

2 April 2020

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

FAMILY INSIGHTS COMPANY UPDATE AND AUSTERITY MEASURES

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

Highlights

- ✓ Unprecedented grocery demand combined with rising unemployment and challenging economic conditions providing strong growth conditions for the frugl grocery comparison application.
- ✓ frugl to develop curated lists and social list sharing capabilities to accelerate usage and member growth.
- ✓ FAM to enact 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, with increasing unemployment (tipped by Westpac Chief Economist Bill Evans to rise from 5.1% to 11.1% in coming months¹) and financial hardship making shoppers more price sensitive in their weekly grocery shop. The current conditions are leading to a surge in online grocery shopping demand (45% increase in online grocery sales over the past two weeks according to Nielsen Homescan²), with product availability and pricing as the key factors contributing to the surge in online demand.

¹ <https://www.abc.net.au/news/2020-03-26/coronavirus-pandemic-impact-on-australian-unemployment-rate/12089906>

² <https://insideretail.com.au/news/virus-fears-fuel-online-grocery-sales-as-supermarkets-enforce-further-product-restrictions-202003>

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

Early download and usage numbers for frugl have been promising, with several thousand downloads since launch and over 3,500 registered active members using the application to create shopping lists and compare grocery prices across Australia's major retailers.

Early usability issues in the initial release have been addressed with subsequent releases, with application ratings improving from the initial review score of 1.8/5 to a still improving 3.0/5 for Android devices and 4.2/5 for Apple devices.

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 application 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 within their social networks in a way that allows the list to be opened within the application by other frugl users, whilst prompting non-frugl users to download the application.

Company restructure and austerity measures

The Company has undertaken a structure and cost review in order to reduce its cost base whilst maintaining its ability to develop and commercialise its core products. Key measures undertaken include:

-  Reduced permanent headcount from the March quarter to the June quarter by 57%;
-  Moved to on-demand outsourced delivery of product and software development, technology support and marketing services;
-  Reduced overall occupancy and administrative costs in line with staffing reductions; and
-  Negotiated deferred salary components with Company employees and directors.

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The austerity measures undertaken will reduce monthly operational expenditure by circa \$93k 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.

Change of Company Secretary

The Company would like to announce that, effective today, Mrs Loren King will be assuming the role of Company Secretary, replacing Mr Quinton Meyers who is resigning as Company Secretary.

For further information, please contact:

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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.

frugl.com.au | facebook.com/FruglGroceries | instagram.com/FruglGroceries

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