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29 October 2020

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

FRUGL Q1 GROUP COMPANY UPDATE

Frugl Group Limited (**ASX:FGL**) (**Company**) is pleased to provide the market with an update on Company operations, including the development and commercialisation activities for **Frugl Groceries**, the Company's grocery comparison and wellness mobile application (**frugl** or the **App**).

Q1 Release Highlights

- **frugl** released **Version 2.0** of its grocery comparison app addressing key user feedback gathered following the Version 1.0 release, and incorporating new features including **Featured Lists**, **List Social Sharing**, **Customer Product Reviews** and **Cost per 100g/ml** unit pricing.
- **frugl** featured on 6.00pm **Channel 9 News** driving a spike in user downloads and usage, successfully triggering the **frugl** platform's auto-scaling capabilities.
- Announcement of a two-tranche placement of $1,485,000 to unrelated sophisticated and professional investors.

Frugl releases Version 2.0 of its grocery comparison app

The **Company** announced the launch of Version 2.0 of its ground-breaking grocery comparison and wellness App **frugl.**

The App allows shoppers to compare products across Woolworths and Coles supermarkets, create store-specific shopping lists and optimise shopping lists by cheapest prices. In addition, the App overlays wellness tools for shoppers to enable them to compare products and optimise shopping baskets by nutritional value, ingredient listings and allergen inclusions.

With the release of Version 2.0 the Company is looking forward to commencing marketing activities to drive user growth and further enhance the commercial offering for its data analytics products, which are currently being marketed to major Australian retailers and grocer suppliers.

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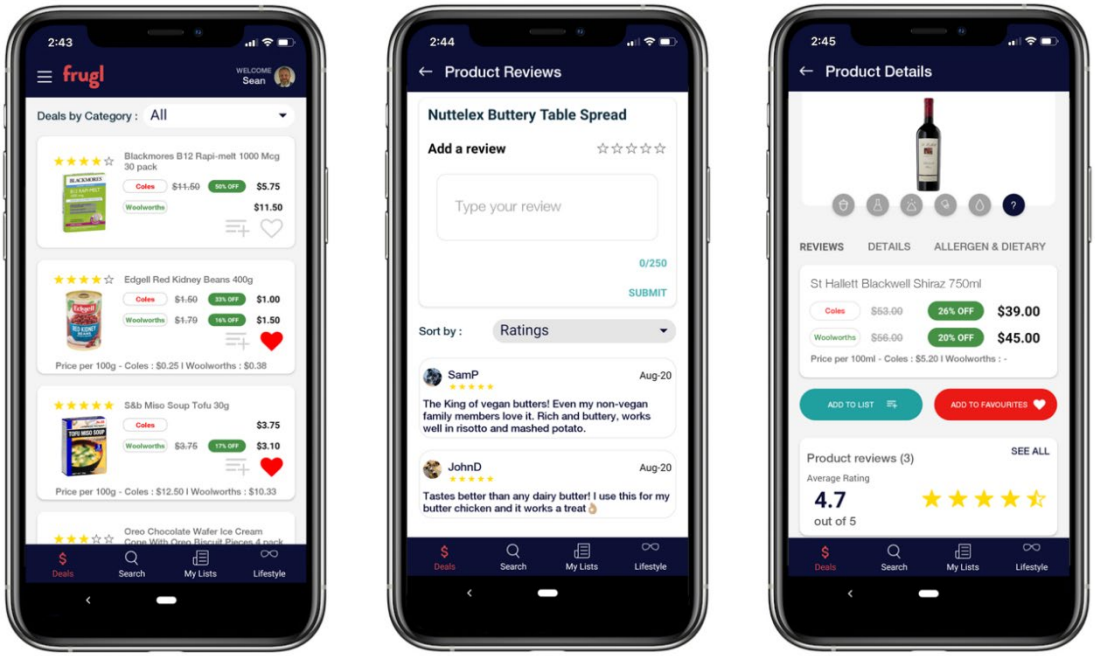
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frugl Version 2.0 Major Update Summary

Compare Product Prices by Cost per 100g/ml

The most requested feature by users is the **Cost per 100g/ml** feature, allowing shoppers to view a true price comparison of products independent of pack size. Inclusion of **Cost per 100g/ml** has been added to the Product Screens as well as the Deals Listings and Search Results to help shoppers quickly compare value across multiple products.



Pre-populated 'Featured Lists' and Social List In-App Sharing

frugl added updatable **Featured Lists**, which demonstrate the full feature sets of lists and offer a range of different list types that demonstrate the different ways in which those lists can add value. In addition, **frugl** has added a new In-App sharing feature for lists **List Social Sharing** so that users can either copy and share **Featured Lists**, or share custom lists of their own, which prompt non-users to download the App to view and use lists themselves.

The new **List Social Sharing** feature offers opportunities for marketing activities as deep-linked **frugl** lists can be shared within news articles and other shareable content, such as ingredient lists for recipes, ingredient ideas for specific diets and other public relations activities.

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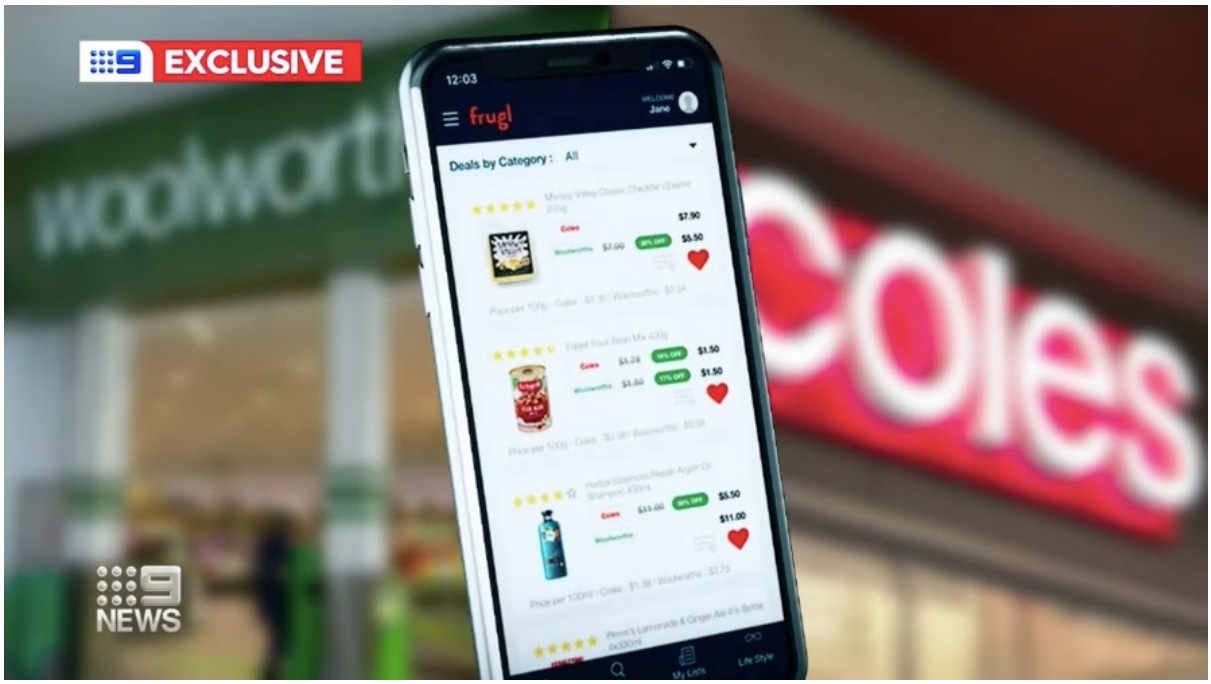
Independent Customer Reviews

To further grow shopper engagement with the App and to further develop the product data asset, **frugl** allows users to leave their own independent customer reviews on all listed products, whilst also benefiting from product reviews added by the growing **frugl** community to inform future product selection decisions.

The Company has chosen to develop and maintain its own independent review platform to ensure ownership of the growing review asset, which can be further added to commercialised analytics reports in future across products and categories.

Frugl featured on Channel 9 News

Following the release of version 2.0 of the App the Company was approached by the Channel 9 network to provide input into the challenges faced by today's shoppers as a result of the Covid-19 pandemic and its impact on the economy.



The feature story aired on Channel 9 News on **11 September 2020** and is available to view via the **fruglgroup.com** website.

Announcement of two-tranche placement of $1,485,000

On 22 September 2020 the Company announced it had received firm commitments to raise $1,485,000 though a two-tranche placement to unrelated sophisticated and

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professional investors, pursuant to section 708 of the *Corporations Act 2001* (Cth). Further details available via an ASX release dated 22 September 2020.

Appendix 4C

The Company notes that the amount disclosed in the Appendix 4C under Section 6, payments to related parties of the entity and their associates, relates solely to the payments during the quarter of salaries and wages to members of the Board of Directors amounting to AU$47,346.

The Company engages Cicero Group Pty Ltd for accounting, administrative and company secretarial services at $10,000 per month (exclusive of GST). Mr Mathew Walker is a shareholder in Cicero Group Pty Ltd.

This announcement has been authorised by the Board of Frugl Group Limited.

- ENDS -

For further information, please contact:

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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 | frugl.com.au | infocusanalytics.com

The **Frugl Corporate Video** can be viewed at **https://vimeo.com/367911850**

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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Name of entity	
Frugl Group Limited	
ABN	**Quarter ended ("current quarter")**
80 096 870 978	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(188)	(188)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(10)	(10)
	(d) leased assets	-	-
	(e) staff costs	-	-
	(f) administration and corporate costs	(257)	(257)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(2)	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	67	67
1.8	Other (provide details if material)	(14)	(14)
1.9	**Net cash from / (used in) operating activities**	**(404)**	**(404)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	790	790
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	33	33
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**	**823**	**823**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	313	313
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(404)	(404)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	823	823
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**732**	**732**

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	672	672
5.2	Call deposits	60	60
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)**	**732**	**732**

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	47
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	750[1]	(33)
7.2	Credit standby arrangements	200[2]	(196)
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**950**	(229)

7.5	**Unused financing facilities available at quarter end**	721

7.6 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.

1. On 31 July 2020, the Company advised that the $750,000 binding loan facility agreement with Mathew Walker, a Company director, was available on call, unsecured, interest free and repayable on 31 December 2020 (**Director Loan**).
2. On 16 March 2020 the Group received an agreement from Rocking Horse Pty Ltd, an unrelated entity of the Group, to provide the Company was a loan facility for the amount of $200,000 (**Loan**). As per the terms of the Loan, the total amount drawn will be repaid following receipt of the 2020 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)	(404)
8.2	Cash and cash equivalents at quarter end (item 4.6)	732
8.3	Unused finance facilities available at quarter end (item 7.5)	721
8.4	Total available funding (item 8.2 + item 8.3)	1,453
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	3.6

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.

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.

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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.

Date: .....29/10/20.....

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.

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