.
- Non-renounceable **entitlement issue raised \$660,000** and **closed over-subscribed.**
- Company change of name to **Frugl Group Limited.**

### frugl App Development

The Company focused development on major list features for inclusion in the next release of the **frugl** mobile grocery comparison App to drive user engagement and growth.

The inclusion of curated feature lists, allowing the Company to build custom featured lists which can be shared to all users across its network, gives the Company the opportunity to deliver immediate value to shoppers with pre-built and price-optimised lists as well as creating opportunities for sponsored lists by commercial partners.

The new social share feature provides users the ability to take a copy of any list, including features of personal custom lists, and share within their social networks in a way that allows the list to be opened within **frugl** by other **frugl** users, whilst prompting non-frugl users to download the App.

Additional focus was given to improving general App performance following extensive early feedback from **frugl** users.

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## First Commercial Retail Data Project Completed

The Company successfully complete a comprehensive retail data project (**Project**) with Pet Circle, Australia's leading online Pet Supplies company. The Project is the first commercialisation of the Company's retail data platform targeting retailers and retail suppliers to provide category pricing, promotional and ranging insights. Please refer ASX release dated 2 July 2020.

## Company Restructure and Austerity Measures

The Company undertook as structure and cost review in order to reduce its cost base whilst maintaining its ability to develop and commercialise its core products. Key measures included:

- 57% reduction in March quarter permanent headcount
- Move to on-demand outsourced delivery of product development and technology support
- Reductions in overall occupancy and administrative costs
- Negotiated salary deferrals with Company employees and Directors

The measures undertaken substantially reduced the Company's ongoing cash burn rate and strengthened its ability to continue operations during the economic fallout of the COVID-19 pandemic.

## Completion of Non-Renounceable Entitlement Issue

In May the Company announced that its non-renounceable entitlement issue on a 1 for 2 basis at \$0.02 per fully paid ordinary shares (**Share**), to raise up to \$660,000 before costs (**Entitlement Issue**) closed oversubscribed.

The 33,000,000 Shares being offered under the Entitlement were fully taken up by the Company's existing shareholders with 17,843,973 Shares placed under the entitlement offer and the remaining 15,156,027 Shares placed under the shortfall offer. Please refer ASX release dated 6 May 2020.

## Company Name Change: **Frugl Group Limited (ASX:FGL)**

Following the approval by shareholders in March of a company name change, the company recorded its name change to **Frugl Group Limited** with the Australian Securities and Investments Commission at the end of June. Following the official name change, the ASX ticker code was changed from 'FAM' to 'FGL'.

## Other

In accordance with ASX Listing Rules 5.3.1 and 5.3.2, the Company provides the following summary of the expenditure incurred on the activities described in the Appendix 4C report pursuant to those rules:

- **Section 6.1:** \$106,166.96 for the payment of current Director fees and remuneration including superannuation to Messrs Walker and Smith and current as well as accrued Director fees to Mr Wild after a voluntary forfeit of 57% of all his fees; and
- **Section 6.2:** \$55,000.00 for the payment of current and accrued corporate administration and company secretarial services to Cicero Group Pty Ltd, a related entity of Mr Walker's.

- ENDS -

### For further information, please contact:

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## ABOUT frugl

**frugl** is 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.

[fruglgroup.com](http://fruglgroup.com) | [frugl.com.au](http://frugl.com.au) | [infocusanalytics.com](http://infocusanalytics.com)

The **frugl** Corporate Video can be viewed at <https://vimeo.com/367911850>

# Appendix 4C

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

### Name of entity

Frugl Group Limited

### ABN

80 096 870 978

### Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter (June 2020) \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	6	9
1.2	Payments for		
	(a) research and development	(276)	(1,080)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(6)	(16)
	(d) leased assets	-	-
	(e) staff costs	-	(1)
	(f) administration and corporate costs	(280)	(1,113)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(2)	(10)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	956
1.8	Other (provide details if material)	28	(190)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(530)</b>	<b>(1,445)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter (June 2020) \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	660	1,660
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(15)	(681)
3.5	Proceeds from borrowings	-	128
3.6	Repayment of borrowings	-	(128)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>645</b>	<b>1,579</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	198	179
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(530)	(1,445)
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)	645	1,579
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>313</b>	<b>313</b>

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

5.	<b>Reconciliation of cash and cash equivalents</b> <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	<b>Current quarter (June 2020) \$A'000</b>	<b>Previous quarter (March 2020) \$A'000</b>
5.1	Bank balances	253	105
5.2	Call deposits	60	93
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>313</b>	<b>198</b>

6.	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter (June 2020) \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	106
6.2	Aggregate amount of payments to related parties and their associates included in item 2	55
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments</i>		
<b>Section 6.1:</b> \$106,166.96 for the payment of current Director fees and remuneration including superannuation to Messrs Walker and Smith and current as well as accrued Director fees to Mr Wild after a voluntary forfeit of 57% of all his fees; and		
<b>Section 6.2:</b> \$55,000.00 for the payment of current and accrued corporate administration and company secretarial services to Cicero Group Pty Ltd, a related entity of Mr Walker's.		

7.	<b>Financing facilities</b> <i>Note: the term 'facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Total facility amount (drawn) at quarter end \$A'000</b>
7.1	Loan facilities	750 <sup>1</sup>	-
7.2	Credit standby arrangements	200 <sup>2</sup>	(196)
7.3	Other (please specify)	-	-
<b>7.4</b>	<b>Total financing facilities</b>	<b>950</b>	<b>(196)</b>
7.5	Unused financing facilities available at quarter end		754
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<ol style="list-style-type: none"> <li>On 29 April 2020, the Company advised that the \$700,000 binding loan facility agreement with Mathew Walker, a Company director, was available on call, unsecured, interest free and repayable on 1 October 2020 (<b>Director Loan</b>). The terms of the Director Loan have subsequently been varied with the Director Loan now being up to \$750,000 with the repayment date having been extended to 31 December 2020. All other terms of the Director Loan remain the same.</li> <li>On 16 March 2020 the Group received an agreement from Rocking Horse Pty Ltd, an unrelated entity of the Group, to provide the Company was a loan facility for the amount of \$200,000 (<b>Loan</b>). As per the terms of the Loan, the total amount drawn will be repaid following receipt of the 2020 financial year Research &amp; Development Rebate.</li> </ol>			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(530)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	313
8.3	Unused finance facilities available at quarter end (Item 7.5)	754
<b>8.4</b>	<b>Total available funding (Item 8.2 + Item 8.3)</b>	<b>1,067</b>
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.01
8.6	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	N/A	
	2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	N/A	
	3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	N/A	

### Compliance statement

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

**Date:** 31 July 2020

**Authorised by:** The Board of the Company

### Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 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.
- If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.