



ASX Announcement

22 October 2021

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#### Directors

Jon Wild, Chairman

Mathew Walker, Corporate Director

Sean Smith Managing Director & CEO

Andrew Bickley, Company Secretary

#### Issued Capital

ASX Code: FGL

180,000,000 Ordinary Shares

26,250,000 Unquoted options exercisable at \$0.15 on or before 30 June 2022

16,500,000 Listed options exercisable at \$0.10 on or before 20 July 2024

#### Overview

Frugl is a retail intelligence ecosystem that acquires publicly available grocery data, organises it, enriches it, and utilises it to power two independent retail platforms; Frugl Grocery and InFocus Analytics.

With management drawn from major Australian and International retail organisations, Frugl combines extensive retail experience, proven expertise in data analytics and strategy, and enterprise-scale retail data sets ready for immediate commercialisation.

# FRUGL GROUP Q1 COMPANY UPDATE

## HIGHLIGHTS

- FRUGL EXPERIENCES POSITIVE QUARTERLY GROWTH ACROSS REVENUE, NEW USERS AND ACTIVE USERS
- COMMERCIAL PROGRESS CONTINUES TO BE MADE INCLUDING THE ADDITION OF PETCIRCLE AGREEMENT
- DEVELOPMENT UNDERWAY FOR MAJOR APP RELEASE (V3.0) TO INCLUDE ADDITIONAL RETAILERS, TRANSACTIONAL CAPABILITIES AND REFRESHED USER INTERFACE
- FRUGL SIGNS THRIVE PR & PROMOTIONALS TO MANAGE PUBLIC RELATIONS AND DIGITAL STRATEGY

Frugl Group Limited (ASX: FGL) ("Frugl" or the "Company") is pleased to provide the market and shareholders with an update on Company operations, including the development of version 3.0 of the Frugl Groceries App and progress on the Company's commercialisation strategies.

### Frugl experiences growth across key app metrics

The Company is pleased to announce that it has achieved quarter on quarter growth across key metrics, including new users and 30 day active users. New User Account creation has shown 35% growth on the previous quarter with over 4,700 accounts created, whilst active users have experienced an average quarterly increase of 31%.

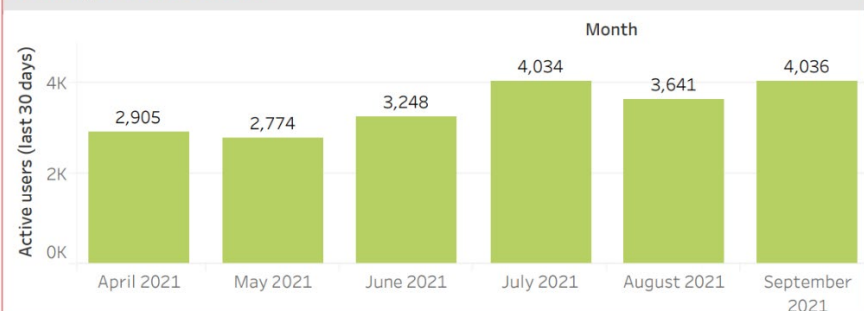
It is expected that a ramp up in marketing activity will continue to accelerate user take-up and usage of the Frugl Grocery app heading into the Christmas retail period.

## 30 day active users:

# 4,036

(# users engaging with the app in the last 30 days)

### 30 day active users



## Commercial Progress

The Company experienced quarterly revenue growth and continued to progress its commercialisation strategy throughout the quarter, solidifying its relationship with Metcash whilst signing leading online pet supplies retailer Pet Circle for ongoing price intelligence services. The Company is in numerous business development discussions with retailers, consultants, suppliers and government agencies and is confident that it will continue to deliver future quarterly revenue growth.

### Frugl Grocery App v3.0 development underway

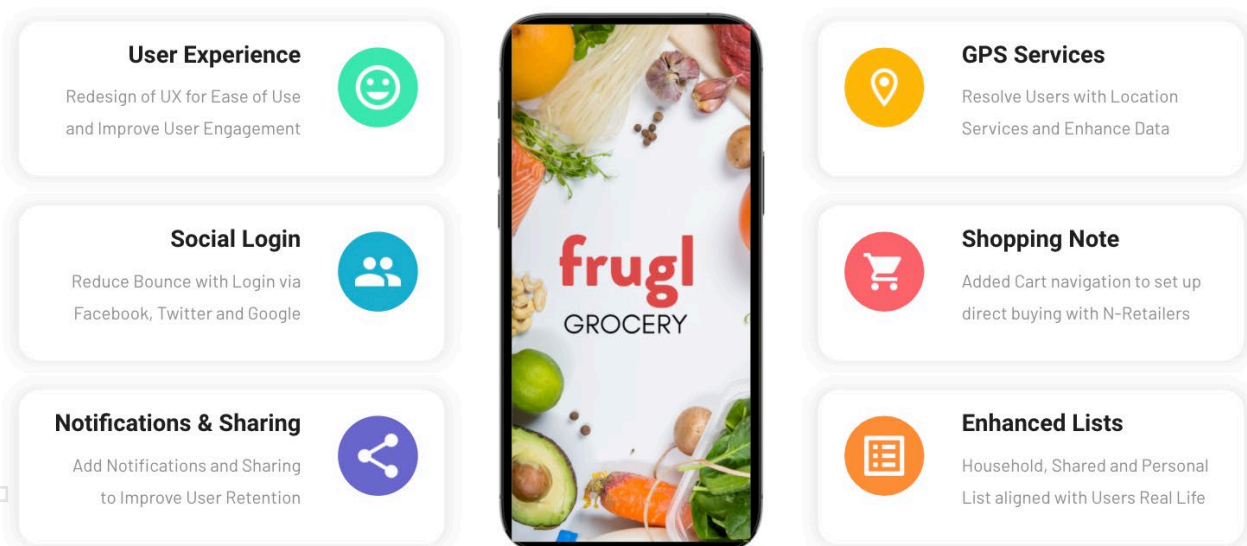
The Company is currently undertaking major development activity on its Frugl Grocery mobile app with a major release scheduled for early March quarter. Key development items can be summarised as:

- Capacity to support multiple additional retailers
- Transactional capabilities enabled for participating retailers
- Major UX redesign & front-end performance improvements

The release will set the foundations for commercialisation of the Frugl Grocery app beyond the current retail analytics revenue stream and will be supported with increased marketing investment to grow the user-base and opportunities for participating retailers.

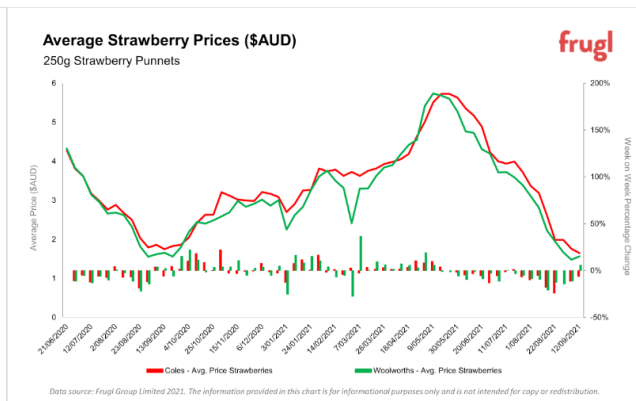
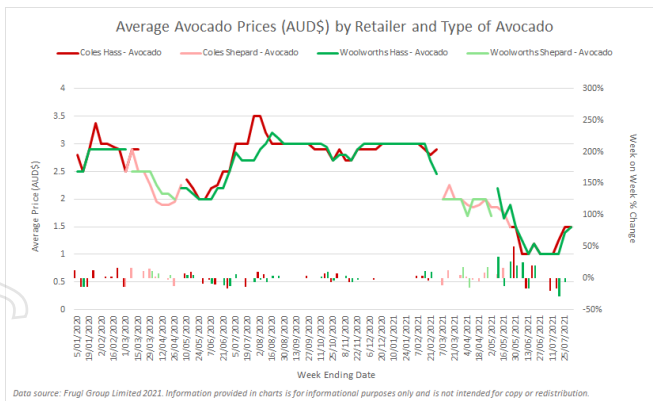
Frugl Grocery – Iteration 3

## Frugl Grocery Next App Features



### Frugl engages Thrive PR+ for public relations and marketing

In August the Company engaged public relations and digital agency **Thrive PR+** to develop PR and digital strategies to drive Frugl Grocery app downloads and to grow awareness of the Frugl company offering amongst consumers, business development targets and investors. The Company has been working closely with Thrive to build out the coming years' public relations program which will include the creation of numerous consumer and product lead price indexes for media consumption.



## Corporate

## Update

During the quarter the Company completed a placement of 16,500,000 fully paid ordinary shares with 1-for-1 free attaching FGLOA options at a price of \$0.05 per share to raise \$825,000 before costs. The placement price was a 1.2% discount to the 15-day Volume Weighted Average Price (VWAP) of the shares as at 19 July 2021, when the initial announcement of the placement was made. The Placement was well supported by new and existing professional and sophisticated investors. Funds raised will be primarily used for the marketing, and development of the new version of the Frugl grocery comparison app.

## Appendix 4C

Outflows of \$243k from corporate and administrative activities during the June quarter (refer Items 1.2(c)&(f) of the Appendix 4C) predominantly comprised of corporate & legal fees, accounting, company secretarial, marketing & IR, KMP remuneration, research and development advisory fees, tax advisory, insurances and working capital. Pursuant to section 1.2(a)(c), the operational expenditure of \$554k incurred by the Company relates to the ongoing development of the Company's grocery comparison App, staff costs and the cost of delivering services to customers. The Company notes that the amount of \$99k disclosed in the Appendix 4C under Section 6 includes accrued payments and payments to related parties and their associates and salaries and wages to members of the Board of Directors. The Company engages Cicero Group Pty Ltd for accounting, administrative and company secretarial services at \$10,000 per month (exclusive of GST). Mr Mathew Walker is a shareholder in Cicero Group Pty Ltd.

This announcement has been authorised by the Board of Frugl Group Limited.

*For, and on behalf of, the Board of the Company*

Jon Wild

Chairman

**Frugl Group Limited**

- ENDS -

## 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 September 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	24	24
1.2 Payments for		
(a) research and development	(311)	(311)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(42)	(42)
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(201)	(201)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(44)	(44)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(576)</b>	<b>(576)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(10)	(10)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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>(10)</b>	<b>(10)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	771	771
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>771</b>	<b>771</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	295	295
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(576)	(576)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(10)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	771	771
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>480</b>	<b>480</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	420	235
5.2	Call deposits	60	60
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>480</b>	<b>295</b>

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	99
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><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></p> <p><b>Section 6.1:</b> \$47,346 for the payment of current Director fees and remuneration including superannuation to Messrs Smith.</p>		

7. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(576)
8.2 Cash and cash equivalents at quarter end (item 4.6)	480
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	480
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.82
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No, administration and corporate are expected to be lower in the next Q.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes, on 14 July the Company has successfully raised \$825,000 (before costs) through a placement to sophisticated and professional investors. Any further capital raising initiatives will be progressed as and when required. Also, the Company is in the process of preparing the R&D tax rebate which is expected to be lodged in the next quarter.	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes, as per the response in question 2, the Company will initiate appropriate measures to secure funding by way of capital raising as and when required.	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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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.

Date: .....22 October 2021.....

Authorised by: ..... By the Board.....  
(Name of body or officer authorising release – see note 4)

**Notes**

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

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