

30 April 2019

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

FAMILY INSIGHTS GROUP COMPANY UPDATE

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

Family Insights Cyber Safety Platform

Early in the Quarter, the Company invested in a performance marketing trial to drive downloads of FI across iOS and Android platforms, with an initial goal to measure the effectiveness of the major User Experience (**UX**) update undertaken in the first half.

In particular, the Company was interested in improvements to the app configuration funnel where significant complexity in the initial release of the FI app had led to a large number of downloaders leaving the configuration stage incomplete.

The major UX redesign of the FI app, aimed to address the setup complexity, reduced the steps to a simple 3 step process per device, a significant simplification for parents attempting to set-up the FI platform. Early analysis of the effectiveness of the changes is showing significant improvements in device setup completion.

Optimisation of automated reminder systems provided further improvements, with child device configuration within the first week improving from 3% to 19% after reminder optimisation. Further refinement of the automation has continued to address conversion metrics.

The Company's in-house development team continued on native front end development to further optimise the customer experience and ease of use of the app, a major overhaul of platform's affiliate tracking capability, as well as preparing for a major update to the underlying infrastructure which will deliver a significant reduction in operating cost for FI in future releases.

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The launch of cyber safety book “**The Parents Survival Guide to Children, Technology & The Internet**” has provided an additional self-funded marketing and PR vehicle to market the Family Insights product, with interest being generated particularly within schools, charity bodies and organisations with strong Corporate Responsibility agendas. This additional support for the commercial team has increased discussions with potential distribution partners who are looking for both technical and content driven solutions.

Educational resources developed by the FI Education team, including the highly sought-after cyber safety eBook series and the significant article base, were incorporated into the FI subscription service and are now available to Family Insights app subscribers only. The education assets have generated considerable interest during commercial partnership discussions and their inclusion in the subscription layer provide the Company commercial team with a stronger partnership proposition to take to market.

Finally, the business model for FI has undergone review with plans being formulated later in the year for a Freemium model to be developed to accelerate app user growth and grow user data being captured and analysed for further commercial benefit.

Frugl Grocery Shopping Comparison

Following a review of available commercial opportunities, the Company focused internal resources on the commercialisation of Frugl to accelerate the path to Company revenue growth. Development resources are currently working on the reactivation of supermarket product and pricing data collation, and the concurrent development of a mobile price comparison and wellness solution for consumers.

Frugl 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, allergens, health ratings and product sustainability.

The FG commercial models follow a path of data-product creation for use by retailers, suppliers and media agencies, with the following product areas to be further developed:

- Product price trend data reports (for retailers and suppliers)
- Segmented and intent-driven audience creation (media & advertising platforms)

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- Audience-based research panels (retailers, suppliers, media agencies, third parties)
- Deep-dive customer behavioural research (retailers, suppliers)

The Company has recommenced data aggregation activities and is nearing completion of customer research and UX design for the initial consumer mobile offering. It is anticipated that sufficient data will have been collated to enable commercialisation of price trend reporting in the September quarter 2019, with the consumer mobile products to be publicly launched by the December quarter 2019.

Wangle Mobile VPN

A review of the Wangle VPN infrastructure contracts and cost base enabled the Company to separate the VPN network infrastructures for the stand-alone mobile VPN and Family Insights products. Subsequently, the Company commenced decommissioning the stand-alone Wangle VPN product to reduce operating costs by a further \$30,000 per quarter in addition to prior realised network savings of \$80,000 per quarter. The global network of servers will be decommissioned by the end of April.

Appointment of Alistair McCall, Chief Data Officer

During the quarter the company was successful in the recruitment and subsequent appointment of Mr Alistair McCall to the newly created position of Chief Data Officer (CDO).

The newly created CDO role is responsible for the following Company activities:

- Realise the commercial potential the of the Company's data assets to create business opportunities, grow Company revenue and deliver value to shareholders
- Adopt new approaches to identify and win new data and analytics opportunities
- Develop and manage the Company's internal data analytics capabilities
- Develop data strategies and alignment with Company product development plans
- Ensure the highest standards of data governance, quality, security and compliance

Mr McCall is a data professional with almost two decades of experience across retail, advertising, telecommunications and leisure industries. He has been responsible for realising the full commercial value of data assets for major brands including several

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years within the Woolworths Group as Head of Customer Management and most recently with Australia's leading data agency MercerBell as Director of Data Strategy.

With the Company's key products being its data-driven cyber safety platform Family Insights and its recently acquired grocery comparison engine Frugl, the commercialisation of data assets will be a strong commercial focus for the Company going forward, with Frugl data commercialisation taking immediate priority for the CDO.

Capital Raising

The Company is pleased to inform shareholders that FAM intends to undertake a Share Purchase Plan (**SPP**) during the month of May 2019.

The SPP will offer existing shareholders the opportunity to purchase up to 10 million Company shares each at a price of \$0.001 per share with a maximum allocation of \$10,000 worth of shares per shareholder (free of brokerage and other transaction costs) to raise up to \$1 million in capital, subject to the terms of the SPP.

Further information and a timetable in relation to the SPP, including the SPP terms and conditions, will be outlined in a separate SPP offer document which will be despatched to eligible shareholders in the coming weeks.

Following the completion of the SPP, FAM also intends to establish an Unmarketable Parcel sale facility and will advise the market of further details in due course.

An "Unmarketable Parcel" is defined by the ASX Listing Rules as a shareholding with a market value of less than \$500. FAM is providing the facility to enable holders of Unmarketable Parcels to sell their shares without incurring brokerage and handling costs which could otherwise make the sale uneconomic or impractical. Shareholders with Unmarketable Parcels are not obliged to sell their shares. However, they will need to opt out of the facility, or their shares will be automatically sold for them.

- ENDS -

For further information, please contact:

Family Insights Group Limited

Quinton Meyers

Company Secretary

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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.

ABOUT FRUGL GROUP

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.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Family Insights Group Limited

ABN

80 096 870 978

Quarter ended ("current quarter")

31 March 2019

| Consolidated statement of cash flows | Current quarter (Mar 2019) \$A'000 | Year to date (9 months) \$A'000 |
|---|---|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 5 | 12 |
| 1.2 Payments for: | | |
| (a) research and development | (500) | (1,594) |
| (b) product manufacturing and operating costs | - | - |
| (c) advertising and marketing | (40) | (99) |
| (d) leased assets | - | - |
| (e) staff costs | - | (15) |
| (f) administration and corporate costs | (239) | (949) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 2 | 7 |
| 1.5 Interest and other costs of finance paid | (5) | (12) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government tax incentives (R&D Rebate) | - | 1,215 |
| 1.8 Other (ATO GST Refund) | (29) | (238) |
| 1.9 Net cash from / (used in) operating activities | (806) | (1,673) |

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| Consolidated statement of cash flows | Current quarter (Mar 2019) \$A'000 | Year to date (9 months) \$A'000 |
|---|--|---------------------------------------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | - | - |
| (b) businesses (see item 10) | - | - |
| (c) investments | - | - |
| (d) intellectual property | - | - |
| (e) other non-current assets | - | - |
| 2.2 Proceeds from disposal of: | | |
| (a) property, plant and equipment | - | - |
| (b) businesses (see item 10) | - | - |
| (c) investments | - | - |
| (d) intellectual property | - | - |
| (e) 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 shares | - | 2,177 |
| 3.2 Proceeds from issue of convertible notes | - | - |
| 3.3 Proceeds from exercise of share options | - | - |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | - | (323) |
| 3.5 Proceeds from borrowings | - | - |
| 3.6 Repayment of borrowings | - | - |
| 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 | - | 1,854 |

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| Consolidated statement of cash flows | | Current quarter (Mar 2019) \$A'000 | Year to date (9 months) \$A'000 |
|---|--|---|--|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of quarter/year to date | 1,229 | 242 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (806) | (1,673) |
| 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) | - | 1,854 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of quarter | 423 | 423 |

| 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 (Mar 2019) \$A'000 | Previous quarter (Dec 2018) \$A'000 |
|------------|---|---|--|
| 5.1 | Bank balances | 58 | 1,025 |
| 5.2 | Call deposits | 365 | 204 |
| 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) | 423¹ | 1,229 |

¹ As announced in the "Family Insights Group Company Update", dated 30 April 2019, The Company intends to undertake a Share Purchase Plan (SPP) during the month of May 2019, offering existing shareholders up to 1 million Company shares at a price of \$0.001 per share with a maximum allocation of \$10,000 worth of shares per shareholder (free of brokerage and other transaction costs) to raise circa \$1 million in capital, subject to the terms of the SPP.

| 6. | Payments to directors of the entity and their associates | Current quarter \$A'000 |
|-----------|--|------------------------------------|
| 6.1 | Aggregate amount of payments to these parties included in item 1.2 | 100 |
| 6.2 | Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 6.3 | Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |
| | Payment of director's fees. | |

| 7. Payments to related entities of the entity and their associates | Current quarter \$A'000 |
|--|----------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2 | 33 |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |
| Payment of corporate administration and rent. | |

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|--|---|
| 8.1 Loan facilities | - | - |
| 8.2 Credit standby arrangements | - | - |
| 8.3 Other (please specify) | - | - |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |
| - | | |

| 9. Estimated cash outflows for next quarter | \$A'000 |
|---|------------|
| 9.1 Research and development | 440 |
| 9.2 Product manufacturing and operating costs | - |
| 9.3 Advertising and marketing | 20 |
| 9.4 Leased assets | - |
| 9.5 Staff costs | - |
| 9.6 Administration and corporate costs | 160 |
| 9.7 Other (provide details if material) | - |
| 9.8 Total estimated cash outflows | 620 |

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| 10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above) | Acquisitions | Disposals |
|--|--------------|-----------|
| 10.1 Name of entity | - | - |
| 10.2 Place of incorporation or registration | - | - |
| 10.3 Consideration for acquisition or disposal | - | - |
| 10.4 Total net assets | - | - |
| 10.5 Nature of business | - | - |

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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.

Sign here:  Date: 30 April 2019
Company Secretary

Print name: Quinton Meyers

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.