



ASX Announcement

17 August 2022

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Directors

Jon Wild, Chairman

Mathew Walker, Corporate
Director

Sean Smith, CEO

Steve Samuel, Company
Secretary

Issued Capital

ASX Code: FGL

202,652,195 Ordinary Shares

29,500,000 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, 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 retail experience, expertise in data analytics, and enterprise-scale data sets ready for immediate commercialisation.

APPENDIX 4C QUARTERLY CASH FLOW REPORT - ADDENDUM

Frugl Group Limited (ASX: FGL) ("**Frugl**" or the "**Company**") provides the following information as an addendum to section 8.6 of the June 2022 Appendix 4C Quarterly Report (**Report**), released on 27 July 2022.

Section 8.5 of the Report, the Company has 1.02 quarters of funding available.

In response to questions 8.6, FGL indicated that:

8.6.1 - The Company expected its Research and Development (**R&D**) costs to be lower next quarter, and

8.6.2 - The Company is in the process of preparing the R&D tax rebate which is expected to be lodged in the September 2022 quarter.

Research and Development (R&D) costs

The Company expected its research and development costs to be lower in the next quarter. The Company has undertaken some steps to reduce its ongoing R&D and operational costs including, but not limited to, reviewing all expenditure for deferral or elimination, until the Company has sufficient funds to meet its liabilities as and when they fall due.

The Company also expected its research and development costs to be lower in the June quarter, as explained in questions 8.6 of its Appendix 4C for March quarter. As indicated in section 1.2(a) Appendix 4C for the June quarter, the total R&D costs incurred totaling \$388k was higher despite the expectation in the March quarter for R&D costs to be lower. This is due to the following factors:

a) In the month of June, the Company commenced additional project R&D activities which covered the period June to July 2022. As a result, a portion of the R&D costs relating to this project were incurred in the June quarter.

b) The fluctuation in AUD/USD exchange rate has also impacted the Company's R&D costs due to costs denominated in USD, such as Subscription costs and Data Engineer fees.

c) The Company had incurred R&D costs in the June quarter which related to R&D work streams which had been completed and, therefore, cost outflows were incurred in the June quarter. A portion of these costs was directly linked to the R&D Core and Supporting activities as part of this annual R&D submission.

R&D tax rebate

The Company is in the process of preparing the R&D tax rebate submission in consultant with its R&D Tax Agent, which is expected to be ready for lodgment in the September 2022 quarter, with the refund anticipated to be received in early December 2022 quarter. This process requires technical board, management and advisor review to ensure this is completed in an orderly manner.

Fund received from the R&D tax rebate will be utilised by the Company for ongoing R&D and operational activities. As per section 7.6 of the Appendix 4C, the binding loan facility is payable upon the Company completing capital raising of no less than \$1,000,000 or on 30 June 2023.

As per section 8.6, FGL has a history of successfully carrying out capital raising activities and anticipates the commencement of these activities in the September quarter.

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

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

Mathew Walker
Corporate Director

Frugl Group Limited