



FAMILY INSIGHTS

— GROUP LIMITED —

(formerly Wangle Technologies limited)

APPENDIX 4E

Preliminary final report for the year ended 30 June 2019 as required by ASX listing rule 4.3A.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to year ended 30 June 2019)	\$,000	Up/down	Movement %
Revenues from ordinary activities	1,234,301	up	1.61%
Loss from continuing operations after tax	(2,494,291)	down	58.46%
Profit from discontinued operations after tax	-	down	100%
Net loss for the year attributable to members	(2,494,291)	down	58.38%

DIVIDEND INFORMATION

No dividends were paid or proposed for the current or previous corresponding period. On 30 August 2019, the Directors resolved not to declare an interim or final dividend for the year ended 30 June 2019.

	30 June 2019	30 June 2018
Net tangible assets per security – continuing	(0.0012)	(0.006)
Net tangible assets per security – discontinued	-	-

UNAUDITED PRELIMINARY FINAL REPORT

Additional Appendix 4E disclosure requirements can be found in the notes to the 2019 Family Insights Group Limited (formerly Wangle Technologies Limited) Consolidated Financial Statements and in the Director's Comments attached thereto.

The financial information provided in the Appendix 4E is based on the preliminary final report which has been prepared in accordance with Australian Accounting Standards.

The financial report for the year ended 30 June 2019 is in the process of being audited and Family Insights Group Limited will release audited financial statements on/or before 30 September 2019.

PRELIMINARY FINANCIAL REPORT

for the year ended 30 June 2019

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DIRECTORS' COMMENTS

Family Insights Limited (**Family Insights Group** or the **Company**) is pleased to present its Preliminary Final Report for the year ended 30 June 2019 (**Period**).

Family Insights Group has developed technologies that combine advanced network subsystems to accelerate data transfer over mobile networks, whilst incorporating real-time data capture and storage methods to enable advanced cloud-based data analytics. Data intelligence generated is utilised to power useful consumer mobile applications as well as business intelligence and analytics capabilities.

To date the Family Insights Group has developed two mobile based applications; Wangle Mobile VPN and Family Insights, with a third application having commenced development, Frugl Grocery.

Wangle Mobile VPN is a Virtual Private Network (**Wangle VPN**) and a network optimiser combined that provides mobile network acceleration and improves the total experience while accessing the internet from portable devices. Wangle VPN also reduces data usage while enhancing security and privacy.

Family Insights (**FI**) is the new face of Parental Control software. Developed in collaboration with researchers from Telethon Kids Institute, FI analyses real-time network behaviours, determines risk patterns and identifies potential threats. Real-time alerts are sent to the parent portal where experts in childhood internet safety provide research backed insights, education and resources to support children and their families as they learn to safely navigate the internet.

Frugl Grocery (**FG**), a grocery comparison application that was acquired by Family Insights Group in January, has been undergoing redevelopment in readiness for a re-launch in F20. The consumer-facing comparison engine will not only allow families and other shoppers to find the best prices across major supermarket retailers for the weekly shopping basket, but will introduce tools to help shoppers optimise their shopping lists for health and wellness, incorporating allergens, ingredients and nutritional value into profile based alerts and warnings.

OPERATIONS UPDATE

On 4 July 2018, the Company entered into an Affiliate Heads of Agreement with SkoolBag (**SkoolBag**) (a subsidiary of ASX listed entity MOQ Limited) in support of its child protection software, Family Insights.

SkoolBag is Australia's leading school communication platform, used by over 2,700 primary and secondary schools nationally to update over 1 million parents. Its offering includes a mobile app for schools to communicate with parents, white labelled school websites, and eNewsletter distribution to parents.

The Company announced the appointment of Mr Mathew Walker as a Director of the Company on 9 July 2018. Mr Walker is a businessman and entrepreneur with extensive experience in the management of public and private companies, corporate governance and in the provision of corporate advice. In a management career spanning three decades, Mr Walker has served as executive Chairman or Managing Director for public companies with operations in North America, South America, Africa, Eastern Europe, Australia and Asia.

On 17 September 2018, the Company announced the successful lodgement of the Company's Research & Development Claim for a refundable offset under the Federal Government's

Research Development Tax Incentive Scheme for the amount of \$1.2 million (**R&D Refund**). The Company received its R&D Refund on 22 October 2018.

It was announced by the Company on 20 September 2018 that the Company had commenced public beta testing ahead of the major re-launch and renaming of its family cyber safety software suite, Family Insights.

The Company announced on 17 October 2018 it had successfully launched a major update to its Family Insights cyber safety platform on the Apple App Store, following a major usability review and redesign project.

Following the Company announcement on 17 October 2019 of the successful relaunch on the Apple Store, the Company announced the successful relaunch on the Android App Store on 24 October 2019.

On 30 October 2018, the Company announced it had entered into an agreement to acquire Frugl Group Limited (**Frugl**) with a combination of cash and equity consideration. Frugl is a grocery price comparison platform with advanced analytics capabilities, that collects and process numerous data streams including behavioural shopper and browsing data, in real time, across any device. Frugl provides shoppers with up-to-date products, promotions and pricing information to find the lowest price each week across Australia's leading supermarkets. Settlement of the acquisition of Frugl occurred on 22 January 2019.

The Company announced on 14 December 2018 the upcoming global launch of a ground-breaking educational book for parents in support of its cyber safety software platform Family Insights. Written by the Company's education team lead by cyber-safety expert Robyn Treyvaud, the book offers crucial guidance to families for the digital safety and wellbeing of their children as they become further immersed in the internet.

A Company Update was announced on 9 April 2019, which provided the market with an update on Company operations, parental control platform Family Insights, and development and deployment of its grocery comparison engine Frugl.

Accompanying this announcement was the appointment of Alistair McCall to the position of Chief Data Officer (**CDO**). Mr McCall is a data professional with almost two decades of experience across the retail, advertising, telecommunications and leisure industries. He has been responsible for realising the full commercial value of data assets for major brands including several 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.

On 26 April 2019, the Company announced the launch of a new schools-based digital wellbeing initiative in support of its parental control platform Family Insights. The Company had reached agreement to launch a Digital Wellbeing initiative for all parents of the St Bernardine's School Regents Park (Qld).

Being offered and driven by the St Bernardine's Parents and Friends Association on behalf of all parents of the schools 700+ children, the initiative provides a comprehensive parental awareness and education program as well as access to and use of Family Insights cyber safety platform at scale over the course of the 2019 school year.

FINANCIAL UPDATE

On 17 September 2018, the Company announced the successful lodgement of the Company's Research & Development Claim for a refundable offset under the Federal Government's Research Development Tax Incentive Scheme for the amount of \$1.2 million.

The Company announced on 22 October 2018 it had received a total \$1,215,315 as a R&D Refund.

CHANGES TO SECURITIES

The Company announced the Shortfall Placement had closed fully subscribed on 26 July 2018. The Shortfall Placement raised \$2,545,953 (before costs) through the issue of 848,650,970 pre-consolidated fully paid ordinary shares at a price of \$0.003 per share.

On 31 August 2018, the following three classes of unlisted options expired unexercised:

- 138,034,867 pre-consolidated unlisted options exercisable at \$0.025 on or before 31 Aug 2018;
- 5,000,000 pre-consolidated unlisted options exercisable at \$0.075 on or before 31 Aug 2018; and
- 26,000,000 pre-consolidated unlisted options exercisable at \$0.10 on or before 31 Aug 2018.

On 10 December 2018, the Company issued 175,000,000 pre-consolidated unlisted options exercisable at \$0.01 on or before 30 June 2021.

The 175,000,000 pre-consolidated unlisted options were issued to Mr Sean Smith and Mr Jon Wild following shareholder approval at a Company's Annual General Meeting on 30 November 2018.

On 27 May 2019, the Company announced the successful completion of a placement issue of 422,111,665 pre-consolidated fully paid ordinary shares at an issue price of \$0.001 per share to raise \$422,111.65 before costs.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2019

	Notes	UNAUDITED 2019 \$	AUDITED 2018 \$
Continuing operations			
Revenue	3	10,887	12,220
Interest income	3	7,305	3,644
R+D Tax Rebate		673,234	1,198,899
Other income		794	25,650
Reversal of impairment		542,081	-
Research and development costs, materials and consultants		(514,642)	(1,654,874)
Directors' fees, salaries, superannuation and consulting costs		(1,822,457)	(1,600,648)
Depreciation expenses		(69,117)	(27,238)
Public company costs, fees, share registry, shareholder costs		(91,098)	(77,030)
Occupancy costs		(66,579)	(109,309)
Legal fees		(104,750)	(136,703)
Audit fees		(52,540)	(38,576)
Insurances		(36,712)	(8,490)
Interest expenses		(19,035)	(58,260)
Foreign exchange expense		5,751	(12,142)
Other expenses from ordinary activities		(227,788)	(316,809)
Corporate fees		(120,000)	(170,078)
Share-based payments		(323,811)	(403,504)
Impairment expense	8	(285,814)	(2,981,013)
Loss on disposal of subsidiaries		-	(25,650)
Loss before income tax expense		(3,728,592)	(6,405,562)
Income tax (benefit)/expense		-	-
Loss after income tax expense from continuing operations		(2,494,291)	(6,405,562)
Profit/(loss) after income tax expense from discontinued operations	14	-	5,336
Loss after income tax expense for the half-year attributable to the owners of the Company		(2,494,291)	(6,400,226)
Other comprehensive income:			
Owners of the Company		(2,494,291)	(6,400,226)
Exchange Difference on translation of foreign operations		(4,772)	-
		(2,499,063)	(6,400,226)
Total comprehensive loss for the year is attributable to:			
Continuing operations		(2,494,291)	(6,405,562)
Discontinued operations	14	-	5,336
loss attributable to non-controlling interests		1,913	-
		(2,492,378)	(6,400,226)
Loss per share from continuing operations			
Basic and diluted loss per share (cents per share)	4	(0.0012)	(0.006)
Loss per share from discontinued operations			
Basic and diluted loss per share (cents per share)	4	-	-

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the preliminary financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

	Notes	UNAUDITED 2019 \$	AUDITED 2018 \$
Current assets			
Cash and cash equivalents	13	192,653	288,197
Trade and other receivables	5	96,590	151,213
Total current assets		289,243	439,410
Non-current assets			
Plant and equipment	6	9,446	56,384
Development costs	8	-	-
Goodwill	9	1,186,518	-
Total non-current assets		1,195,964	56,384
Total assets		1,485,207	495,794
Liabilities			
Current liabilities			
Trade and other payables	10	564,134	832,771
Provision for leave		70,338	12,027
Borrowings		110,715	-
Total current liabilities		745,187	844,798
Non-current liabilities			
Deferred consideration		981,028	-
Total non-current liabilities		981,028	-
Total liabilities		1,726,215	844,798
Net assets		(241,008)	(349,005)
Equity			
Issued capital	11	30,659,019	28,377,401
Reserves	12	1,522,844	532,565
Accumulated losses		(32,420,958)	(29,257,340)
Non-controlling interest		(1,913)	-
Total equity		(241,008)	(349,005)

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the preliminary financial report.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2019

	Share Capital \$	Option Premium Reserve \$	Performance Share Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Non- Controlling Interests \$	Total \$
AUDITED							
Balance at 1 July 2017	25,765,103	728,330	434,485	12,732	(23,924,408)	-	3,016,242
Consolidated loss for the year	-	-	-	-	(6,004,172)	-	(6,004,172)
Foreign currency translation effect	-	-	-	9,840	-	-	9,840
Total comprehensive income for the year	-	-	-	9,840	(6,004,172)	-	(5,994,332)
Shares/Options issued during the year	2,745,380	18,418	-	-	-	-	2,763,798
Shares issued on the acquisition of subsidiary	(134,712)	-	-	-	-	-	(134,712)
Options lapsed during current period	-	(8,143)	-	-	8,143	-	-
Options lapsed during previous periods	-	(663,097)	-	-	663,097	-	-
Balance at 30 June 2018	28,375,771	75,508	434,485	22,572	(29,257,340)	-	(349,004)
UNAUDITED							
Balance at 1 July 2018	28,375,771	75,508	434,485	22,572	(29,257,340)	-	(349,004)
Consolidated loss for the year	-	-	-	-	(2,492,378)	-	(2,492,378)
Foreign currency translation effect	-	-	-	(4,772)	-	-	(4,772)
Total comprehensive income for the year	-	-	-	(4,772)	(2,492,378)	-	(2,497,150)
Non-controlling interest arising on the acquisition of subsidiary (FGL)	-	-	-	-	-	(1,913)	(1,913)
Shares/Options issued during the year	2,599,065	323,811	-	-	-	-	2,922,876
Share/Option issue costs	(315,817)	-	-	-	-	-	(315,817)
Reversal of options lapse during previous period	-	671,240	-	-	(671,240)	-	-
Balance at 30 June 2019	30,659,019	1,070,559	434,485	17,800	(32,420,958)	(1,913)	(241,008)

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the preliminary financial report.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2019

		UNAUDITED 2019 \$	AUDITED 2018 \$
	Notes		
Cash flows from operating activities			
Payments to suppliers and employees		(3,186,706)	(3,628,581)
Receipts from customers		11,870	29,676
Interest received	3	7,305	3,644
Interest paid		(19,035)	(58,260)
R&D Tax Rebate		673,234	1,198,899
Net cash used by operating activities	13.1	<u>(2,513,332)</u>	<u>(2,454,623)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(2,136)	(13,087)
Payments for intangible assets; development costs	8	(114,819)	(787,347)
Payments for intangible assets; intellectual property	8	256,267	-
Net cash used by investing activities		<u>139,312</u>	<u>(800,433)</u>
Cash flows from financing activities			
Proceeds from issues of shares	11	2,599,065	2,745,380
Payments of share issue costs		(315,817)	(134,712)
Net cash generated by financing activities		<u>2,283,248</u>	<u>2,610,668</u>
Net decrease in cash and cash equivalents		(90,773)	(644,388)
Cash and cash equivalents at the beginning of the year		288,197	922,745
Foreign exchange effects		(4,772)	9,840
Cash and cash equivalents at the end of the year	13	<u>192,652</u>	<u>288,197</u>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, which form an integral part of the preliminary financial report.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

1. GENERAL INFORMATION

Family Insights Group Limited (the Company and controlled entities) is a limited company incorporated in Australia. The principal activity in the course of the financial year was the development, compliance and commercialisation of the Family Insights Application and the Frugl Website.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These unaudited preliminary consolidated financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the unaudited preliminary consolidated financial statements of the Company and its controlled entities (collectively the Group).

The financial statements were authorised for issue by the directors on 30 August 2019.

2.1. BASIS OF PREPARATION

The financial statements comprise the unaudited preliminary consolidated financial statements of the Group. For the purposes of preparing the unaudited preliminary consolidated financial statements, the Group is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

2.1.1. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the *Corporations Act 2001* (Cth).

Australian Accounting Board Standards (**AASBs**) set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

2.1.2. Financial position

The Directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate as the Directors believe the Group will be able to pay its debts as and when they fall due.

The financial statements are normally prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the Group has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if such an intention or need exists, the financial statements may have to be prepared on a different basis, and, if so, the basis used is disclosed.

The Statement of Comprehensive Income shows the Group incurred a net loss of \$(2,494,291) (2018: \$6,004,172) during the year ended 30 June 2019 which included a reversal of impairment to capitalised development expenditure of \$542,081.

The Statement of Financial Position as at 30 June 2019 shows that the Company had cash and cash equivalents of \$192,653 (30 June 2018: \$288,197) and a net current liability position of \$241,008 (30 June 2018: \$349,004 net current liability).

Under the Research and Development Tax Incentive Scheme, the Company is eligible to receive a cash rebate of up to 43.5% of the Group's development expenditure. Previous cash rebates for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 have been \$739,870, \$1,198,899 and \$1,215,315, respectively. The Company is expecting to receive a refund for the 30 June 2019 year within this range.

The board has reviewed the Group's financial position and forecast cash flows and have assessed that the Group will be required to raise additional funds by way of issuing equity or other alternative funding arrangements.

The directors reasonably expect that the Group will be able to meet future costs associated with its operating and development activities for at least the next 12 months. The directors are therefore of the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the Group not be successful in obtaining adequate funding, there is material uncertainty as to the ability of the Group to continue as a going concern and it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the group be unable to continue as a going concern and meet its debts as and when they fall due.

2.1.3. Use of estimates and judgments

The preparation of unaudited preliminary consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.2. PRINCIPLES OF CONSOLIDATION

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the unaudited preliminary consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

2.2.1. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
 - the recognised amount of any non-controlling interests in the acquisition; plus
 - if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;
- less**
- the net recognised amount of the identifiable assets acquired, and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

2.2.2. Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the unaudited preliminary consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

2.2.3. Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2.2.4. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the unaudited preliminary consolidated financial statements.

2.2.5. Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The unaudited preliminary consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

Group companies and foreign operations

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

2.3. SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. REVENUE

3.1. REVENUE FROM CONTINUING OPERATIONS

Revenue
Interest received
R&D Tax Rebate

UNAUDITED 2019 \$	AUDITED 2018 \$
10,087	12,220
7,305	3,644
673,234	1,198,899
<u>690,626</u>	<u>1,214,763</u>

4. LOSS PER SHARE

4.1. BASIC LOSS PER SHARE

From continuing operations
Total basic loss per share

UNAUDITED 2019 Cents Per Share	AUDITED 2018 Cents Per Share
(0.0012)	(0.006)
<u>(0.0012)</u>	<u>(0.006)</u>

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

Loss for the year from continuing operations
Loss for the year

UNAUDITED 2019 \$	AUDITED 2018 \$
(2,494,291)	(6,004,172)
<u>(2,494,291)</u>	<u>(6,004,172)</u>

Weighted average number of pre-consolidated ordinary shares
for the purposes of basic loss per share

UNAUDITED No.	AUDITED No.
2,067,506,206	1,007,004,019

4.2. DILUTED LOSS PER SHARE

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted loss per share:

Unlisted options exercisable at \$0.025 on or before 31 Aug 2018¹
Unlisted options exercisable at \$0.075 on or before 31 Aug 2018¹
Unlisted options exercisable at \$0.10 on or before 31 Aug 2018¹
Unlisted options exercisable at \$0.01 on or before 30 June 2021¹

UNAUDITED 2019 No.	AUDITED 2018 No.
-	138,034,867
-	5,000,000
-	26,000,000
<u>1,152,444,168</u>	<u>251,793,198</u>

¹ All securities are accounted for on a pre-consolidated basis.

5. CURRENT TRADE AND OTHER RECEIVABLES

	UNAUDITED 2019 \$	AUDITED 2018 \$
Trade debtors	1,900	1,900
Provision for impairment	(1,900)	(1,900)
Sundry debtors and prepayments	96,590	151,213
	96,590	151,213

Trade receivable are non-interest bearing and generally on terms of 14-60 days. No provision for impairment at year end is considered necessary.

Trade receivables past due but not impaired

There were no other trade receivables past due but not impaired (2018: \$NIL).

Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

6. PROPERTY, PLANT AND EQUIPMENT

	UNAUDITED 2019 \$	AUDITED 2018 \$
Plant and equipment at cost	385,383	379,838
Accumulated depreciation and impairment	(385,383)	(377,184)
	-	2,654
Motor vehicles at cost	85,972	85,972
Accumulated depreciation	(85,972)	(78,387)
	-	7,585
Office equipment at cost	64,596	64,596
Accumulated depreciation	(64,596)	(64,596)
	-	-
Office furniture at cost	35,679	22,223
Accumulated depreciation	(35,679)	(18,707)
	-	3,516
Computer - at cost	99,515	96,336
Accumulated depreciation	(90,069)	(53,707)
	9,446	42,629
Total accumulated depreciation and impairment	9,446	56,384

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6.1. MOVEMENT IN CARRYING AMOUNTS:

	Plant & Equipment \$	Motor Vehicles \$	Office Equipment \$	Office Furniture \$	Computer Equipment \$	Total \$
AUDITED						
Carrying amount at 30 June 2017	3,276	9,364	-	3,593	54,303	70,536
Acquisitions/(Disposals)	-	-	-	207	12,879	13,086
Depreciation expense	(622)	(1,779)	-	(284)	(24,553)	(27,238)
Carrying amount at 30 June 2018	2,654	7,585	-	3,516	42,629	56,384
UNAUDITED						
Acquisitions	5,545	-	-	13,455	3,179	22,179
Depreciation expense	(8,199)	(7,585)	-	(16,971)	(36,362)	(69,117)
Carrying amount at 30 June 2019	-	-	-	-	9,446	9,446

7. INTANGIBLE ASSETS

	UNAUDITED 2019 \$	AUDITED 2018 \$
Technology rights at cost	500,000	500,000
Capitalised patent expenditure at cost	548,022	548,022
Accumulated amortisation – technology rights and patent	(425,759)	(425,759)
Amount written off – technology rights and patent	(622,263)	(622,263)
	-	-
Licence and know-how at cost	400,100	400,100
Accumulated amortisation – licence	(140,000)	(140,000)
Amount written off – licence	(260,100)	(260,100)
	-	-
Goodwill at cost	49,998	49,998
Amount written off – goodwill	(49,998)	(49,998)
	-	-
Assets acquired on acquisition of NexGen Networks Limited	6,086,956	6,086,956
Assets acquired as part of B Class shareholders interest ⁽ⁱ⁾	3,116,929	3,116,929
Amount written off – asset acquisition	(9,203,885)	(9,203,885)
	-	-

- (i) The acquisition of NexGen Networks Limited has been accounted for as an asset acquisition and recognised at fair value on acquisition. The transaction was completed during the year ended 30 June 2017 when the B Class shareholders of NexGen Networks Limited exercised the Put Option to transfer 100% of their interest to the Company in consideration for shares as detailed at Note 11.1. The Directors assess the fair value of NexGen Networks Limited to be nil and hence have recognised a \$3,116,929 impairment loss during the year ended 30 June 2017.

8. CAPITALISED DEVELOPMENT COSTS

	UNAUDITED 2019 \$	AUDITED 2018 \$
Software development costs capitalised during the period	2,990,990	3,247,226
Impairment of software development costs	(2,990,990)	(3,247,226)
Intellectual property cost capitalised during the period	51,456	51,456
Impairment of Intellectual property costs	(51,456)	(51,456)
	-	-

In relation to the current organisational structure of Family Insights Group Limited and its consolidated entities, funding requirements at subsidiary level are supported through intercompany loans from the parent company. Funds transferred to the Australian based subsidiary company (Wangle Operations Pty Ltd) are in accordance with the operation budget of the Group.

The operation budget has been prepared in consultation with the board of directors and key management personal. Funds are sent through a cash call process which complements the operation budget. Expenditure incurred at subsidiary level is primarily development costs associated with the Family Insights App Wangle App and as a result expenditure is capitalised.

During the period, \$285,814 was recognised as a provision for impairment on the intellectual property and capitalised development costs. This was based on a conservative review of the recoverable value of the relevant assets using a value-in-use model. Based on a 5-year present value net cash flow, the asset was deemed to have a carrying value of approximately nil as at 30 June 2018. Therefore, a full impairment has been recognised.

9. BUSINESS COMBINATION

ACQUISITION COMBINATION AND ACQUISITION OF NON-CONTROLLING INTERESTS

ACQUISITIONS IN 2019

ACQUISITION OF FRUGL GROUP LIMITED

On 22 January 2019, the Group acquired 95.71% of the voting shares of Frugl Group Limited, a non-listed company based in Perth, Australia. Frugl is a grocery price comparison platform with advanced analytics capabilities, that collects and process numerous data streams including behavioural shopper and browsing data, in real time, across any device. Frugl provides shoppers with up-to-date products, promotions and pricing information to find the lowest price each week across Australia's leading supermarkets.

The Group has elected to measure the non-controlling interest in the acquiree at fair value.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Frugl Group Limited as at the date of Acquisition were:

	FAIR VALUE AT RECOGNISED ON ACQUISITION
Assets	
Cash and cash equivalents	10,207
Trade and other receivables	43,558
Property, Plant and Equipment	20,043
	<hr/> 73,808
Liabilities	
Trade and other payables	(168,583)
Loan	(110,715)
	<hr/> (279,298)
Total identifiable net assets at fair value	<hr/> (205,490)
Non-controlling interest	8,816
Goodwill on acquisition	1,177,702
Fair value of deferred consideration	<hr/> 981,028 <hr/>

The fair value of the trade and other receivables amounts to \$43,558. The gross amount of trade receivables is \$43,558 and it is expected that the full contractual amounts can be collect.

The goodwill of \$1,186,518 comprises the value of expected synergies arising from the acquisition and its intellectual property, which is not separately recognised. Goodwill is allocated entirely to the grocery comparison engine.

From the date of acquisition, Frugi Group Limited contributed (\$44,593) of expenses and loss before tax from continuing operations of the Group.

10. TRADE AND OTHER PAYABLES

	UNAUDITED 2019 \$	AUDITED 2018 \$
Current		
Unsecured trade creditors	564,134	397,384
Sundry creditors and accruals	181,053	435,387
	<u>745,187</u>	<u>832,771</u>

11. ISSUED CAPITAL

	UNAUDITED 2019 \$	AUDITED 2018 \$
2,500,000,001 pre-consolidated fully paid ordinary shares (2017: 1,352,237,366)	34,016,060	28,375,771

11.1. FULLY PAID ORDINARY SHARES

	UNAUDITED 2019		AUDITED 2018	
	No. ¹	\$	No. ¹	\$
Balance at beginning of year	1,352,237,366	28,375,771	925,444,168	25,765,103
Shares issued	1,147,762,635	2,599,065	426,793,198	2,745,380
Share issue costs	-	3,041,224	-	(134,712)
Balance at end of year	<u>2,500,000,001</u>	<u>34,016,060</u>	<u>1,352,237,366</u>	<u>28,375,771</u>

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held. Ordinary shares have no par value.

¹ All securities are accounted for on a pre-consolidated basis.

11.2. SHARE OPTIONS ON ISSUE

Share options issued by the Company carry no rights to dividends and no voting rights.

As at 30 June 2019, the Company had:

- 1,152,444,168 pre-consolidated listed share options on issue (2017: 251,793,198) exercisable on a 1:1 basis for 1,152,444,168 pre-consolidated shares (2017: 251,793,198) at an exercise price of \$0.01 cents. The options expire on 30 June 2021.

12. RESERVES

	UNAUDITED 2019 \$	AUDITED 2018 \$
Option reserve balance at beginning of year	75,508	728,330
Options issued during the year	323,811	18,418
Options lapsed during current period	-	(8,143)
Options lapsed during previous period	-	(663,097)
Reversal of options lapse during previous periods	671,240	-
Option reserve balance at end of the financial year	1,070,559	75,508

The reserve arises on the grant of share options to executives, employees, consultants and advisors. They also arise upon issue of options to shareholders or buyers. Amounts are transferred out of reserve and into accumulated losses when options expire or lapse.

	UNAUDITED 2019 \$	AUDITED 2018 \$
Performance share reserve balance at beginning of year	437,047	437,047
Performance share converted during the year	(2,562)	(2,562)
Performance share reserve balance at end of the financial year	434,485	434,485

The reserve arises on the on the grant of performance shares to A Class Share vendors, consultants and advisors. As at 30 June 2018 none of the Company's performance shares had been issued. Amounts will be transferred out of reserve and into accumulated losses when performance shares expire or lapse.

13. CASH AND CASH EQUIVALENTS

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	UNAUDITED 2019 \$	AUDITED 2018 \$
Cash and cash equivalents	192,653	288,197

13.1. RECONCILIATION OF LOSS FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

(Loss)/profit for the year	(2,494,291)	(6,004,172)
<i>Non-cash items</i>		
Depreciation	69,117	27,238
Impairment of intangible assets	(256,267)	2,981,012
Share-based payments	323,811	18,418
	<u>(2,357,630)</u>	<u>(2,977,504)</u>
<i>Movements in working capital</i>		
(Increase) in prepayments	7,108	(12,567)
(Increase) in trade and other receivables	47,515	(20,586)
(Decrease) in trade and other payables	(210,325)	556,034
Net cash used in operating activities	<u>(2,513,332)</u>	<u>(2,454,623)</u>

14. DISCONTINUED OPERATIONS

On 9 January 2018 the Company confirmed that it had deregistered its wholly owned subsidiary in Singapore, VTX Holdings Pte. Ltd due to inactivity.

	UNAUDITED 2019 \$	AUDITED 2018 \$
Results of Discontinued Operations		
Revenue	-	-
Income	-	5,336
Expenses	-	-
Profit/(loss) before income tax	-	5,336
Income tax (benefit)/expense	-	-
Profit/(loss) after tax from discontinued operations	-	5,336
Assets and liabilities of discontinued operations		
Liabilities		
Inter-Company Loans	-	-
Total Non-Current Liabilities	-	-
Total Liabilities	-	-
Net Assets	-	-
Cash flows of discontinued operations		
Net cash from/(used in) operating activities	-	5,336
Net cash from investing activities	-	-
Net cash from/(used in) financing activities	-	-
Net cash flows for the year	-	5,336

15. SEGMENT INFORMATION

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates primarily in development and commercialisation of the Family insights Application and Wangle Application. The unaudited preliminary financial information presented in the consolidated statement of comprehensive income and the consolidated statement of financial position is the same as that presented to the chief operating decision maker.

Unless stated otherwise, all amounts reported to the Board of directors as the chief operating decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

- (a) This Appendix 4E has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.
- (b) This Appendix 4E, and the accounts upon which the Appendix 4E is based (if separate), use the same accounting policies.
- (c) This Appendix 4E does give a true and fair view of the matters disclosed.
- (d) This Appendix 4E is based on financial statements which are in the process of being audited.
- (e) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (f) Audit of the Company accounts is currently in progress and it is expected to contain an unmodified opinion and include material uncertainty section in the audit report.



Jonathan Wild
Chairman

30 August 2019