



ASX Announcement
28 October 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

264,849,607 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.

FRUGL GROUP Q1 COMPANY UPDATE

HIGHLIGHTS

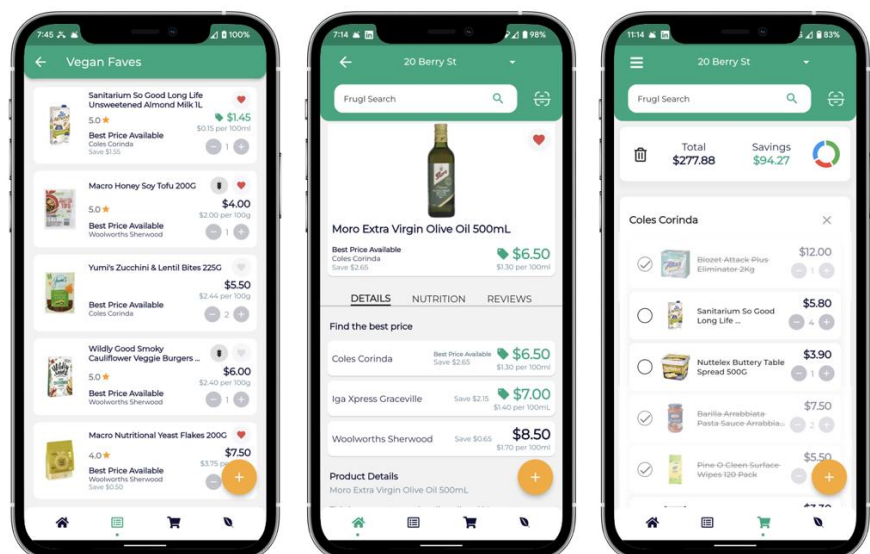
- f FRUGL GROCERY SEES CONTINUED STRONG USER GROWTH OFF THE BACK OF INCREASING MEDIA & PRESS ACTIVITY**
- f LAUNCH OF THE QUARTERLY FRUGL GROCERY PRICE INDEX GATHERS UNPRECEDENTED MEDIA ATTENTION**
- f DEVELOPMENT OF FRUGL GROCERY APP AND MARKET CONTINUES IN READINESS FOR 2023 EXPANSION**
- f FRUGL EXPERIENCES STRONG ANALYTICS REVENUE GROWTH FOR QUARTER**

Frugl Group Limited (ASX: FGL) ("Frugl" or the "Company") is pleased to provide the market and shareholders an update on Company operations and continued user growth of Version 3.0 of the **Frugl Grocery** App on Apple and Android platforms.

Frugl Grocery maintains strong user growth

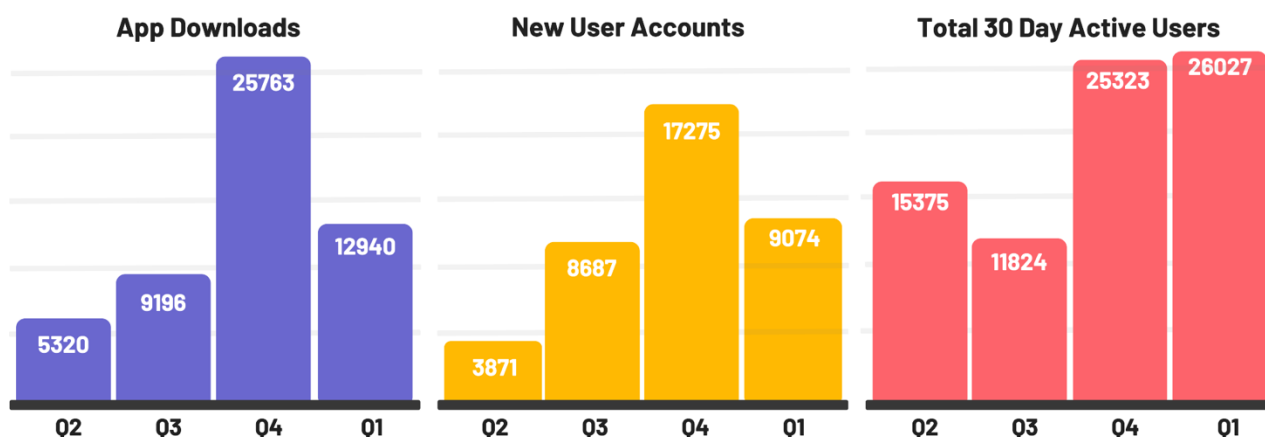
Version 3.0 of the **Frugl Grocery** app has seen continued strong user growth following its release in December 2021. The refreshed user interface, addition of more retailers and substantial performance improvements have underpinned stronger user take up and retention of the Company's leading grocery comparison app.

Growth in **Frugl Grocery** app users has been supported by ongoing press activity and the acknowledgement of **Frugl's** role as an independent source of grocery insight and research.



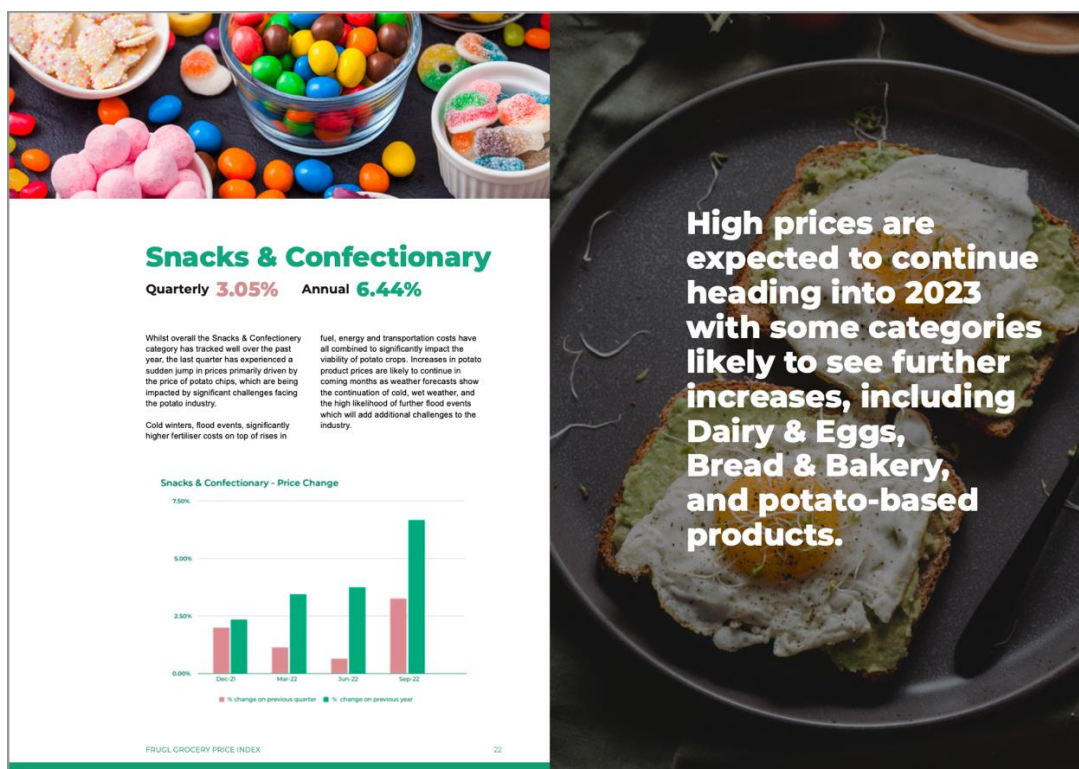
Substantial media activity across television, radio and online is being driven by continued inflationary pressures and ongoing increases in the cost of living, helping to further establish **Frugl** as the independent expert on grocery price moments and positioning it as a key platform to help shoppers manage their budgets during these difficult times.

New downloads and user account growth have both remained strong over the quarter, coming off the back of the previous record quarter figures driven by press surrounding multiple flood events substantially impacting fresh food supply in June. Despite the subsequent normalisation of app growth, total active user numbers for the quarter have remained at record levels.



Frugl Grocery Price Index (Frugl GPI)

The first quarterly **Frugl GPI** report was released in July, offering the public and grocery industry independent insights into grocery inflation at a total grocery, grocery category and demographic household level. The report generated strong media interest, with Frugl featuring across television, radio, print newspapers and in online articles. The Company has just released the September **Frugl GPI** report this week which is continuing to generate media interest off the back of increased media awareness of the data **Frugl** has to offer.



FRUGL GPI PUBLISHED MEDIA HIGHLIGHTS– July 2022

Television & Radio

Channel 9 Morning News (television, syndicated to 33 channels Australia-wide), SBS World News (television), TODAY Show (television), ABC Radio Sydney, Triple M Gold radio (plus 4 syndicated stations), KIIS FM Radio (plus 1 syndicated station), 2CC Canberra Radio, 5AA Radio, 4BC 1116 FM Radio (plus 4 syndicated stations), 4CA 846 AM radio,

Newspapers

The Australian (online), Daily Telegraph (print & online), The Herald Sun (print & online), The West Australian (online), Perth Now (online), Albany Advertiser (online), Courier Mail (online), Sound Telegraph (online), Broome Advertiser (online), Gold Coast Bulletin (print & online), Cairns Post (print & online), Townsville Bulletin (print & online), The Mercury (print), The Chronicle (online), The Advertiser (online), Geelong Advertiser (print & online), NTNews.com.au (online), Channel 9 Online (online), Australian Chinese Daily (online Chinese language), Melbourne Today (online Chinese language), Sydney Today (2 stories, online Chinese language), Australia Impressions (online Chinese language)

Lifestyle

Better Homes & Gardens (online & Pinterest), New Idea (online), That's Life (print magazine), 9Honey|Kitchen (online), Convenience World Magazine (online), 1688.com.au (online Chinese language), WeSydney (online Chinese language)

Finance & Trade

Yahoo Finance Australia (online), Retail World Magazine (online), Savings.com.au (online), Beef Central (online)

Media activity continues to be the key driver of user number growth on the **Frugl Grocery** app, with growing users key to the Company's pathway to expanded commercialisation activities. It is anticipated the **Frugl GPI** will continue to drive media attention in the quarters ahead to support further user growth.

Commercial Progress

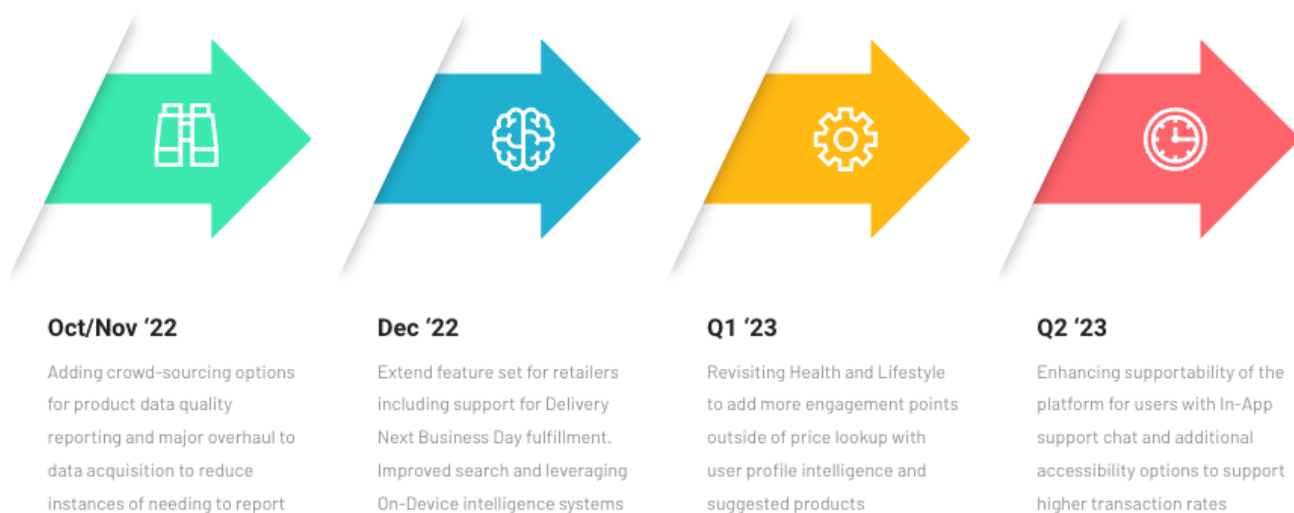
The Company experienced record quarterly growth in revenue from analytics services, underpinned by booked revenue for new and existing customers. The Company continues business development discussions with major retailers, consultants, suppliers and government agencies and is confident that it will deliver future quarterly revenue growth.

In addition, the Company is continuing discussions with potential transactional partners for **Frugl Market** and the **Frugl Grocery** app, which together will drive significant revenue opportunities in 2023.

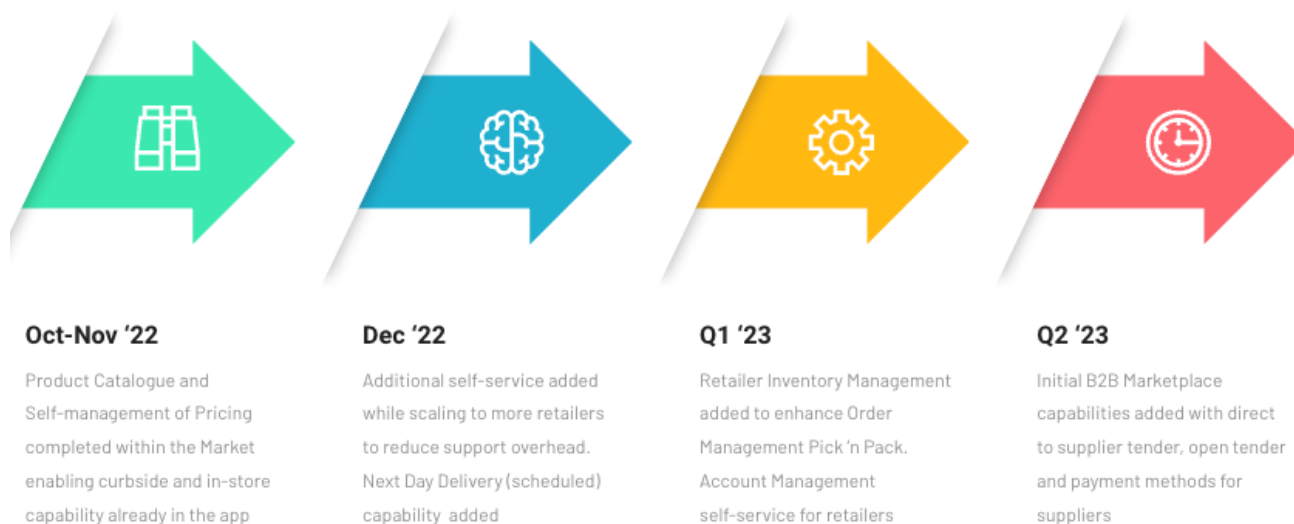
Development Progress – Frugl Grocery App & Frugl Market

Development has continued on **Frugl Grocery** for shoppers and **Frugl Market** for business partners in readiness for major growth initiatives in 2023 including international expansion.

Frugl Grocery – What is Next



Frugl Market – What is Next



Corporate

During the quarter the Company completed a non-renounceable entitlement offer ("Entitlement Offer") to eligible shareholders on a 1 for 2 basis at \$0.01 per Share raising \$621,974 (before costs). Funds raised will be primarily used for the marketing of the Frugl Grocery App, commercialisation of the InFocus Analytics retail intelligence SaaS platform, expansion of the Frugl Market platform into Southeast Asia, and general working capital purposes.

Appendix 4C

Outflows of \$93k from corporate and administrative activities during the September quarter (refer Items 1.2(f) of the Appendix 4C) predominantly comprised of corporate advisory, accounting, company secretarial, insurances and working capital. Pursuant to section 1.2(a), the operational expenditure of \$364k incurred by the Company relates to the ongoing cost of maintaining the Company's grocery comparison App, staff costs and the cost of delivering services to customers. The Company notes that the amount of \$67k disclosed in the Appendix 4C under Section 6 includes payments to related parties and their associates and salaries and wages to members of the Board of Directors.

The Company engaged 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 -

Forward looking statements

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and our management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law. These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.

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 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	74	74
1.2 Payments for		
(a) research and development	(364)	(364)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(92)	(92)
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(93)	(93)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(4)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(32)	(32)
1.9 Net cash from / (used in) operating activities	(511)	(511)
2. Cash flows from investing activities		
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 (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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	663*	663
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	346	346
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)	-	-
3.10	Net cash from / (used in) financing activities	1,009	1,009

**Including \$50K overpayment that was refunded subsequent to the quarter.*

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	77	77
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(511)	(511)
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 (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,009	1,009
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	575	575

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	515	17
5.2	Call deposits	60	60
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)	575	77

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	67
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	1,105	1,105
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	1,105	1,105
7.5	Unused financing facilities available at quarter end		-
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.		
	<p>A binding loan facility agreement ("Facility") with Mathew Walker, a Company director, is available on call. The facility has a principal amount of \$1,000,000, bears an interest rate of 1% per month payable monthly in arrears, secured against the Company's 2022 Financial Year Research and Development Offset Rebate and repayable on the earlier of the Company completing a capital raising of no less than \$1,000,000 or on 30 June 2023 (Director Loan).</p> <p>At quarter end, the Facility was temporarily increased to \$1,105,000. Subsequent to the quarter, the Company made a repayment of \$105,000.</p> <p>On 30 August 2022, the terms of the Facility were amended, with the maturity of the Facility now on the earlier of the Company successfully completing a capital raising of no less than \$2,000,000 or on 30 June 2023.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(511)
8.2	Cash and cash equivalents at quarter end (item 4.6)	575
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	575
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.13
	<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: Yes	

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 28 September the Company successfully raised \$621,974 (before costs) through a non-renounceable entitlement offer. Any further capital raising initiatives will be progressed as and when required.
Subsequent to the quarter, the Company received its R&D tax rebate amounting to \$588,967. This amount is not reflected in section 8.4 *Total available funding*, above.

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.

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.

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:28 October 2022.....

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.