



ASX Announcement

5 February 2024

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Northbridge WA 6003

www.fruglgroup.com.au

Directors

Kit Weng Yip, Chairman

Kenny Woo, Managing Director

Kulthirath Pakawachkriker,
Director

Steve Samuel, Company
Secretary

Issued Capital

ASX Code: FGL

1,041,688,151 Ordinary Shares

29,500,000 Listed options
exercisable at \$0.10 on or before
20 July 2024

245,000,000 Unlisted options
exercisable at \$0.01 on or before
31 December 2025

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.

Laura Gomme
Adviser, Listings Compliance
ASX Limited
Level 40, Central Park,
152-158 St Georges Terrace,
Perth WA 6000

By email: ListingsCompliancePerth@asx.com.au

RE: FGL Aware Query Response

We refer to your letter dated 2 February 2024 requesting information from the Frugl Group Limited ("FGL" or the "Company") pursuant to Listing Rule 3.1 in response to the FGL's Quarterly Activities/Appendix 4C Cash Flow Report lodged on market announcements platform on 30 January 2024 (the "Quarterly Report").

The Company now provides the requested information below, adopting the numbering from the ASX letter.

1. **Does FGL consider the First Loan Agreement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

No, FGL does not consider the First Loan Agreement to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

2. **If the answer to question 1 is "no", please advise the basis for that view. In answering this question, please specifically address the Estimated Available Funding in the context of FGL's ability to fund its operations.**

In forming its view in relation to question 1, FGL considered the following:

- The loan amount under the First Loan Agreement was based on the Company's actual Q1 FY2024 R&D expenditure. The Company decided to take out a short-term loan repayable upon receipt of the Company's upcoming R&D rebate. Radium Capital Pty Ltd are in the business of providing loan facilities in these circumstances. Such facilities are commonly used amongst eligible companies in the ordinary course of business.

The Company formed the view that the short-term funding arrangement was not likely to have a material effect on the price or value of its securities on the basis that repayment of the loan is essentially guaranteed by the imminent R&D rebate, and the cost of the finance is immaterial (being only \$ 105,000).

- FGL's business operations are not dependent on the proceeds from the First Loan Agreement, as FGL had sufficient available funding at the time FGL entered into the First Loan Agreement. Further, On 23 November 2023, FGL announced that it completed a private placement to a new sophisticated and professional investor raising ~\$225,000 ("Placement"). Proceeds from the First Loan Agreement were received subsequent to the completion of the Placement.
- The entirety of the amount financed was applied to accelerate the Company's R&D (and was not used as general working capital). Since the loan will be repaid upon receipt of the R&D rebate, the loan has no impact on the Estimated Available Funding.

3. **When did FGL first become aware of the First Loan Agreement? In answering this question, please specify the date FGL entered into the First Loan Agreement disclosed in the Quarterly Report.**

On 17 November 2023, FGL entered into First Loan Agreement and the proceeds were received on 24 November 2023.

4. **If the answer to question 1 is "yes" and FGL first became aware of the First Loan Agreement before the relevant date, did FGL make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe FGL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps FGL took to ensure that the information was released promptly and without delay.**

Not applicable since the answer if question 1 is "no".

5. **Does FGL consider the Second Loan Agreement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

No, FGL does not consider the Second Loan Agreement to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

6. **If the answer to question 5 is "no", please advise the basis for that view. In answering this question, please specifically address the Estimated Available Funding in the context of FGL's ability to fund its operations.**

In forming its view in relation to question 5, FGL considered the following:

- The loan amount under the Second Loan Agreement was based on the Company's actual expenditure during October and November 2023. The Company decided to take out a short-term loan repayable upon receipt of the Company's upcoming R&D rebate. Radium Capital Pty Ltd are in the business of providing loan facilities in these circumstances. Such facilities are commonly used amongst eligible companies in the ordinary course of business.

The Company formed the view that the short-term funding arrangement was not likely to have a material effect on the price or value of its securities on the basis that repayment of the loan is essentially guaranteed by the imminent R&D rebate, and the cost of the finance is immaterial (being only \$213,400).

- FGL's business operations are not dependent on the proceeds from the Second Loan Agreement, as FGL had sufficient available funding at the time FGL entered into the Second Loan Agreement. Further, On 27 December 2023, FGL announced that it had received firm commitments for a placement to raise \$436,999 (before costs of the offer), to sophisticated and professional investors.
- The entirety of the amount financed was applied to accelerate the Company's R&D (and was not used as general working capital). Since the loan will be repaid upon receipt of the R&D rebate, the loan has no impact on the Estimated Available Funding.

7. **When did FGL first become aware of the Second Loan Agreement? In answering this question, please specify the date FGL entered into the Second Loan Agreement disclosed in the Quarterly Report.**

On 9 January 2024, FGL entered into the Second Loan Agreement and the proceeds were received on 16 January 2024.

8. **If the answer to question 5 is "yes" and FGL first became aware of the Second Loan Agreement before the relevant date, did FGL make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe FGL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps FGL took to ensure that the information was released promptly and without delay.**

Not applicable since the answer if question 5 is "no".

9. **Please confirm that FGL is complying with the Listing Rules and, in particular, Listing Rule 3.1.**

Yes, FGL is compliant with the ASX Listing Rules and, in particular, Listing Rule 3.1.

10. **Please confirm that FGL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of FGL with delegated authority from the board to respond to ASX on disclosure matters.**

The Company confirms that the responses to the questions above have been authorised and approved for release.

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

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

Kit Weng Yip

Chairman

Frugi Group Limited

- ENDS -



2 February 2024

Reference: 87546

Mr Steve Samuel
Frugl Group Limited
Level 2
100 James Street
Northbridge WA 6003

By email: steve@fruglgroup.com.au

Dear Mr Samuel

Frugl Group Limited ('FGL'): Aware Query

ASX refers to the following:

- A. FGL's announcement entitled "Quarterly Activities/Appendix 4C Cash Flow Report " released on the ASX Market Announcements Platform on 30 January 2024 (the 'Quarterly Report'), disclosing, among other things:
- I) That as at 31 December 2023:
 - a. FGL had an operating cash outflow for the quarter of \$715,000,
 - b. FGL had cash and cash equivalents of \$395,000,FGL had 1.95 quarters of funding available ('Estimated Available Funding')
 - II) "During the quarter, the Company entered into a loan facility agreement with Radium Capital Pty Ltd for the amount of \$105,000 and bears an interest rate of 15% per annum" (the 'First Loan Agreement'), and
 - III) "Subsequent to the Quarter, the Company entered into a loan facility agreement with Radium Capital Pty Ltd for the amount of \$213,400 and bears an interest rate of 15% per annum" (the 'Second Loan Agreement')
- B. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following applies:*
- *It would be a breach of a law to disclose the information;*

- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

E. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for information

Having regard to the above, ASX asks FGL to respond separately to each of the following questions and requests for information:

1. Does FGL consider the First Loan Agreement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view. In answering this question, please specifically address the Estimated Available Funding in the context of FGL's ability to fund its operations.
3. When did FGL first become aware of the First Loan Agreement? In answering this question, please specify the date FGL entered into the First Loan Agreement disclosed in the Quarterly Report.
4. If the answer to question 1 is "yes" and FGL first became aware of the First Loan Agreement before the relevant date, did FGL make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe FGL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps FGL took to ensure that the information was released promptly and without delay.
5. Does FGL consider the Second Loan Agreement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
6. If the answer to question 5 is "no", please advise the basis for that view. In answering this question, please specifically address the Estimated Available Funding in the context of FGL's ability to fund its operations.
7. When did FGL first become aware of the Second Loan Agreement? In answering this question, please specify the date FGL entered into the Second Loan Agreement disclosed in the Quarterly Report.
8. If the answer to question 5 is "yes" and FGL first became aware of the Second Loan Agreement before the relevant date, did FGL make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe FGL was obliged to release the information under

Listing Rules 3.1 and 3.1A and what steps FGL took to ensure that the information was released promptly and without delay.

9. Please confirm that FGL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
10. Please confirm that FGL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of FGL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **1:30 PM AWST Tuesday, 6 February 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, FGL's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require FGL to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in FGL's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in FGL's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to FGL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that FGL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

ASX Compliance