



ASX Announcement

30 January 2024

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Directors

Kit Weng Yip, Chairman

Kenny Woo, Managing Director

Kulthirath Pakawachkriels,
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.

FRUGL GROUP Q2 COMPANY UPDATE

HIGHLIGHTS

- DURING THE QUARTER THE COMPANY SUCCESSFULLY COMPLETED A PLACEMENT OF ~\$662,850 BEFORE COSTS**
- POST THE END OF THE QUARTER THE COMPANY ANNOUNCED THAT IT HAS ENTERED INTO BINDING HEADS OF AGREEMENT TO ACQUIRE 100% OF THE SHARES ON ISSUE IN TRIENPONT INTERNATIONAL CO. LTD.**

Frugl Group Limited (ASX: FGL) ("**Frugl**" or the "**Company**") is pleased to provide the market and shareholders an update on its activities for the December quarter, Q2 FY2024.

Revenue and Receipts from customers

Frugl closed out the second quarter of FY2024 with an increase in Receipts from customers for the quarter of 11% from Q4 FY2023 and year-to-date Receipts from customers of 79% over Q2 FY2023, as a result of an increase in customer numbers, including one-off customers.

Receipts from customers for the quarter down by 36% from Q1 FY2024, impacted by a lower one-off customers compared to the prior quarter.

Cash receipts are also influenced by timing of billing against project milestones on individual contracts and payment terms.

During the quarter, Frugl has entered into an agreement with Metcash Trading Limited (**Metcash**) to extend its services for a further 1 year ending 31 August 2024. A further 1-year option is available to Metcash under the terms of the agreement. Frugl has agreed to provide key data and analytical information to Metcash through the Frugl and InFocus Analytics platforms to enable intelligence-lead retail decision making. Frugl does not consider the fees payable under the Agreement to be financially material. Frugl will seek to develop its relationship with Metcash with a view to expanding the scope of the services.

Frugl continues to leverage its expertise in grocery mobile app development and data analytics to build a state-of-the-art retail grocery marketplace customized to meet its customers specific requirements.

Corporate

In December, the Company successfully completed a placement of \$436,999 (**Placement**) before costs. The Company issued a total of 48,555,555 fully paid ordinary shares (**Shares**) at \$0.009 per share. Proceeds from the Placement will primarily support the commercialisation of the Frugl Market Analytics Retail Platform, expansion of the Frugl Market platform into Asia and general working capital.

In November, the Company successfully completed a private placement to a new sophisticated and professional investor raising \$225,850 (**Placement**) before costs. The Company issued a total of 26,570,588 fully paid ordinary shares (**Shares**) at \$0.0085 per share. Proceeds from the Placement will primarily support the commercialisation of the Frugl Market Analytics Retail Platform, expansion of the Frugl Market platform into Asia and general working capital.

During the quarter, the Company entered into a loan facility agreement (**Loan Agreement**) with Radium Capital Pty Ltd (**Radium**) (**Lender**) for the amount of \$105,000 (**Loan**) and bears an interest rate of 15% per annum. As part of the Loan Agreement, the total amount drawn down under the Loan will be repaid with, and following receipt of, the 2024 financial year Research & Development Rebate.

During the quarter, the Company received the 2023 financial year Research & Development Rebate (**2023 R&D Rebate**) of \$397,659. Following the receipt of the 2023 R&D Rebate, the Company made a full repayment of the loan facility with Radium Capital Pty Ltd (**Radium**) (**Lender**) for the amount of ~\$304,000 (**Loan**) that was entered in the previous quarter. As part of the Loan agreement, the total amount drawn down under the Loan will be repaid with, and following receipt of the 2023 R&D Rebate.

During the quarter, Mr Sean Smith tendered his resignation as the Company's Chief Executive Officer. The Board has accepted this resignation with Mr. Smith stepping down from his responsibilities in this role effective from 5 January 2024.

Subsequent to the quarter, the Company announced that it has entered into a binding heads of agreement (**Agreement**) to acquire 100% of the issued share capital of Trienpont International Co. Ltd (**Trienpont**), including Trienpont's business and assets, from the shareholders of Trienpont.

Subsequent to the quarter, the Company entered into a loan facility agreement (**Loan Agreement**) with Radium Capital Pty Ltd (**Radium**) (**Lender**) for the amount of \$213,400 (**Loan**) and bears an interest rate of 15% per annum. As part of the Loan Agreement, the total amount drawn down under the Loan will be repaid with, and following receipt of, the 2024 financial year Research & Development Rebate.

Appendix 4C

Outflows of \$284k from corporate and administrative activities during the December quarter (refer Items 1.2(f) of the Appendix 4C) predominantly comprised of corporate advisory, company secretarial services, legal, audit, insurances and working capital. Pursuant to section 1.2(a), the operational expenditure of \$878k incurred by the Company relates to the cost of delivering services to customers, the ongoing cost of maintaining the Company's grocery comparison App and staff costs.

The Company notes that the amount of \$112k disclosed in Appendix 4C under Section 6, payments to related parties and their associates, relates solely to the payments during the quarter of fees to members of the Board of Directors.

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

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

Kit Weng Yip

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")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	73	188
1.2 Payments for		
(a) research and development	(878)	(1,576)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	(102)
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(284)	(419)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
1.5 Interest and other costs of finance paid	(4)	(8)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	398	398
1.8 Other (payment of PAYG withholding tax)	(21)	(55)
1.9 Net cash from / (used in) operating activities	(715)	(1,569)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(128)	(166)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(128)	(166)

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	50	50
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	105	409
3.6	Repayment of borrowings	(304)	(304)
3.7	Transaction costs related to loans and borrowings	(11)	(11)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	503	807

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	733	1,313
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(715)	(1,569)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(128)	(166)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	503	807
4.5	Effect of movement in exchange rates on cash held	2	10
4.6	Cash and cash equivalents at end of period	395	395

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	394	731
5.2	Call deposits	60	60
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	(59)	(58)
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	395	733

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	112
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	105
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	1,105	105
7.5	Unused financing facilities available at quarter end		1,000
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.		
	<div style="border: 1px solid black; padding: 10px;"> <ul style="list-style-type: none"> A binding loan facility agreement ("Facility") with Kenny Woo, a Company director, is available on call. The facility has a principal amount of \$1,000,000, bears an interest rate of 8% per annum payable monthly in arrears, unsecured and repayable on 31 May 2024 (Director Loan). During the quarter, the Company entered into a loan facility agreement (Loan Agreement) with Radium Capital Pty Ltd (Radium) (Lender) for the amount of \$105,000 (Loan) and bears an interest rate of 15% per annum. As part of the Loan Agreement, the total amount drawn down under the Loan will be repaid with, and following receipt of, the 2024 financial year Research & Development Rebate. </div>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(715)
8.2	Cash and cash equivalents at quarter end (item 4.6)	395
8.3	Unused finance facilities available at quarter end (item 7.5)	1,000
8.4	Total available funding (item 8.2 + item 8.3)	1,395
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.95
	<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?	
	<div style="border: 1px solid black; padding: 5px;"> Answer: No, administration and corporate costs are expected to be lower in the next Q. </div>	

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, the Company has successfully completed capital raisings during the quarter and has a track record of securing funding.

After the end of the quarter, the Company entered into a loan facility agreement (**Loan Agreement**) with Radium Capital Pty Ltd (**Radium**) (**Lender**) for the amount of \$213,400 (**Loan**) and bears an interest rate of 15% per annum. As part of the Loan Agreement, the total amount drawn down under the Loan will be repaid with, and following receipt of, the 2024 financial year Research & Development Rebate.

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 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:30 January 2024.....

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.