



ASX Announcement

30 April 2024

ACN: 096 870 978

T: 08 6489 1600

F: 08 6489 1601

E: info@fruglgroup.com.au

Level 2, 100 James Street
Northbridge WA 6003

www.fruglgroup.com.au

Directors

Kit Weng Yip, Chairman

Kenny Woo, Managing Director

Kulthirath Pakawachkrlers,
Director

Steve Samuel, Company
Secretary

Issued Capital

ASX Code: FGL

1,489,774,580 Ordinary Shares

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

250,250,000 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 Q3 COMPANY UPDATE

HIGHLIGHTS

f FRUGL ACQUIRES 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 March quarter, Q3 FY2024.

Revenue and Receipts from customers

Frugl closed out the third quarter of FY2024 with an increase in Receipts from customers for the quarter of 32% from Q4 FY2023, 19% from Q2 FY2024 and year-to-date Receipts from customers of 88% over Q3 FY2023, as a result of an increase in customer numbers, including one-off customers.

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

The Company notes that the cash receipts in Q3 FY23 do not include any cash receipts from Trienpont International Co. Ltd (**Trienpont**) as the Company had not formally completed the acquisition of Trienpont as at 31 March 2024. The Company expects to consolidate Trienpont from a financial perspective within the Q4 FY24 results.

Corporate

In January, the Company 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.

Trienpont is a South East Asian based technology business specialising in Digital Transformation, Software Development, Cloud Migrations & Integrations, and Technical Consulting and has existing clients in Australia, Asia, and Western Europe.

On 29 February, following approval at the general meeting of shareholders held on 19 February 2024, the Company issued 440,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) as part of the considerations of the acquisition of Trienpont at a deemed issue price of \$0.018 per Share. Subsequent to the quarter, the Company successfully completed the acquisition of Trienpont.

During the quarter, the Company entered into a short-term loan facility agreement (**Loan Agreement**) with Radium Capital Pty Ltd (**Radium**) for the amount of \$213,400 (**Loan**). The Loan 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 appointed Mr Ken Tovich as Chief Executive Officer. Mr Tovich brings a wealth of leadership and more than 3 decades of experience across a variety of industries including Primary Industry, Capital Markets and Investment Banking. He is the former Head of International Sales at FloraMax, an agricultural technology company overseeing its growth from market introduction to a multi-million dollar revenue stream. Mr Tovich also has considerable experience across a breadth of financial products and services, including as a Structured Products specialist in the Asia-Pacific region.

During the quarter, the Company appointed Mr. Steve Samuel as Chief Financial Officer.

Subsequent to the quarter, the Company entered into a short-term loan facility agreement (**Loan Agreement**) with Radium Capital Pty Ltd (**Radium**) for the amount of \$167,000 (**Loan**). The Loan 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.

Subsequent to the quarter, on 18 April 2024, the Company held its General Meeting of Shareholders. At the meeting shareholders approved the consolidation of the Company's issued capital:

- a) every 15 Shares into 1 Share; and
- b) every 15 Options into 1 Option.

Appendix 4C

Outflows of \$198k from corporate and administrative activities during the March quarter (refer Items 1.2(f) of the Appendix 4C) predominantly comprised of corporate advisory, legal, audit, insurances and working capital. Pursuant to section 1.2(a), the operational expenditure of \$439k 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 \$30k 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 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	87	275
1.2 Payments for		
(a) research and development	(439)	(1,997)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	(102)
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(198)	(617)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	(4)	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	398
1.8 Other (payment of PAYG withholding tax)	46	(9)
1.9 Net cash from / (used in) operating activities	(507)	(2,076)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(26)	(192)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$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	(26)	(192)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	663
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	38	88
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	299	708
3.6	Repayment of borrowings	-	(304)
3.7	Transaction costs related to loans and borrowings	(11)	(22)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	326	1,133

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	395	1,313
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(507)	(2,076)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(26)	(192)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	326	1,133
4.5	Effect of movement in exchange rates on cash held	3	14
4.6	Cash and cash equivalents at end of period	191	191

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	191	394
5.2	Call deposits	60	60
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	(60)	(59)
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	191	395

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	30
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	1,318	404
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	1,318	404
7.5	Unused financing facilities available at quarter end		914
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <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). In the December 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 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. Subsequent to the quarter, the Company entered into a short-term loan facility agreement (Loan Agreement) with Radium Capital Pty Ltd (Radium) for the amount of \$167,000 (Loan). The Loan 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.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(507)
8.2	Cash and cash equivalents at quarter end (item 4.6)	191
8.3	Unused finance facilities available at quarter end (item 7.5)	914
8.4	Total available funding (item 8.2 + item 8.3)	1,105
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.18
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

N/A

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: N/A

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: N/A

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 April 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.