

07 August 2020

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

## FRUGL APP VERSION 2.0 UNDERGOING BETA TESTING

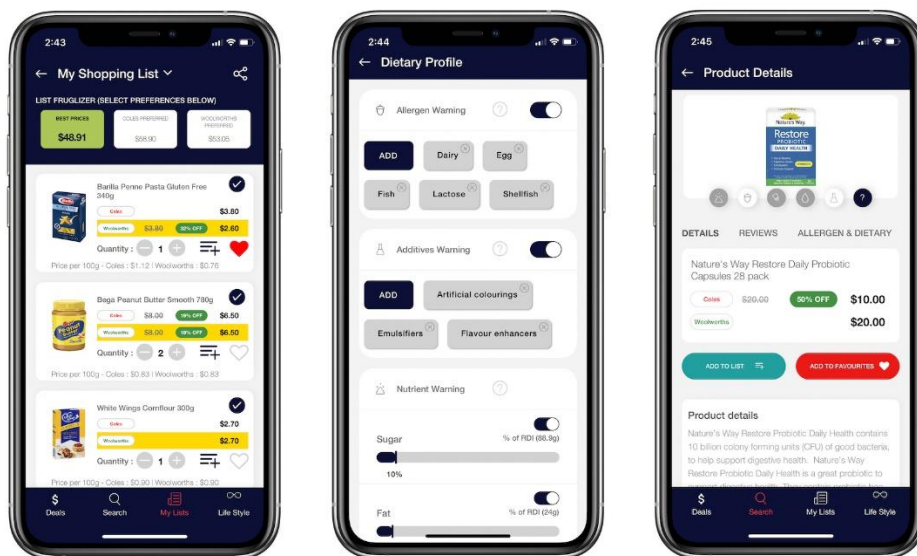
Frugl Group Limited (ASX:FGL)(Company) is pleased to provide the market an update on the ongoing development of **frugl**, the Company's grocery comparison and wellness mobile application (**frugl** or the **App**).

### Release Highlights

- Version 2.0 of **frugl** has completed development and is currently undergoing beta testing, with an anticipated launch during August.
- **frugl development** has focused on performance improvements to address key user issues and provide a vastly improved customer experience.

### frugl App Development

Following the release of the initial public version of the **frugl** App in February, the Company has utilised initial user feedback to inform improvements and features to be incorporated in the next major release of the app, referred to as Version 2.0, to be released later in August.



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Version 2.0 of **frugl** will deliver significant improvements in app performance, including product search speeds, product search results loading speeds, pagination response times and search function accuracy. In addition to performance improvements, Version 2.0 will also include major new features to drive user engagement and growth, which will be announced in more detail when launched later in August.

## **frugl** Corporate Development

As initially advised in the Company's ASX release of 22 January 2019 and as set out in Section 8.1 of the Company's prospectus released 06 April 2020, a now redundant Company subsidiary, Frugl (Australia) Pty Ltd (ACN 167 770 425) (**Subsidiary**), has been involved in a legal dispute with a former Subsidiary employee (**Former Employee**). The potential liability of the Subsidiary is consistent with historical estimates of approximately \$210,000.

The Subsidiary recently received a cost estimate to pursue a counterclaim against the Former Employee (**Counter Claim**) and take that Counter Claim to trial (**Trial Cost**). As a result of this Trial Cost, the Company has resolved it is not in the best interest of shareholders to continue the Counter Claim and to loan monies to the Subsidiary for the purpose of pursuing the Counter Claim and for any other purpose.

As a result, this afternoon a meeting of the Subsidiary's shareholders was convened and held, at which it was resolved to place the Subsidiary into liquidation.

Subsequently, Greg Dudley and Jerome Mohen of RSM Australia Partners have been appointed liquidators of the Subsidiary at 14:15 (WST) today.

The Company would like to advise that there are no assets of the Subsidiary currently deemed to be of any value to the Company and that all the intellectual property developed by the Company that is being used to support current operations remain unaffected and are held in a wholly owned Company subsidiary Family Insights IP Pty Ltd (ACN 633 347 332).

The Company notes that the acquisition terms of the Subsidiary, as announced to the ASX on 30 October 2018 provided for deferred consideration (as defined in Schedule 1 of this release) (**Deferred Consideration**). It is the Company's intention to seek shareholder approval for the re-instatement of these Deferred Consideration securities at a shareholder meeting to be convened in the near future.

- ENDS -

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**ABOUT frugl**

**frugl** is 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.

[fruglgroup.com](http://fruglgroup.com) | [frugl.com.au](http://frugl.com.au) | [infocusanalytics.com](http://infocusanalytics.com)

The **frugl** Corporate Video can be viewed at <https://vimeo.com/367911850>

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## SCHEDULE 1 - DEFERRED CONSIDERATION

As part of the purchase agreement with the previous shareholders of Frugl (Australia) Pty Ltd (then known as Frugl Group Limited) (the **Subsidiary**), it was agreed that Frugl Group Limited (then known as Wangle Technologies Limited) (the **Company**) would issue of 38,284,000 fully paid ordinary shares in the Company (**Shares**) to the previous shareholders of the Subsidiary upon the realisation of the below milestones (**Deferred Consideration**).

The Deferred Consideration Shares which are to be issued to previous shareholders of the Subsidiary in four equal tranches of 9,571,000 upon realisation of the following milestones:

- The first Revenue Milestone, to be satisfied on or before 30 June 2021, shall be calculated as follows:
  - if the Settlement Sum is equal to or less than \$100,000 – the Revenue Milestone shall be \$1,000,000;
  - if the Settlement Sum is greater than \$100,000 and less than \$250,000 – the Revenue Milestone shall be the Settlement Sum plus \$1,000,000; and
  - if the Settlement Sum is greater than \$250,000 – the Revenue Milestone shall be \$1,250,000.
- The second, third and fourth Revenue Milestones shall be as follows:
  - \$2,000,000, on or before 30 June 2021;
  - \$6,000,000, on or before 30 June 2022; and
  - \$10,000,000, on or before 30 June 2022.

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