



ASX Announcement

27 April 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

163,500,000 Ordinary Shares

23,048,883 ("FGLO") Quoted  
options exercisable at \$0.50 on or  
before 30 June 2021

#### 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 Q3 COMPANY UPDATE

### HIGHLIGHTS

- f FRUGL SIGNS AN AGREEMENT FOR THE PROVISION OF SERVICES WITH METCASH**
- f PROGRESS TOWARDS COMMERCIALISATION OF INFOCUS ANALYTICS**

Frugl Group Limited (ASX: FGL) ("Frugl" or the "Company") Frugl Group Limited (ASX:FGL)(Company) is pleased to provide the market with an update on Company operations, including the a partnership with a major retailer and the ongoing development of the company's app.

#### Agreement with Metcash

On 10 March, the Company announced that it had entered into an agreement to provide retail data analytics services to Metcash Trading Limited.

Metcash, is Australia's leading wholesale distribution and marketing company with sales of over \$13 billion in FY20. As Australia's leading wholesaler, Metcash is dedicated to ensuring it provides the best level of service to an extensive network of independent retail and wholesale customers across the Food, Liquor and Hardware sectors. This includes delivery to more than 10,000 retail customers supported by distribution centres in each of the major cities, as well as smaller regional centres whilst also supplying around 90,000 wholesale customers from smaller branches across the country.

Under the terms of the Agreement, Metcash has engaged Frugl for an initial term of approximately 2 years ending 31 January 2023. A further 1-year option is available to Metcash under the terms of the agreement. Frugl has agreed to provide key data and analytical information to Metcash Food through the frugl and InFocus Analytics platforms to enable intelligence-lead retail decision making. The Company has advised that fees payable to Frugl for the data and analytical information under the Agreement at this time are not financially material, but that there is capacity to extend the range of services provided to Metcash.

The Company has commenced delivering on its commitments under the contract, working closely with their counterparts within the Metcash team to identify areas that Frugl can help enhance Metcash's data management capabilities. Revenue from the agreement will commence from the June Quarter.

#### Commercialisation Activities

The Company has been progressing its commercialisation strategy throughout the quarter and has made significant progress on its key milestones for the second half of the 2020-21 financial year.

Version 3 of the Frugl App has been developed and will be ready in the June Quarter. The new app will provide enhanced searching and filtering capabilities along side bug fixes in addition to significantly quicker in-app processing.

The relationship with Metcash has been significant in providing confirmation to the retail industry that the Company has the capacity to deliver its products at the scale and range required by the major retailers to provide enhancements to the data analytics that can be delivered by their internal teams. The relationship with Metcash has also provided the platform for the company to further develop and prove the SaaS capability of the InFocus Analytics program that can be rolled out across the industry.

<b>Commercial Timeline</b>					
	<b>2019 Jul - Dec</b>	<b>2020 Jan - Jun</b>	<b>2020 Jul - Dec</b>	<b>2021 Jan - Jun</b>	<b>2021 Jul - Dec</b>
<b><u>Data Acquisition &amp; Enrichment</u></b>  Acquisition of large retail data sets for analysis, enrichment and commercial product creation.	Retail data acquisition commences (2x major retailers, full product inventory).	Acquisition of promotional data (catalogues) across major and 2nd tier retailers commences.	Business development accelerates, first commercial project commences.	Commercial contracts for ongoing data services to commence.	Expansion of commercial data & intelligence services to include shopper behavioural data.
<b><u>InFocus Analytics (B2B)</u></b>  Development and commercialisation of retail intelligence platform utilising SaaS model alongside custom solution development.	Development of cloud-based Snowflake data warehouse and automated ETL processing.	Development of retail intelligence & visualisation platform (InFocus Analytics).	Utilisation of InFocus Analytics for business development activity.	Commercial contracts for InFocus Analytics SaaS product to commence.	Inclusion of customer behavioural data into InFocus Analytics for new and existing customers.
<b><u>Frugl Grocery Mobile App (B2C)</u></b>  The development of a unique grocery comparison and wellness mobile app to drive audience growth, app usage, and behavioural data collection.	Development commences for Frugl Grocery mobile app for iOS and Android platforms	Version 1.0 of Frugl Grocery launches on Apple and Android, beta testing commences	Version 2.0 of Frugl Grocery launches following beta test phase	Version 3.0 of Frugl Grocery to launch with substantial feature and performance improvements	Frugl marketing activity to accelerate user growth and behavioural data collection, to unlock additional revenue models.

Frugl's ongoing commercialisation timeline

## Corporate Update

During the quarter, the Company announced that Andrew Bickley had replaced Sonu Cheema as Company Secretary for Frugl Group.

## Appendix 4C

Outflows of \$182k from corporate and administrative activities during the March 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 \$242k 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 \$75k 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")**

31 March 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2	2
1.2 Payments for		
(a) research and development	(242)	(676)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(21)	(118)
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(160)	(848)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	(1)	(6)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	592
1.8 Other (provide details if material)	(20)	(90)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(443)</b>	<b>(1,142)</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	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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)	-	1,725
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	-	33
3.6	Repayment of borrowings	-	(256)
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>1,502</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	1,116	313
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(443)	(1,142)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,502
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>673</b>	<b>673</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	613	1,054
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>673</b>	<b>1,116</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	75
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>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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.		

<b>8.</b>	<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)	(443)
8.2	Cash and cash equivalents at quarter end (item 4.6)	673
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	673
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1.52
<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, reduced advertising & marketing, and administration and corporate costs during the March quarter have resulted in lower operating costs.	
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, the Company has successfully completed capital raisings during the September and December quarters and has a track record of securing funding. Any further capital raising initiatives will be progressed as and when required.	
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>		

## 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: .....27 April 2021.....

Authorised 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.