28 February 2020

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

APPENDIX 4D AND CONDENSED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Please find attached the Family Insights Group Limited's Appendix 4D and condensed interim financial report for the half-year ended 31 December 2019.

The condensed interim financial report does not include all the notes of the type normally included in an annual financial report and accordingly the condensed interim financial report should be read in conjunction with the annual financial report for the year ended 30 June 2019.

The condensed interim financial report for the half-year ended 31 December 2019 incorporates a review of operations during the half-year.

- ENDS -

By Order of the Board:

Quinton Meyers
Company Secretary

Family Insights Group Limited
Tel: (+61 8) 6489 1600
info@familyinsightsgroup.com

APPENDIX 4D

for the half-year ended 31 December 2019

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Total Revenue and Other Income from Ordinary Activities:	853,565
Previous Corresponding Half-Year:	1,225,777
Percentage Change:	(30.37%)
Net Loss Attributed to Members:	432,588
Previous Corresponding Half-Year:	855,012
Percentage Change:	(49.41%)
Net Comprehensive Loss Attributed to Members:	450,388
Previous Corresponding Half-Year:	853,820
Percentage Change:	(47.25%)

There is no proposal to pay a dividend.

Please refer to Operating Results and Review of Operations within the Directors Report for an explanation of the results.

Net Tangible Liabilities Per Security:	$0.007
Previous Corresponding Half-Year:	$0.006

The Independent Auditor's Review Report includes an unmodified opinion drawing attention Note 2.3 Going Concern in the condensed interim financial report, which notes matters that indicate a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern.

FAMILY INSIGHTS GROUP LIMITED

ACN 096 870 978

CONDENSED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 December 2019

WWW.FAMILYINSIGHTSGROUP.COM

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Jonathon Wild	Non-Executive Chairman
Mr Sean Smith	Managing Director and Chief Executive Officer
Mr Mathew Walker	Non-Executive Director

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Subiaco WA 6008
AUSTRALIA

PRINCIPAL PLACE OF BUSINESS

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AUSTRALIA

POSTAL ADDRESS

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CONTACT INFORMATION

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EXCHANGE

Australian Securities Exchange (ASX)
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152-158 St George's Terrace
Perth WA 6000

ASX Codes: FAM (Shares), FAMO (Options)

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Perth WA 6000
AUSTRALIA

LAWYERS

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AUSTRALIA

SHARE REGISTRY

Automic Group
Level 2, 267 St Georges Terrace,
Perth WA 6000
AUSTRALIA

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DIRECTORS' REPORT

The directors present their report together with the condensed interim financial report of Family Insights Group Limited (**ASX: FAM**) (**Company** or **Family Insights**) and its controlled entities (**Group**) for the half-year ended 31 December 2019 and the auditor's review report thereon. This report has been prepared in accordance with AASB 134 *Interim Financial Reporting*.

DIRECTORS

The names and particulars of the directors of the Company in office during the half-year and until the date of this report are as follows. Directors were in office for the entire half-year unless otherwise stated.

The directors of the Company during the half-year and up to the date of this report are:

- Mr Jonathon Wild (Non-Executive Chairman)
- Mr Sean Smith (Managing Director and Chief Executive Officer)
- Mr Mathew Walker (Non-Executive Director)

OPERATING RESULTS

The Group has incurred a net loss after tax for the half-year ended 31 December 2019 of $435,822 (31 December 2018: $855,012).

REVIEW OF OPERATIONS

FAMILY INSIGHTS APP

The Company focused internal resources on the foundational development of the mobile application Frugl (**Frugl App**) to accelerate future Company revenue growth. The four key focus areas were data warehouse architecture, data collation, app design and business development.

FRUGL APP

Data Warehouse Architecture

Following a review of future data storage and analytics requirements in parallel with a review of currently available data warehouse platforms, the Company commenced the design and build of its data infrastructure utilising the Snowflake data warehouse platform on cloud-based AWS infrastructure.

Snowflake is a data warehouse solution built specifically for cloud-based handling of structured and semi-structured data, offering full integration with AWS, and utilising separated storage and processing performance configurations making it easier, faster and cheaper to configure than other data warehouse platforms as our data requirements develop in the future.

Snowflake is also fully compatible with downstream analytics and BI tools from multiple vendors including PowerBI and Tableau, both heavily used in the retail sector. Furthermore, Snowflake allows the Company to harness machine learning techniques to further enhance app-based user experiences and broaden analytics capabilities.

Data Collation

Development and Operations

The Company continued to develop its data acquisition capabilities with full product, pricing, promotional, nutritional and catalogue data from three major grocery retailers (localised by state and region) being collated on an ongoing basis.

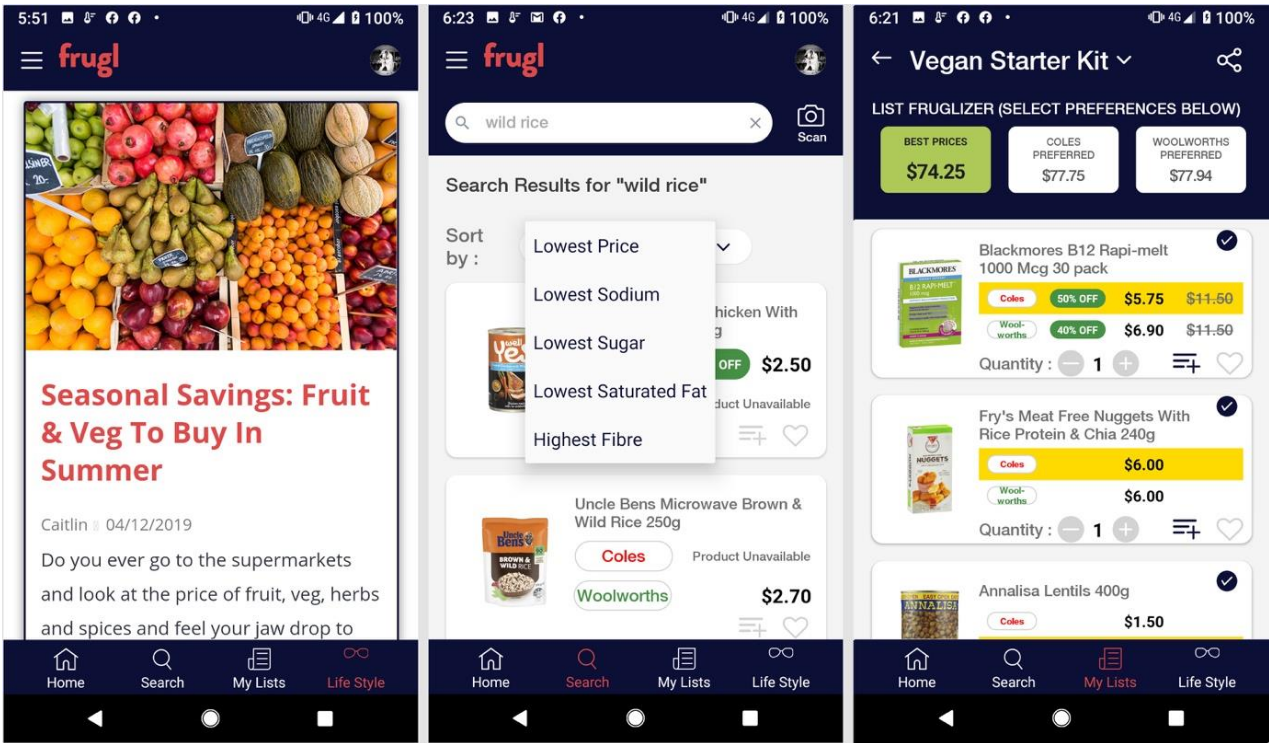
Early analysis of the data delivered major insights into grocery retailer behaviours and tactics, which were utilised for both business-to-business (**B2B**) and business-to-consumer (**B2C**) Frugl App development purposes.

App Design

The Frugl App is a supermarket comparison engine that allows shoppers to compare products across Woolworths and Coles supermarkets, create brand-specific shopping baskets and optimise shopping lists by cheapest prices.

In addition, the Company is overlaying wellness tools for shoppers to enable them to compare products and optimise shopping baskets by nutritional value, ingredient listings, allergens inclusions, health ratings and product sustainability.

Company resources have been focused on customer research and design of the new Frugl grocery & wellness app, with core functional specifications developed alongside shopper insight collation and data intelligence developed via ongoing grocery data collation.



In December the initial production version of the Frugl Grocery App was received by the Company's team who commenced user acceptance testing (**UAT**), for both Android and iOS versions of the Frugl App. The UAT version of the Frugl App is running on the live production environment utilising up to date grocery pricing data from major grocery retailers to enable real time testing by the UAT testers.

The UAT phase allowed for significant internal testing and multiple rounds of bug-logging and bug-fixing prior to the public beta-launch. Once the UAT phase passes the requirements for a Minimum Viable Product (**MVP**) it will be packaged for release to the Beta group for public testing.

It is anticipated that the UAT test cycles will be completed in early 2020 with the Beta test period and public launch of the Frugl App to follow shortly afterwards. The Company will then focus on accelerating user growth for the remainder of FY2020 to enable it to unlock consumer behavioural data models and research panels for commercialisation.

Business Development

The Company commenced business development activities for its data analytics products, having initiated discussions with major Australian retailers to determine their key data analytics objectives and identify appropriate FAM-built solutions. Retailer feedback and analytics requirements were utilised for the data warehouse and analytics platform design process, in parallel with the business pipeline creation objectives of the business development team.

GROCERY ANALYTICS PLATFORM

The Company has developed a Grocery Pricing & Promotion Analytics platform utilising data collated since May 2019, with advanced product, category and retail supplier analytics capabilities now in readiness for immediate deployment with retailer clients.

The Company has been in business development discussions with potential analytics customers across grocery retailer and supply categories and expects to announce further news on business development in the March quarter.

WANGLE MOBILE VPN

Following the separation of the VPN network infrastructures for the stand-alone mobile VPN and FI products, the Company was able to decommission the stand-alone Wangle VPN product and reduce operating costs by a further $30,000 per quarter in addition to prior realised network savings of $80,000 per quarter.

FINANCIAL UPDATE

On 30 July 2019, the Group announced it had entered into a loan facility agreement with Rocking Horse Pty Ltd (**Rocking Horse**), an unrelated entity of the Group, for the amount of $500,000 (**Loan**). As per the terms of the Loan, the total amount drawn was repaid following receipt of the 2019 financial year Research & Development Rebate.

On 6 September 2019, the Group announced it had received a Research and Development Tax Incentive Scheme cash rebate (**R&D Rebate**) from the Australian Tax Office of $846,972 for the financial year ending 30 June 2019. Following receipt of the R&D Rebate, the Group repaid the Loan to Rocking Horse.

On 1 July 2019, the Group lodged its Notification of Consolidation/Split with the ASX. The Group received shareholder approval at its general meeting held 5 August 2019 to perform a consolidation on a 1:50 basis.

On 11 December 2019, the Group announced the successful completion of a placement issue of 16,000,000 fully paid ordinary shares at an issue price of $0.0625 per share to raise $1,000,000 before costs.

FINANCIAL PERFORMANCE

The total net loss for the half-year ended 31 December 2019 was $435,822 (2018: loss $855,012).

The Group had negative cash flows from operating activities for the half-year amounting to $544,627 (2018: ($1,241,596) and had working capital of $111,002 (30 June 2019: ($379,037)) and a net deficit of $442,992 (30 June 2019: $929,370) as at 31 December 2019.

CHANGES TO SECURITIES

On 11 December 2019, the Group announced the successful completion of a placement issue of 16,000,000 fully paid ordinary shares at an issue price of $0.0625 per share to raise $1,000,000 before costs.

ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the condensed interim financial report have been rounded to the nearest dollar.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 28 February 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 (**Loan**). As per the terms of the Loan, the total amount drawn will be repaid following receipt of the 2020 financial year Research & Development Rebate.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group other than as referred to elsewhere in this condensed interim financial report and in the financial statements and notes attached thereto.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* in relation to the review for the half year is set out on page 9 of this report.

This report is presented in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the Corporations Act 2001 and is signed for and on behalf of the directors by:

Mr Jonathon Wild
Chairman
Perth, Western Australia this 28th day of February 2020

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF FAMILY INSIGHTS GROUP LIMITED AND ITS CONTROLLED ENTITIES

In relation to the independent review for the half-year ended 31 December 2019, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

This declaration is in respect of Family Insights Group Limited and the entities it controlled during the period.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

JOANNE PALMER
Executive Director
28 February 2020

FAMILY INSIGHTS GROUP LIMITED
ABN 80 096 870 978

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF FAMILY INSIGHTS GROUP LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Family Insights Group Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PITCHER PARTNERS

FAMILY INSIGHTS GROUP LIMITED
ABN 80 096 870 978

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF FAMILY INSIGHTS GROUP LIMITED

Material Uncertainty Related to Going Concern

We draw attention to Note 2.3 Going Concern to the half-year financial report, which indicates that the Group incurred a net loss of $435,822 for the half-year ended 31 December 2019 and, as at that date, had net liabilities of $442,992. These conditions, along with other matters set forth in Note 2.3 Going Concern to the half-year financial report, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in this respect.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

JOANNE PALMER
Executive Director
28 February 2020

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Family Insights Group Limited (**Company**):

   a. the accompanying interim financial statements and notes are in accordance with the Corporations *Act 2001* including:

      i. complying with Australian Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and

      ii. giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half- year then ended.

   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made in accordance with a resolution of the directors.

Mr Jonathon Wild
Chairman
Perth, Western Australia this 28th day of February 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2019

	Note	Half-year ended 31 Dec 2019 $	Half-year ended 31 Dec 2018 $
Continuing operations			
Revenue from contracts with customers		5,110	4,941
Interest income		1,483	5,522
R&D tax rebate		722,082	673,234
Reversal of impairment	3	124,890	542,080
Total revenue and other income		**853,565**	**1,225,777**
Research and development costs, materials and consultants		(103,503)	(285,707)
Directors' fees, salaries, superannuation and consulting costs		(759,164)	(829,095)
Right-of-use asset amortisation	0	(38,500)	-
Depreciation		-	(42,345)
Public company costs, fees, share registry, shareholder costs		(41,144)	(65,377)
Occupancy costs		(11,401)	(40,639)
Legal fees		(85,498)	(43,640)
Audit fees		(43,151)	(12,028)
Insurances		(23,125)	(21,895)
Interest expenses		(9,014)	(7,149)
Foreign exchange expense		-	(1,308)
Other expenses from ordinary activities		(43,411)	(133,716)
Corporate fees		(56,472)	(70,000)
Share-based payments	7	-	(323,811)
Impairment expense	3	(19,971)	(204,079)
Movement in contingent consideration	13	(55,033)	-
Total expenses		**(1,289,386)**	**(2,080,789)**
Loss before income tax expense		**(435,822)**	**(855,012)**
Income tax expense		-	-
Loss after income tax expense from continuing operations		(435,822)	(855,012)
Loss after income tax expense for the half-year attributable to the owners of the Company		**(435,822)**	**(855,012)**
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(17,800)	1,192
Total comprehensive loss for the half-year		**(453,622)**	**(853,820)**
Loss for the half-year attributable to Owners of the Company:			
Owners of the Company			
- from continuing operations		(432,588)	(855,012)
Loss attributable to non-controlling interests		(3,234)	-
		(435,822)	(855,012)
Total comprehensive loss for the half-year is attributable to:			
Owners of the Company			
- from continuing operations		(450,388)	(853,820)
Loss attributable to non-controlling interests		(3,234)	-
		(453,622)	(853,820)
Loss per share from continuing operations			
Basic and diluted loss per share (cents per share)	4	(0.007)	(0.022)
Loss per share from discontinued operations			
Basic and diluted loss per share (cents per share)		-	-

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the condensed interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Note	Half-year ended 31 Dec 2019 $	Full-year ended 30 Jun 2019 $
Current assets			
Cash and cash equivalents		653,048	192,654
Trade and other receivables		66,861	82,581
Total current assets		719,909	275,235
Non-current assets			
Plant and equipment		-	-
Intangible assets	3	-	-
Right-of-use asset	14	51,372	-
Total non-current assets		51,372	-
Total assets		**771,281**	**275,235**
Liabilities			
Current liabilities			
Trade and other payables		447,833	576,751
Provision for leave		108,110	77,521
Lease liability	14	52,964	-
Total current liabilities		608,907	654,272
Non-current liabilities			
Contingent consideration	13	605,366	550,333
Total non-current liabilities		605,366	550,333
Total liabilities		**1,214,273**	**1,204,605**
Net deficit		**(442,992)**	**(929,370)**
Equity			
Issued capital	4	31,599,019	30,659,019
Reserves	5	1,505,044	1,522,844
Accumulated losses		(33,519,101)	(33,086,514)
Non-controlling interest		(27,953)	(24,719)
Total deficit		**(442,992)**	**(929,370)**

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the condensed interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2019

	Share Capital $	Option Premium Reserve $	Performance Share Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Non-controlling interests $	Total $
Balance at 1 July 2018	**28,375,771**	**75,508**	**434,485**	**22,572**	**(29,257,340)**	**-**	**(349,004)**
Loss for the half-year	-	-	-	-	(855,012)	**-**	**(855,012)**
Other comprehensive income for the half-year	-	-	-	1,192	-	**-**	**1,192**
Total comprehensive loss for the half-year	**-**	**-**	**-**	**1,192**	**(855,012)**	**-**	**(853,820)**
Shares/Options issued during the half-year	2,176,953	323,811	-	-	-	**-**	**2,500,764**
Share/Option issue costs	(292,793)	-	-	-	-	**-**	**(292,793)**
Reclassification of option lapsed in prior half-year	-	671,240	-	-	(671,240)	**-**	**-**
Balance at 31 December 2018	**30,259,931**	**1,070,559**	**434,485**	**23,764**	**(30,783,592)**	**-**	**1,005,146**
Balance at 1 July 2019	**30,659,019**	**1,070,559**	**434,485**	**17,800**	**(33,086,513)**	**(24,719)**	**(929,370)**
Loss for the half-year	-	-		-	(432,588)	(3,234)	**(435,822)**
Other comprehensive loss for the half-year	-	-	-	(17,800)	-	-	**(17,800)**
Total comprehensive loss for the half-year	-	-	-	**(17,800)**	**(432,588)**	**(3,234)**	**(453,622)**
Shares issued during the half-year	1,000,000	-	-	-	-	-	**1,000,000**
Share issue costs	(60,000)	-	-	-	-	-	**(60,000)**
Balance at 31 December 2019	**31,599,019**	**1,070,559**	**434,485**	**-**	**(33,519,101)**	**(27,953)**	**(442,992)**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the condensed interim financial report.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2019

	Note	Half-year ended 31 Dec 2019 $	Half-year ended 31 Dec 2018 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,260,600)	(1,918,386)
Receipts from customers		1,422	5,183
Interest received		1,483	5,522
Interest paid		(9,014)	(7,149)
Receipt of R&D tax rebate		722,082	673,234
Net cash used by operating activities		(544,627)	(1,241,596)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(1,778)
Net payments for capitalised software development costs and receipt of R&D Rebate	3	104,919	338,001
Net cash generated by investing activities		104,919	336,223
Cash flows from financing activities			
Proceeds from issues of shares	4	1,000,000	2,176,953
Payments of share issue costs		(60,000)	(292,793)
Payments for principal portion of lease liabilities	14	(39,897)	-
Net cash generated by financing activities		900,103	1,884,160
Net increase in cash and cash equivalents		**460,395**	**978,787**
Cash and cash equivalents at the beginning of the half-year		192,653	288,197
Foreign exchange effects		-	1,192
Cash and cash equivalents at the end of the half-year		**653,048**	**1,268,176**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, which form an integral part of the condensed interim financial report.

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2019

1. REPORTING ENTITY

Family Insights Group Limited (**Company**) is a company limited by shares, incorporated and domiciled in Australia. The condensed interim financial report as at and for the half-year ended 31 December 2019 covers the consolidated group of Family Insights Group Limited and its controlled entities, together referred to as the '**Group**'. The Group is a for-profit entity.

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

The condensed interim financial report is a consolidated general-purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Standards IAS 34 *Interim Financial Reporting*. The condensed interim financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial statements. Accordingly, this condensed interim financial report is to be read in conjunction with the annual financial statements for the year ended 30 June 2019 and any public announcements made by Family Insights Group Limited during the interim reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX listing rules.

The same accounting policies and methods of computation have generally been applied in these half-year financial statements as compared with the most recent annual financial statements, except for the adoption of new standards and interpretation effective as of 1 July 2019. With the exception of the new accounting standards discussed in note 2.2 New accounting standards below, the adoption of the new standards and interpretations effective as at 1 July 2019 had no material impact on the Group.

2.2. NEW ACCOUNTING STANDARDS

The following significant Australian Accounting Standard has been issued and is applicable to the half-year financial statements of the Group:

AASB No.	Standard / Interpretation	Effective date for the group
AASB 16	Leases	1 July 2019

2.2.1. AASB 16 'Leases'

AASB 16 replaced AASB 117: *Leases* and introduces a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

(a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:

   i. investment property, the lessee applies the fair value model in AASB 140*: Investment Property* to the right-of-use asset; or

   ii. property, plant or equipment, the lessee can elect to apply the revaluation model in AASB 116: *Property, Plant and Equipment* to all of the right-of-use assets that relate to that class of property, plant and equipment; and

(b) lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, under AASB 16 a lessor would continue to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and would account for each type of lease in a manner consistent with the current approach under AASB 117.

In accordance with the transition requirements of AASB 16, the Group has elected to apply AASB 16 retrospectively to those contracts that were previously identified as leases under the predecessor standard, with the cumulative effect of initially applying the new standard recognised at the beginning of the current reporting period (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The application of AASB 16 resulted in the recognition of a right-of-use asset with an aggregate carrying amount of $89,872 (referred to in these financial statements as "Right-of-use asset") and a corresponding lease liability as at 1 July 2019. The weighted average incremental borrowing rate applied in the calculation of the initial carrying amount of lease liabilities is 8%.

Further details of the Group's accounting policy for leases, for the half-year period ended 31 December 2019 follows.

Lease assets

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

2.3. GOING CONCERN

The Group has net liabilities of $442,992 (30 June 2019: $929,370) as at 31 December 2019 and incurred a net loss after income tax of $435,822 (2018: $855,012) for the half-year ended 31 December 2019. Of the net liability position, $605,366 represents the fair value of the contingent non-cash consideration resulting from the Group's acquisition of Frugl (note 13).

The condensed interim financial report has been prepared on a going concern basis. In arriving at this position the directors have had regard to the fact that based on the matters noted below the Group has, or in the directors opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this report.

In forming this view the directors have taken into consideration the following:

- The launch of the Group's Frugl Grocery Comparison App on Apple and Android platforms on 11 February 2020;

- The expectation of successful capital raisings within the next 6 months at a level that provides sufficient financial resources, combined with funds raised from the matters noted below, to fund forecasted operational expenditure for a period for 12 months from the date of signing this condensed interim financial report;

- The receipt of a signed letter from Cicero Corporate Services Pty Ltd, dated 26 February 2020, to defer payment of the corporate administration fees for their services for financial reporting, company secretarial services, rent and administrative operations from 1 March 2020 until the Group completes a capital raise of at least $500,000;

- The receipt of signed letters from non-executive directors Matthew Walker and Jonathon Wild, and Managing Director and Chief Executive Officer Sean Smith, dated 26 February 2020, to defer payment of all fees for their services from 1 March 2020 until the Group completes a capital raise of at least $500,000;

- Under the Research and Development Tax Incentive Scheme, the Group is eligible to receive a cash rebate of up to 43.5% of the Group's development expenditure. Previous cash rebates for the years ended 30 June 2017, 2018 and 2019 have been $1,198,899, $1,215,315 and $846,972 respectively. The Group is expecting to submit an application in respect of the 2020 tax year. The amount of eligible expenditure is estimated to be $1,205,195 which if approved, would lead to a cash refund of $542,260;

- On 28 February 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 to the amount of $200,000 (**Loan**). As per the terms of the Loan, the total amount drawn will be repaid following receipt of the 2020 financial year Research & Development Rebate; and

- Keeping both administrative and development costs to a minimum through careful cash management, with an option to reduce personnel and scale back further development costs and deferral of payment of related party payments.

The Group's ability to continue as a going concern and meet its debts and future commitments as and when they fall due is dependent on a number of factors, including:

- Obtaining additional funding as outlined above;

- Receiving the continued support of its shareholders and creditors; and

- Successful commercialisation of the Frugl grocery comparison technology and generating future revenue to enable the Group to generate profit and positive cashflow.

Should the Group not achieve the matters set out above there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the condensed interim financial report. The condensed interim financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern and meet its debts as and when they fall due.

3. INTANGIBLE ASSETS

There was no movement in the carrying balance of intangible assets other than as noted in Note 3.1 Movement in capitalised development costs below.

3.1. MOVEMENT IN CAPITALISED DEVELOPMENT COSTS:

	As at 31 Dec 2019 $	As at 30 Jun 2019 $
Capitalised software development costs, opening net book value	-	-
Capitalised software development costs during the half-year	19,971	287,100
Reversal of capitalised software development costs during the half-year (i)	(124,890)	(542,081)
Reversal of capitalised software development costs impairment during the half-year (i)	124,890	542,081
Impairment of capitalised software development costs during the half-year	(19,971)	(287,100)
Closing balance	-	-

(i) As per the Group accounting policy, cash inflows from the Research and Development Tax Incentive Scheme are credited against where the original expenditure was allocated. As a result of the cash inflow of $846,972 received in the half-year ended 31 December 2019, $124,890 was credited against the original capitalised software development costs. As the original capitalised software development costs had been fully impaired in prior years, a reversal of impairment to the amount $124,890 was recognised in the current half-year.

3.2. CAPITALISED DEVELOPMENT COSTS CARRYING BALANCE:

	As at 31 Dec 2019 $	As at 30 Jun 2019 $
Capitalised software development costs	2,887,326	2,992,245
Accumulated impairment of capitalised software development costs	(2,887,326)	(2,992,245)
Other capitalised development costs	51,456	51,456
Accumulated impairment of other capitalised development costs	(51,456)	(51,456)
	-	-

During the half-year, $19,971 was recognised as a provision for impairment on capitalised software development costs. This was based on a review of the recoverable value of the relevant assets factoring in a number of subjective assumptions using a value-in-use model. Based on a 5-year present value net cash flow, the directors have taken a conservative view of the recoverable value and deemed the capitalised software development costs to have a carrying value of approximately $nil as at 31 December 2019. Therefore, a full impairment has been recognised. The key assumptions for the value-in-use model were; Forecasted revenue generated from capitalised software development costs and ongoing support costs of technologies, forecasted staff costs associated with developing and marketing of technologies and providing technical support to users, forecasted marketing costs of technologies and a discount rate of 13.8%.

4. ISSUED CAPITAL

All references to securities in the Group have been reported on a post-consolidation basis.

On 1 July 2019, the Group lodged its Notification of Consolidation/Split with the ASX. The Group received shareholder approval at its general meeting held 5 August 2019 to perform a consolidation on a 1:50 basis. As a result of the consolidation, the earnings per share for the half-year ended 31 December 2018 has been restated to (0.022) cents per share. The earnings per share for the half-year ended 31 December 2019 has been calculated as (0.008) cents per share.

	As at 31 Dec 2019 $	As at 30 Jun 2019 $
66,000,000 fully paid ordinary shares (30 June 2019: 50,000,000)	31,599,019	30,659,019

4.1. FULLY PAID ORDINARY SHARES

All references to securities in the Group have been reported on a post-consolidation basis.

	As at 31 Dec 2019		As at 30 Jun 2019	
	No.	$	No.	$
Balance at beginning of half-year[(i)]	50,000,000	30,659,019	1,352,237,366	28,375,771
Shares issued [(ii)]	16,000,000	1,000,000	1,147,762,635	2,599,065
Share issue costs	-	(60,000)	-	(315,817)
Balance at end of half-year	66,000,000	31,599,019	2,500,000,001	30,659,019

(i) On 1 July 2019, the Group lodged its Notification of Consolidation/Split with the ASX. The Group received shareholder approval at its general meeting held 5 August 2019 to perform a consolidation on a 1:50 basis.

(ii) The Group issued 16,000,000 shares on the 11th of December 2019 at $0.0625 a share to raise $1,000,000 before costs.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

4.2. SHARE OPTIONS ON ISSUE

Share options issued by the Company carry no rights to dividends and no voting rights. As at 31 December 2019, the Company has 23,048,883 share options on issue (June 2019: 23,048,883) exercisable on a 1:1 basis for 23,048,883 shares (2018: 251,793,198) at an exercise price of $0.05 cents on a post-consolidation basis. The options expire on 30 June 2021. The expense relating to these options has been fully recognised in prior periods as the options have fully vested.

5. RESERVES

	As at 31 Dec 2019 $	As at 30 Jun 2019 $
Option reserve balance at beginning of half-year	1,070,559	75,508
Options issued during the half-year	-	323,811
Reversal/(lapse) of options during half-year	-	671,240
Option reserve balance at end of half-year	1,070,559	1,070,559

The Option reserve arises on the grant of share options to executives, employees, consultants and advisors and upon issue of options to shareholders or buyers. Amounts are transferred out of reserve and into accumulated losses when options expire or lapse.

Performance share reserve balance at beginning of half-year	434,485	434,485
Performance share converted during the half-year	-	-
Performance share reserve balance at end of half-year	434,485	434,485

The Performance share reserve arises on the grant of performance shares to A Class Share vendors, consultants and advisors. As at 31 December 2019 none of the Group's performance shares had been issued. Amounts will be transferred out of the Performance Share reserve and into accumulated losses when performance shares expire or lapse.

Foreign currency translation reserve at beginning of half-year	17,800	22,572
Movement during half-year *(i)*	(17,800)	(4,772)
Foreign currency translation reserve at end of half-year	-	17,800

(i) During the half-year ended 31 December 2019, the Group ceased its operation of its foreign operations and therefore there is no translation reserve at 31 December 2019.

Option reserve	1,070,559	1,070,559
Performance share reserve	434,485	434,485
Foreign currency translation reserve	-	17,800
Total reserves balance at end of half-year	1,505,044	1,522,844

5.1. EMPLOYEE INCENTIVE OPTION PLAN

On 30 November 2019, the Group received shareholder approval to adopt an employee incentive scheme titled Incentive Option Plan (Option Plan) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

The Option Plan allows the Group to issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period. This issue of options to employees under the Option Plan is at the absolute discretion of the Board of Directors.

As at 31 December 2019, and subsequently, no options have been issued under the Option Plan.

6. SHARE OPTIONS

All references to securities in the Group have been reported on a post-consolidation basis.

Each option issued converts into one ordinary share of Family Insights Group Limited on exercise. Options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

6.1. MOVEMENTS IN SHARE OPTIONS DURING THE HALF-YEAR

The following reconciles the share options outstanding at the beginning and end of the half-year:

	As at 31 Dec 2019		As at 30 Jun 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of half-year (i)	23,048,883	0.50	420,828,065	0.021
Granted during the half-year	-	-	900,650,970	0.010
Expired during the half-year	-	-	(169,034,867)	0.038
Balance at end of half-year	23,048,883	0.50	1,152,444,168	0.010
Exercisable at end of half-year	23,048,883	0.50	1,152,444,168	0.010

(i) On 1 July 2019, the Group lodged its Notification of Consolidation/Split with the ASX. The Group received shareholder approval at its general meeting held 5 August 2019 to perform a consolidation on a 1:50 basis.

7. SHARE-BASED PAYMENTS

Share-based payments made during the half-year are summarised below.

7.1. RECOGNISED SHARE-BASED PAYMENT EXPENSE

	As at 31 Dec 2019 $	As at 31 Dec 2018 $
Options issued to directors (i)	-	323,811
	-	323,811

(i) On 10 December 2018 the Company issued 175,000,000 Options to Directors, following shareholder approval on 30 November 2018. The options had no vesting conditions and vested immediately on issue.

7.1.1. OPTIONS GRANTED DURING THE PREVIOUS YEAR

The Group granted the following options during the year ended 30 June 2019:

Number of Options Issued	Issue Date	Expiry Date	Exercise Price	Total Value(i)	Recipient
725,650,970	25 Jul 2018	30 Jun 2021	$0.01	Nil	Shareholders
175,000,000	10 Dec 2018	30 Jun 2021	$0.01	323,811	Directors

(i) As the options issued are unlisted, the Company determined the most appropriate value using the Black Scholes Model applying the following inputs: share price at grant date of $0.002 for the 175,000,000 options; expected volatility of 262%, expected dividends of nil; and a risk-free rate of 1.93%.

Number of Options	Underlying share price (VWAP)	Exercise price	Expected volatility	Expiry date (years)	Expected dividends	Risk free rate	Probability of share issue	Value per option
725,650,970	$0.003	$0.01	262%	2.56	Nil	1.93%	Negligible	Negligible
175,000,000	$0.002	$0.01	262%	2.56	Nil	1.93%	Negligible	Negligible

8. COMMITMENTS & CONTINGENT LIABILITIES

8.1. COMMITMENTS

	Executive Fees	Corporate Fees
Agreement Start date	25/01/2017	1/01/2019
Expiry date	25/01/2021	1/01/2021
Monthly amount	21,667	10,000
Termination of the agreement	90 days	90 days
Within 12 months to December 2020	260,004	120,000
Within 2 <5 years	21,667	-
Total	281,671	120,000

8.2. CONTINGENT LIABILITIES

Other than as disclosed in Note 13, there are no other contingent liabilities for the Group (2018: Nil).

9. RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling party of the Group is Family Insights Group Limited.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

The Company is engaged in a contract with Cicero Group Pty Ltd (**Cicero Group**), which Mr Mathew Walker is a shareholder of, for the provision of Company Secretary and Administration services to the amount of $10,000 (exc. GST) a month with a 3-month termination period. During the half-year a total of $60,000 (exc. GST) was paid. As at 31 December 2019, there was no amount outstanding to Cicero Group.

10. EVENTS AFTER THE REPORTING HALF-YEAR

On 11 February 2020 the Group announced the launch of the Group's ground-breaking grocery price comparison and wellness application Frugl (**Frugl App**) for both Apple and Android mobile devices.

On 28 February 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 (**Loan**). As per the terms of the Loan, the total amount drawn will be repaid following receipt of the 2020 financial year Research & Development Rebate.

11. SEGMENT INFORMATION

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates primarily in development of the Frugl App. The financial information presented in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position is the same as that presented to the chief operating decision maker.

Unless stated otherwise, all amounts reported to the Board of directors as the chief operating decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

12. COMPARATIVES

Where necessary, prior half-year comparatives have been reclassified to be consistent with current half-year's presentation.

13. CONTINGENT CONSIDERATION

On 22 January 2019, the Group acquired 95.71% of the voting shares of Frugl Group Limited (**Frugl**), a non-listed company based in Perth, Australia. Frugl is a grocery price comparison platform with advanced analytics capabilities, that collects and process numerous data streams including behavioural shopper and browsing data, in real time, across any device. Frugl provides shoppers with up-to-date products, promotions and pricing information to find the lowest price each week across Australia's leading supermarkets.

As part of the purchase agreement with the previous shareholders of Frugl, contingent consideration has been agreed. The total contingent consideration is the issue of 1,914,200,000 fully paid ordinary shares which are to be issued to previous shareholders of Frugl in four equal tranches of 478,550,000 upon realisation of the following milestones:

- $1,000,000 revenue before costs on or before 30 June 2021;
- $2,000,000 revenue before costs on or before 30 June 2021;
- $6,000,000 revenue before costs on or before 30 June 2022; and
- $10,000,000 revenue before costs on or before 30 June 2022.

As at 31 December 2019, the fair value of the contingent consideration was estimated to be $605,366 (30 June 2019: $550,333) in accordance with the accounting policies disclosed in the annual financial report and based on the assigned probability of the milestones being achieved and underlying Group share price as at that date.

14. LEASES

The Group has an operating lease for its office and software development facilities for which the lease was renewed by Wangle Operations Pty Ltd (**Wangle Operations**) for a period of 24 months from 1/09/2018, with no option to extend. Wangle Operations does not have an option to purchase the leased asset at the expiry of the lease period.

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Impact of initial adoption of AASB 16 – Right-of-use asset	Office Lease $
Recognised on 1 July 2019	89,872
Amortisation for half-year	(38,500)
Carrying amount as at 31 December 2019	51,372

Impact of initial adoption of AASB 16 – Lease liability	Office Lease $
Recognised on 1 July 2019	89,872
Interest expense for half-year	2,989
Payments for principal portion of lease liabilities for half-year	(39,897)
Carrying amount as at 31 December 2019	52,964

Amounts recognised in consolidated statement of cashflows	As at 31 Dec 2019 $
Interest expense on lease liability for half-year	2,989
Payments for principal portion of lease liabilities for half-year	39,897
Total cash outflow in relation to leases for half-year	42,886

Reconciliation between AASB 16 right-of-use asset and lease commitments as at 30 June 2019	Office Lease $
Lease commitments at 30 June 2019	93,100
Discounting of lease liabilities	(3,228)
Right-of-use asset and lease liability recognised at 1 July 2019	89,872

The weighted average incremental borrowing rate applied in the calculation of the initial carrying amount of lease liabilities is 8%.

15. DIVIDENDS

No dividends were paid or declared during the half-year and no recommendation for payment of dividends has been made.

16. FAIR VALUE MEASUREMENT

16.1. FAIR VALUE HIERARCHY

Assets and liabilities measured and recognised at fair value have been determined by the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly,
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The Group's contingent consideration liability of $605,366 has been fair valued using significant unobservable inputs (Level 3) for which market data is not available and developed using the best information available about the realisation of the milestones detailed in Note 13 above and the underlying share price of the Group as at 31 December 2019.

The best information available relates to the directors determination of the current operational status of the Group and the directors best estimate of the probability of achieving the milestones based on the current operational status of the Group. The following table provides the fair value of the financial asset held by the Group.

31 December 2019	Date of valuation	Total	Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value		$	$	$	$
Contingent consideration	31 December 2019	605,366	-	-	605,366
Total financial assets		605,366	-	-	605,366

30 June 2019	Date of valuation	Total	Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value		$	$	$	$
Contingent consideration	30 June 2019	550,333	-	-	550,333
Total financial assets		550,333	-	-	550,333

16.2. RECONCILIATION OF LEVEL 3 FAIR VALUE MOVEMENTS

	As at 31 Dec 2019 $	As at 30 Jun 2019 $
Liabilities measured at fair value		
Opening balance	550,333	-
Acquisition of Frugl	-	550,333
Fair value movement recognised in profit or loss	55,033	-
Closing balance	605,366	550,333