

30 April 2020

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

FAMILY INSIGHTS GROUP Q3 COMPANY UPDATE

Family Insights Group Limited (ASX: FAM) (Company) is pleased to provide the market with an update on Company operations, development of its grocery comparison engine **frugl**, and parental control platform **Family Insights**.

Highlights

- The frugl grocery comparison application (**App**) is market-ready and its weekly cost-savings ability will be highly relevant during the developing economic crisis facing Australia
- The core retail analytics platform and infrastructure have been developed and are ready to commence on-boarding business customers
- The Company will shortly hold a full year of retail pricing and promotions data underpinning its commercial analytics product, providing a stronger proposition for securing commercial analytics contracts in the June quarter.
- Frugl to develop curated lists and social list sharing capabilities to accelerate frugl grocery mobile App usage and member growth.
- FAM enacts Company restructure and further austerity measures to ensure sustainability during the current challenging economic conditions.

Economic conditions offer strong growth conditions for frugl

The current and likely future economic conditions as a result of the COVID-19 pandemic are re-shaping consumer sentiment and demand for food and groceries. The current conditions are leading to a surge in online grocery shopping demand (45% increase in online grocery scales over the past two weeks according to Nielsen Homescan), with price sensitivity emerging as the key factor.

The frugl grocery comparison App is well positioned to address pricing and availability sensitivities, with localised price comparison and promotions visibility helping shoppers to minimise their weekly spend during this period of economic instability.

frugl core analytics platform, infrastructure and data asset ready for commercialisation

frugl analytics is ready for immediate commercialisation. Its database infrastructure and core analytics capability have been developed and the retail data asset, containing almost a full year of grocery pricing and promotional data across major grocery retailers, provides a strong commercial solution ready for immediate deployment for retailers and their suppliers.

frugl to develop curated sharable lists to drive viral growth

The Company is currently developing two major features for inclusion in the next release of the frugl grocery comparison App to continue to drive user growth.

The inclusion of curated feature lists, allowing the Company to build custom featured lists which can be shared to all users across the network, gives the Company the opportunity to deliver immediate value to shoppers with pre-built and price optimised lists as well as creating opportunities for sponsored lists by commercial partners.

The new social share feature provides users the ability to take a copy of any list, including featured or personal custom lists, and share in a way that allows the list to be opened within the frugl App by other frugl users, whilst prompting non-frugl users to download the App.

Company restructure and austerity measures

The Company undertook a structure and cost review to reduce its cost base whilst maintaining its ability to develop and commercialise its core products. Key measures undertaken heading into the June quarter include:

- A review of the business operational model, which is now transitioning from a product development phase to a business development phase
- Reduced permanent headcount from the March quarter to the June quarter by 57%
- Moved to on-demand outsourced delivery of development, technology support and marketing services
- Reduced overall occupancy and administrative costs in line with staffing reductions
- Negotiated deferred salary components with Company employees and directors

The austerity measures undertaken will reduce monthly operational expenditure by approximately \$93,000 per month, substantially reducing the Company's cash burn and strengthening its ability to continue operations during the economic fallout of the COVID-19 pandemic.

As announced on 31 January 2020, the Company entered into a binding loan facility agreement with Mathew Walker, a Company director, for up to \$600,000, available on call, unsecured, interest free and repayable on 1 October 2020. The loan facility has subsequently been varied to up to \$700,000. All other terms remain the same.

Change of Company Secretary

The Company announced that Mrs Loren King assumed the role of Company Secretary, replacing Mr. Quinton Meyers who resigned as Company Secretary.

- ENDS -

For further information, please contact:

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Loren King

Company Secretary

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ABOUT FRUGL

frugl is a data insights business utilising a price comparison platform that allows families to compare the cost of goods between different supermarket retailers in their local areas, whilst simultaneously analysing shopper behaviours in real time against the changing landscape of product merchandising and pricing changes across over 60,000 different products from major supermarket chains.

ABOUT FAMILY INSIGHTS

Family Insights offers parents a unique approach to ensuring the safe use of the internet by children and teenagers. By utilising Family Insights' world class secure VPN network, backed by the research insights of childhood development research organisation Telethon Kids Institute, Family Insights monitors mobile network patterns in real time and advises parents of potential threats as well as providing greater details and resources to parents on the threats identified.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Family Insights Group Limited

ABN

80 096 870 978

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows		Current quarter (March 2020) \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	1	3
1.2	Payments for		
	(a) research and development	(292)	(804)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(7)	(10)
	(d) leased assets	-	-
	(e) staff costs	-	1
	(f) administration and corporate costs	(223)	(834)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(3)	(8)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	196	955
1.8	Other (provide details if material)	(120)	(218)
1.9	Net cash from / (used in) operating activities	(448)	(915)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter (March 2020) \$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)	-	-
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)	-	1,000
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	-	(66)
3.5	Proceeds from borrowings	-	128
3.6	Repayment of borrowings	-	(128)
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	-	934

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	646	179
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(448)	(915)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	934
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	198	198

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

5.	Reconciliation of cash and cash equivalents <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	Current quarter (March 2020) \$A'000	Previous quarter (Dec 2019) \$A'000
5.1	Bank balances	105	551
5.2	Call deposits	93	95
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)	198	646

6.	Payments to related parties of the entity and their associates	Current quarter (March 2020) \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(74)
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>		
	Directors fees	

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	700 ¹	-
7.2	Credit standby arrangements	200 ²	(196)
7.3	Other (please specify)	-	-
7.4	Total financing facilities	900	(196)
7.5	Unused financing facilities available at quarter end		704
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.		
	<ol style="list-style-type: none"> On 31 January 2020, the Company advised that the \$600,000 binding loan facility agreement with Mathew Walker, a Company director, was available on call, unsecured, interest free and repayable on 1 October 2020 (Director Loan). The terms of the Director Loan have subsequently been varied with the Director Loan now being up to \$700,000. All other terms of the Director Loan remain the same. On 16 March 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. 		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(448)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	198
8.3	Unused finance facilities available at quarter end (Item 7.5)	704
8.4	Total available funding (Item 8.2 + Item 8.3)	902
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2
8.6	<p>If Item 8.7 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p> <p>Yes.</p> <p>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?</p> <p>Yes. The Company is currently undertaking an entitlement issue on a 1 for 2 basis at \$0.02 per share, to raise up to \$660,000 before costs. The company is confident the issue will be well supported by shareholders.</p> <p>3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?</p> <p>Yes. As announced on 2 April 2020, the Company undertook a comprehensive review of its operating business model in response to COVID-19 and implemented a number of austerity measures that have reduced monthly operational expenditure by approximately \$93,000 per month. The review of the business model, which is now transitioning from a product development phase to a business development phase, has enabled the business to reduce its cost base whilst maintaining its ability to develop and commercialise its core products.</p>	

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2020

Authorised by: The Board of the Company

Notes

- 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.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and 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 standards apply to this report.
- 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.
- 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".
- 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.