APPENDIX 4E

Preliminary final report for the year ended 30 June 2024 as required by ASX listing rule 4.3A.

DETAILS OF REPORTING PERIOD

Name of entity	Frugl Group Limited
ACN	096 870 978
Reporting Year	Year ended 30 June 2024
Previous Corresponding	Year ended 30 June 2023

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to year ended 30 June 2024)	$	Up/down	Movement %
Revenues from ordinary activities	520,192	up	65%
Net loss for the year attributable to members	(753,481)	up	35%

For further explanation of the statutory figures provided above refer to the accompanying unaudited preliminary financial report for the year ended.

For a review of the operations and activities for the year ended 30 June 2024, please refer to the Review of Operations contained in the unaudited preliminary financial report.

DIVIDEND INFORMATION

No dividends have been declared or paid during or since the end of the year to 30 June 2024 (2023: Nil).

	30 June 2024	30 June 2023
Net tangible assets per security	0.026	0.001

AUDIT

The financial report for the year ended 30 June 2024 is in the process of being audited and it is expected to include an unmodified opinion with a material uncertainty related to going concern. Frugl Group Limited will release audited financial report on/or before 30 September 2024.

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME WITH NOTES TO THE STATEMENT

The Appendix 4E should be read in conjunction with the unaudited preliminary financial report for the year ended 30 June 2024, specifically:

- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Notes to the consolidated financial statements

STATEMENT OF FINANCIAL POSITION WITH NOTES TO THE STATEMENT

The Appendix 4E should be read in conjunction with the unaudited preliminary financial report for the year ended 30 June 2024, specifically:

- Consolidated Statement of Financial Position
- Notes to the consolidated financial statements

STATEMENT OF CASH FLOWS WITH NOTES TO THE STATEMENT

The Appendix 4E should be read in conjunction with the unaudited preliminary financial report for the year ended 30 June 2024, specifically:

- Consolidated Statement of Cash Flows
- Notes to the consolidated financial statements

STATEMENT OF CHANGES IN EQUITY WITH NOTES TO THE STATEMENT

The Appendix 4E should be read in conjunction with the unaudited preliminary financial report for the year ended 30 June 2024, specifically:

- Consolidated Statement of Changes in Equity
- Notes to the consolidated financial statements

ENTITIES OVER WHICH CONTROL HAS BEEN GAINED DURING THE PERIOD

The Appendix 4E should be read in conjunction with the unaudited preliminary financial report for the year ended 30 June 2024, specifically:

- Notes to the consolidated financial statements

DETAILS OF ASSOCIATES AND JOINT VENTURES

The Appendix 4E should be read in conjunction with the unaudited preliminary financial report for the year ended 30 June 2024, specifically:

- Notes to the consolidated financial statements

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ANY OTHER SIGNIFICANT INFORMATION NEEDED BY AN INVESTOR TO MAKE AN INFORMED ASSESSMENT OF THE GROUP'S FINANCIAL PERFORMANCE AND FINANCIAL POSITION

All significant information has been included elsewhere in this document or in the unaudited preliminary financial report for the year ended 30 June 2024.

COMMENTARY ON THE RESULTS

The Appendix 4E should be read in conjunction with the unaudited preliminary financial report for the year ended 30 June 2024, specifically:

- Review of Operations and Financial Review sections within the Directors' Report

ACN 096 870 978

PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2024

TABLE OF CONTENT

DIRECTORS' REPORT 3
PRELIMINARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 8
PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION 9
PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 10
PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS 11
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 12

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

The principal activities of the Group are:

- the development and customer support of its grocery comparison and data analytics products and services; and
- providing digital solutions services, which includes software development, team augmentation and external support, Artificial Intelligence and Machine Learning (AI & ML).

REVIEW OF OPERATIONS

COMPANY OVERVIEW

Acquisition of Trienpont International Co. Ltd

On 10 January 2024, the Company announced that it has entered into a binding head of agreement (HOA) to acquire 100% of the issued share capital of Trienpont International Co. Ltd ("Trienpont"), including Trienpont's business and assets, from the shareholders of Trienpont.

On 29 February 2024, the Company announced that following approval at the general meeting of shareholders held on 19 February 2024, it has issued 440,000,000 fully paid ordinary shares in the capital of the Company as part of the considerations of the acquisition of Trienpont. Under the terms of the binding HOA entered into with Trienpont, as varied on 27 February 2024, the parties have agreed to defer payment of the cash consideration under the HOA until 1 July 2024.

A final announcement was made on 24 April 2024 to confirm that the acquisition was formally completed.

InFocus Analytics

InFocus Analytics is a data analytics business that historically focused solely on the Australian retail sector, building on the retail focus of Frugl's eponymous Australian grocery app.

Frugl gathers product and pricing data from a range of retailers before further organising and enriching it via automated processing and advanced machine learning techniques. The data is then made available to shoppers via the Frugl Grocery mobile comparison and wellness app. Data collected from users via their usage of the app, which the Company harvests to develop retail intelligence in the form of behavioural and shopper segment data, forms the basis of its data analytics platform.

The combined product, pricing and shopper data is then collated for use by the Company's InFocus Analytics retail intelligence platform for commercial use by retailers, suppliers and other associated businesses.

Since the acquisition of Trienpont, the Company has integrated Trienpont's digital solutions and technological capability with InFocus's core data analytics service offering to provide a significantly expanded range of services, including Artificial Intelligence and Machine Learning (AI & ML) features.

During the year, Frugl secured additional engagements within the Australian retail sector to provide an even broader suite of data analytics and business intelligence tools.

DIRECTORS' REPORT (CONTINUED)

Trienpont

Trienpont is a digital solutions provider based in Thailand. Trienpont has core capabilities in software development, team augmentation and external support, Artificial Intelligence and Machine Learning (AI & ML), and cybersecurity.

During the year, Trienpont has secured a number of new contracts and engagements, including the outsourcing of resources for Microsoft Azure Generative AI solutions for several government and private sector clients in Europe in partnership with MbarQ, an AI-focused consultancy owned by Belgian IT services conglomerate de Cronos Groep, and the development of an Online Travel Agency (OTA) platform applying AI technologies to a platform servicing United States veterans and military personnel.

Trienpont's capabilities in the AI and ML space are also being packaged by the Company as part of an expanded service offering to its existing retail data analytics clients at InFocus Analytics.

In May 2024, Trienpont moved to a new, 710m^2 premises located in Asoke, Bangkok's most central and well-established business district. The new premises represent a significant upgrade from the 200m^2 office they outgrew after moving from a co-working space in 2022.

Figure 1: Trienpont's staff at their new office premises

Further to Trienpont's involvement as an AI authority with the Thai-Australian Chamber of Commerce, Frugl (through InFocus Analytics) has been selected along with twenty-two other Australian technology companies, to present at an AusTrade trade mission titled "Connecting Australia and Thailand to the digital economy", which was held in Bangkok on 24 July 2024.

DIRECTORS' REPORT (CONTINUED)

CHANGES TO SECURITIES

On 9 November 2023, the Company issued 5,000,000 fully paid ordinary shares in the capital of the Company upon the exercise of Unlisted Options exercisable at $0.01 on or before 31 December 2025.

On 23 November 2023, the Company successfully completed a private placement to a new sophisticated and professional investor raising $225,850 before costs. The Company issued a total of 26,570,588 fully paid ordinary shares at $0.0085 per share.

On 27 December 2023, the Company successfully completed a placement of $436,999 before costs. The Company issued a total of 48,555,555 fully paid ordinary shares at $0.009 per share.

On 29 February 2024, the Company issued 440,000,000 fully paid ordinary shares in the capital of the Company as part of the considerations of the acquisition of Trienpont International Co. Ltd ("Trienpont") at a deemed issue price of $0.018 per share.

On 1 March 2024, the Company issued 3,750,000 fully paid ordinary shares in the capital of the Company upon the exercise of Unlisted Options exercisable at $0.01 on or before 31 December 2025.

On 5 March 2024, the Company issued 3,571,429 fully paid ordinary shares in the capital of the Company to a consultant to the Company providing investor relations services (being an unrelated party to the Company) at a deemed issue price of $0.007 per share.

On 6 March 2024, the Company issued 765,000 fully paid ordinary shares in the capital of the Company to a consultant to the Company providing investor relations services (being an unrelated party to the Company) at a deemed issue price of $0.009 per share.

On 1 May 2024, the Company completed the consolidation of its issued capital:

- every 15 Shares into 1 Share; and
- every 15 Options into 1 Option.

On 3 June 2024, the Company issued 5,397,990 fully paid ordinary shares in the capital of the Company to Obsidian Global Partners (Obsidian or the Investor), being an unrelated party to the Company, pursuant to the convertible note facility at a deemed issue price of $0.1 per Share.

FINANCIAL REVIEW

For the year ended 30 June 2024 the Group incurred a net loss of $2,932,563 (2023: $2,179,082), a net cash outflow from operating activities amounting to $2,452,570 (2023: $2,051,147) and had net current liabilities of $581,927 (30 June 2023: net current assets $1,098,362).

DIRECTORS' REPORT (CONTINUED)

RISK MANAGEMENT

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The key risks that the Board has currently identified are:

- Technology Risk
- Intellectual Property Rights
- Competition Risk
- Reliance on Key Personnel Risk
- Sovereign Risk

The Group believes that it is crucial for all Board members to be part of the process of managing risks through governance and oversight, and as such the Board has not established a separate risk management committee.

Furthermore, the Board has a number of mechanisms in place to ensure management's objectives and activities are aligned to the Board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- Implementation of Board approved operating plans and Board monitoring of the progress against budgets.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Further information has not been presented in this report as disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's activities to date have not been subject to any particular and significant environmental regulation.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 15 July 2024, the Company issued 192,310 fully paid ordinary shares in the capital of the Company to the Chief Executive Officer in lieu of a portion of his base salary relating to the period from 12 February 2024 to 31 March 2024, at a deemed issue price of $0.078 per share.

On 20 July 2024, 1,966,675 quoted options, exercisable at $1.50 each (trading under ASX code FGLOA) expired unexercised.

There has been no other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

DIRECTORS' REPORT (CONTINUED)

INDEMNITIES AND INSURANCE OF DIRECTORS AND OFFICERS

During the reporting period and up to the date of this report, the Group has paid premiums insuring all the directors of Frugl Group Limited against costs incurred in defending conduct involving a breach of duty and/or a contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.

The Group has agreed to indemnify all directors and executive officers of the Group against liabilities to another person (other than the Group or a related body corporate) that may arise from their position as directors of the Group, except where the liability has arisen as a result of a wilful breach of duty in relation to the Group. The agreement stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses. The Group has paid a total of $68,675 in insurance premiums, relating to Director and Officer insurance, during the financial year (2023: $41,741).

DIVIDENDS

No dividends were paid or declared during the financial year and no recommendation for payment of dividends has been made.

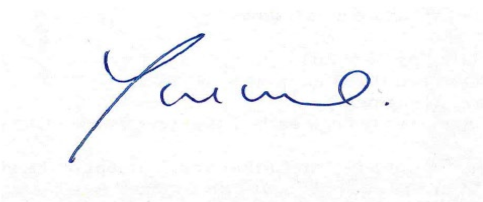
FOREIGN ENTITIES ACCOUNTING FRAMEWORK

Foreign entities comply with International Financial Reporting Standards (IFRS).

COMPLIANCE STATEMENT

This report is based on accounts which are in the process of being audited. The Company expects an unmodified opinion and include material uncertainty section in the audit report.

For, and on behalf of, the Board of the Company,



Kit Weng Yip
Chairman
Perth, Western Australia this 30th day of August 2024.

PRELIMINARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2024

	Notes	2024 $	Restated 2023[1] $
Revenue from contracts with customers	3.1	811,550	162,257
Other income		47,628	6,002
R+D Tax Rebate		397,659	612,724
Government grant and subsidies		-	25,000
Fair value gain on acquisition consideration		69,338	-
		1,326,175	**805,983**
Direct product costs		(108,120)	-
Research and development costs, materials and consultants		(1,606,939)	(871,308)
Directors' fees, salaries, superannuation and consulting expenses		(274,000)	(386,989)
Depreciation and amortisation expenses		(153,564)	(4,617)
Public company costs, fees, share registry, shareholder expenses		(98,314)	(86,163)
Occupancy expenses		(105,602)	(77,069)
Employee expenses		(1,206,394)	(780,593)
Legal fees		(108,504)	(71,095)
Accounting, tax and audit fees		(103,696)	(68,328)
Insurances		(68,675)	(55,838)
Interest expenses		(82,072)	(75,339)
Corporate and investor relations expenses		(147,426)	(206,326)
Share-based payments	12.3.1	(131,796)	(12,124)
Marketing expenses		(2,035)	(143,292)
Other expenses from ordinary activities		(61,601)	(145,984)
Total expenses		**(4,258,738)**	**(2,985,065)**
Loss before income tax expense		(2,932,563)	(2,179,082)
Income tax expense		-	-
Loss after income tax expense		(2,932,563)	(2,179,082)
Loss after income tax expense for the year attributable to the owners of the Company		**(2,932,563)**	**(2,179,082)**
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive loss for the year		**(2,932,563)**	**(2,179,082)**
Earnings/ (loss) per share from continuing operations			
Basic and diluted loss per share (cents per share)	4.1	(0.003)	(0.004)

[1] Balances for the year ended 30 June 2023 has been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 8.

The Preliminary 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 financial report.

PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

	Notes	2024 $	Restated 2023[1] $
Assets			
Current assets			
Cash and cash equivalents		652,910	1,298,006
Trade and other receivables	7	189,747	39,440
Other assets		107,739	80,736
Total current assets		950,396	1,418,182
Non-current assets			
Plant and equipment		146,388	1,829
Right- of-use assets	5	593,145	-
Goodwill	6	3,225,617	-
Total non-current assets		3,965,150	1,829
Total assets		**4,915,546**	**1,420,011**
Liabilities			
Current liabilities			
Trade and other payables	8	774,982	294,731
Borrowings	9	518,505	-
Finance lease liabilities		176,173	-
Employee entitlements		62,663	25,089
Total current liabilities		1,532,323	319,820
Non-current liabilities			
Borrowings	9	297,247	-
Finance lease liabilities		370,448	-
Total non-current liabilities		667,695	-
Total liabilities		**2,200,018**	**319,820**
Net assets		**2,715,528**	**1,100,191**
Equity			
Issued capital	10	43,825,487	39,373,453
Unissued share capital	10	42,000	-
Reserves	11	105,866	52,000
Accumulated losses		(41,257,825)	(38,325,262)
Total equity		**2,715,528**	**1,100,191**

[1] Balances at 30 June 2023 has been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 8.

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

PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2024

	Issued Capital $	Unissued Share Capital $	Share Based payment Reserves $	Foreign Currency Translation Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2022	**35,269,801**	**-**	**52,000**	**-**	**(36,146,180)**	**(824,379)**
Loss for the year	-	-	-	-	(2,179,082)[1]	**(2,179,082)**
Foreign currency translation effect	-	-	-	-	-	**-**
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(2,179,082)**	**(2,179,082)**
Shares/Options issued during the year	4,163,797	-	-	-	-	**4,163,797**
Share issue costs	(60,145)	-	-	-	-	**(60,145)**
Balance at 30 June 2023	**39,373,453**	**-**	**52,000**	**-**	**(38,325,262)**	**1,100,191**
Balance at 1 July 2023	**39,373,453**	**-**	**52,000**	**-**	**(38,325,262)**	**1,100,191**
Loss for the year	-	-	-	-	(2,932,563)	**(2,932,563)**
Other comprehensive loss for the year	-	-	-	3,955	-	**3,955**
Total comprehensive loss for the year	**-**	**-**	**-**	**3,955**	**(2,932,563)**	**(2,928,608)**
Shares/Options issued during the year	4,452,034	-	49,911	-	-	**4,501,945**
Shares to be issued	-	42,000	-	-	-	**42,000**
Share issue costs	-	-	-	-	-	**-**
Balance at 30 June 2024	**43,825,487**	**42,000**	**101,911**	**3,955**	**(41,257,825)**	**(2,715,528)**

[1] Balances for the year ended 30 June 2023 has been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 8.

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

PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2024

	Notes	2024 $	2023 $
Cash flows from operating activities			
Payments to suppliers and employees		(3,592,380)	(2,877,951)
Receipts from customers		751,733	212,339
Government grants		-	25,000
Interest received		7,930	5,725
Interest paid		(17,512)	(28,984)
R&D Tax Rebate		397,659	612,724
Net cash used in operating activities		(2,452,570)	(2,051,147)
Cash flows from investing activities			
Payments for property, plant and equipment		(190,248)	-
Net cash used in investing activities		(190,248)	-
Cash flows from financing activities			
Proceeds from issues of shares	10.1	662,850	3,876,673
Payments of share issue costs	10.1	-	(60,145)
Proceeds from exercise of options	10.1	87,500	-
Proceeds from borrowings	9	1,692,551	641,026
Repayments of borrowings	9	(305,012)	(1,182,250)
Payments of borrowing costs	9	(22,926)	-
Payment for principal portion of lease liabilities		(146,667)	-
Net cash generated by financing activities		1,968,296	3,275,304
Net (decrease)/increase in cash and cash equivalents		**(674,522)**	**1,224,157**
Cash and cash equivalents at the beginning of the year		1,298,006	73,807
Effect pf exchange rate changes on cash		29,426	42
Cash and cash equivalents at the end of the year		**652,910**	**1,298,006**

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

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2024

1. GENERAL INFORMATION

Frugl Group Limited (**the Company**) is a limited company incorporated in Australia. The principal activities in the course of the financial year were the development and customer support of its grocery comparison and data analytics products and services, providing digital transformation, and software development services.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These 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 consolidated financial statements of the Group and its controlled entities (**collectively the Group**).

The financial statements were authorised for issue by the directors on 30 August 2024.

2.1. BASIS OF PREPARATION

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the 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).

2.1.2. Historical cost convention

The financial report has been prepared on the accruals basis and under the historical cost convention.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.2. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights if an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

2.2.1. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the 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 Group. 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.

2.2.2. 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 put through profit and loss or through other comprehensive income depending on the election adopted.

2.2.3. 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 consolidated financial statements.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.3. TAXATION

2.3.1. Income tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.
Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.3.2. Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the consolidated statement of financial position.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

2.4. RESEARCH & DEVELOPMENT EXPENDITURE

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following has been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent to initial recognition, capitalised development costs are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit, which will normally be the useful life of the asset. During the period of development, the asset is tested for impairment annually.

2.5. TRADE AND OTHER RECEIVABLES

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30 days.

Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

The Group determines expected credit losses based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.6. EMPLOYEE BENEFITS

2.6.1. Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled wholly within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers' compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

2.6.2. Other long-term benefits

The Group's obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the Reserve Bank of Australia's cash rate at the report date that have maturity dates approximating the terms of the Group's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

2.6.3. Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

2.6.4. Equity-settled compensation

The Group operates an employee share option plan. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

2.7. SHARE-BASED PAYMENTS TRANSACTIONS

Under AASB 2 *Share-Based Payments*, the Group must recognise the fair value of options granted to directors, employees and consultants as compensation as an expense on a pro-rata basis over the vesting period in profit or loss with a corresponding adjustment to equity.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.8. BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.9. PROVISIONS

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results, and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

2.10. CONTINGENT LIABILITIES

Contingent liabilities are not recognised but are disclosed in the consolidated financial statements, unless the possibility of settlement is remote, in which case no disclosure is made. If settlement becomes probable and the amount can be reliably estimated, a provision is recognised.

The amount disclosed as a contingent liability is the best estimate of the settlement.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.11. EARNINGS PER SHARE

2.11.1. Basic earnings per share

Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

2.11.2. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. When the Group makes a loss, the number of shares is not adjusted by the potential ordinary shares as the impact would be to reduce the loss per share.

2.12. REVENUE AND OTHER INCOME

The Group currently generates revenue from the provision of services in the areas of data analytics of its grocery comparison products, digital transformation, software development and technical consulting. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the Customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group's revenue accounting policy is detailed below:

Revenue is recognised either when the performance obligation in the contract has been performed, so 'point in time' recognition or 'over time' as control of the performance obligation is transferred to the customer.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position.

2.12.1. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The Group's income from the Australian Government's Research & Development (**R&D**) Tax Incentive and the Australian Government's COVID-19 stimulus packages is accounted for as a government grant.

2.12.2. Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.13. 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. The operations of the business are regularly reviewed by the Group's Managing Director to determine if segment reporting is required.

The Group operates within the geographical location of Australia and Thailand.

2.14. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2.14.1. Key Estimate - Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

2.14.2. Key Estimate – R&D Tax Incentive

Where the Group receives the Australian Government's R&D Tax Incentive, the Group accounts for the amount refundable on accrual basis. In determining the amount of the R&D provision at year end, there is an estimation process utilising a conservative approach. Any changes to the estimation are recorded in the subsequent financial year.

2.14.3. Share-Based Payments

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Transactions with employees and others providing similar services are measured by reference to the fair value at grant date of the equity instrument granted using a Black-Scholes option pricing model.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.14.4. Identifying performance obligations

The nature of performance obligations categorised within these revenue types include the following:

a) Data analytics services which include product and competitor pricing reporting. Performance obligations are linked to an ongoing delivery basis.
b) Digital transformation and software development include bespoke builds, creative and design services. Performance obligations are linked to milestone events.
c) Technical consulting which is invoiced as the service is being performed with the performance obligations satisfied during the delivery of the service.

2.15. LEASES

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

2.16. GOODWILL

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group’s interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group’s primary or the Group’s secondary reporting format determined in accordance with AASB 8 Operating Segments.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Impairment is determined by assessing the recoverable amount of the cash-generating unit or groups of cash-generating units, to which the goodwill relates. When the recoverable amount of the cash-generating unit or groups of cash generating units is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash generating unit or groups of cash-generating units and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

2.17. GOING CONCERN

The financial report has been prepared on the going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2024 the Group incurred a net loss of $2,932,563 (2023: $2,179,082), a net cash outflow from operating activities amounting to $2,452,570 (2023: $2,051,147) and had net current liabilities of $581,927 (30 June 2023: net current assets $1,098,362).

The Directors have reviewed the business outlook, cash flow forecasts and immediate capital requirements and are of the opinion that the use of the going concern basis of accounting is appropriate. In forming this view the Directors have taken into consideration the following:

- On 10 May 2024, the Company renewed its loan facility agreement (Facility) with Mr Kenny Woo, a Company director, which was expiring on 31 May 2024 to 31 May 2025. The facility has a principal amount of $1,000,000, bears an interest rate of 9% per annum payable monthly in arrears, unsecured and repayable on 31 May 2025. At the date of this report, the Company has not made any draw down from this facility; and

- The Group's ability to reduce operational expenditure as and when required including, but not limited to, reviewing all expenditure for deferral or elimination.

The Directors have carefully assessed the uncertainties relating to the likelihood of securing additional funding and the Group's ability to effectively manage its expenditures and cash flows from operations.

Should the Group not be successful in obtaining adequate funding, or adequately reducing operational expenditure as required, there is a material uncertainty that may cast significant doubt as to the ability of the Group to continue as a going concern and whether it will be able to realise its assets and discharge its liabilities in the ordinary course of business.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.18. FOREIGN CURRENCY TRANSLATION

Both the functional and presentation currency of Frugl Group Limited is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial statements are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The functional currency of the foreign operations, Trienpont International Co. Ltd is Thai Baht. “THB”.

2.19. ADOPTION OF NEW AND REVISED STANDARDS

2.19.1. Standards and Interpretations applicable to 30 June 2024

In the year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company’s operations and effective for the year reporting periods beginning on or after 1 July 2023.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and therefore no material change is necessary to Group accounting policies.

2.19.2. Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Company and effective for the year reporting periods beginning on or after 1 July 2023.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Company and therefore no material change is necessary to Group accounting policies.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. REVENUE

3.1. REVENUE FROM CONTRACTS WITH CUSTOMERS: CONTINUING OPERATIONS

	2024 $	2023 $
Revenue from contracts with customers	811,550	162,257
	811,550	162,257

Revenue from contracts with customers is recognised at the point in time the products and services are delivered to the customer.

4. LOSS PER SHARE

4.1. BASIC LOSS PER SHARE

	2024 Cents Per Share	2023 Cents Per Share
Loss per share	(0.003)	(0.004)

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

	2024 $	2023 $
Loss for the year - from continuing operations	(2,932,563)	(2,179,082)
	No.	No.
Weighted average number of ordinary shares for the purposes of basic loss per share	991,819,953	491,339,859

4.2. DILUTED LOSS PER SHARE

There are no potential ordinary shares that are considered dilutive, as a result no dilutive loss per share has been disclosed.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. RIGHT-OF-USE ASSETS

	2024 $	2023 $
Balance at beginning of period	-	-
Additions	746,957	-
Depreciation expensed	(132,364)	-
Interest expensed	(21,846)	-
Effect of exchange rates	398	-
Balance at end of period	593,145	-

6. GOODWILL

Carrying value

	2024 $	2023 $
Cost	3,225,617	-
Accumulated impairment	-	-
Carrying value	3,225,617	-

Reconciliation

	Note	2024 $	2023 $
Opening balance		-	-
Acquisition through business combination	14	3,225,617	-
Carrying value		3,225,617	-

7. CURRENT TRADE AND OTHER RECEIVABLES

	2024 $	2023 $
Trade debtors	172,968	27,005
Other receivables	16,779	12,435
	189,747	39,440

Trade receivable are non-interest bearing and generally on terms of 14-60 days.

All receivables are considered fully recoverable.

7.1. FAIR VALUE AND CREDIT RISK

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

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. TRADE AND OTHER PAYABLES

	2024 $	2023 $
Current		
Unsecured trade creditors	421,334	137,419
Revenue received in advance	77,725	20,591
Sundry creditors and accruals	275,923	136,721[1]
	774,982	294,731

[1]Balance at 30 June 2023 has been restated to exclude an over accrual of $101,570 made in error. A corresponding adjustment of $101,570 was made to accumulated losses at 30 June 2023.

Trade and other payables are non-interest bearing. Due to the short-term nature of these payables, their carrying amount is assumed to approximate their fair value.

9. BORROWINGS

	2024 $	2023 $
Balance at beginning of period	-	700,000
Convertible Loan(i)	291,245	-
Loan from Radium Capital(ii)	790,412	-
Loan from Director (cash)(iii)	-	641,026
Loan from Director (expenses paid on behalf of the Company)	-	20,493
Interest and borrowing cost capitalised	39,596	62,422
Repayments made	(307,863)	(1,182,250)
Repayments made (securities issued)	-	(241,691)
Effect of exchange rates	2,362	-
Balance at end of period	815,752	-

	2024 $	2023 $
Current liability	518,505	-
Non-current liability	297,247	-
	815,752	-

(i) On 31 May 2024, the Company entered into a $2 million convertible note facility (Note Facility) with Obsidian Global Partners (Obsidian or the Investor). The Company drew an initial $0.9 million pursuant to the Note Facility, with up to an additional $1.1 million drawable subject to certain conditions. The Note Facility s secured against Company assets.

A facility fee of US$13,200 plus A$20,000 (2% of the Note Facility limit) is payable in shares, on or before the First Tranche. On 3 June 2024, the Company made payment of the facility fee by issuing 397,990 shares at an issue price of $0.1 per share.

The Company must issue 5,000,000 shares to the Investor within 5 days of the execution date of the Note Facility. On 3 June 2024, the Company issued 5,000,000 shares at an issue price of $0.1 per share.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(ii) On 11 September 2023, the Company entered into a loan facility agreement (Loan Agreement) with Radium Capital Pty Ltd (Lender) for the amount of $305,012 (Loan) and bearing an interest rate of 16% per annum. As part of the Loan Agreement, the total amount drawn down under the Loan will be repaid with, and following receipt of, the 2023 financial year Research & Development Rebate. On 5 October 2023, the Loan was repaid in full (principal and interest).

On 17 November 2023, the Company entered into a loan facility agreement (Loan Agreement) with Radium Capital Pty Ltd for the amount of $105,000 (Loan) and bearing an interest rate of 15% per annum. As part of the Loan Agreement, the total amount drawn down under the Loan will be repaid with, and following receipt of, the 2024 financial year Research & Development Rebate.

On 9 January 2024, the Company entered into a loan facility agreement (Loan Agreement) with Radium Capital Pty Ltd for the amount of $213,400 (Loan) and bearing an interest rate of 15% per annum. As part of the Loan Agreement, the total amount drawn down under the Loan will be repaid with, and following receipt of, the 2024 financial year Research & Development Rebate.

On 9 April 2024, the Company entered into a loan facility agreement (Loan Agreement) with Radium Capital Pty Ltd for the amount of $167,000 (Loan) and bearing an interest rate of 15% per annum. As part of the Loan Agreement, the total amount drawn down under the Loan will be repaid with, and following receipt of, the 2024 financial year Research & Development Rebate.

(iii) On 18 July 2022, the Company formalised a binding loan facility agreement (Facility) with Mathew Walker, a Company director, available on call. The facility has a principal amount of $1,000,000, bears an interest rate of 1% per month payable monthly in arrears, secured against the Company's 2022 Financial Year Research and Development Offset Rebate and repayable on the earlier of the Company completing a capital raising of no less than $1,000,000 and 30 June 2023.

On 30 August 2022, the terms of the Facility were amended, with the maturity of the Facility now on the earlier of the Company successfully completing a capital raising of no less than $2,000,000 and 30 June 2023.

On 24 February 2023, the Group issued 68,750,000 Shares to Mr Walker, to convert the loan facility with Mr Walker into equity on the same terms as the Placement held on 11 January 2023. The remaining balance of the facility was paid in cash.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. ISSUED CAPITAL

	2024 $	2023 $
104,716,308 fully paid ordinary shares (2023: 956,062,008)	43,825,487	39,373,453
823,151 fully paid ordinary shares - unissued (2023: nil)	42,000	-
	43,867,487	39,373,453

10.1. FULLY PAID ORDINARY SHARES

	2024		2023	
	No.	$	No.	$
Balance at beginning of year	956,062,008	39,373,453	201,550,000	35,269,801
Issued for cash - placements	75,126,143	662,850	684,659,813	3,876,673
Issued as consideration for the acquisition of Trienpont International Co. Ltd (Note 14)	440,000,000	3,080,000	-	-
Issued to supplier	9,836,429	81,885	69,852,195	287,124
Issued in lieu of Note Facility (Note 9)	5,397,990	539,799	-	-
Issued on exercise of options	8,750,000	87,500	-	-
Consolidation of capital	(1,390,456,262)	-	-	-
Share issue costs	-	-	-	(60,145)
Balance at end of year	104,716,308	43,825,487	956,062,008	39,373,453

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 Group in proportion to the number of shares held. Ordinary shares have no par value.

10.2. FULLY PAID ORDINARY SHARES - UNISSUED

	2024		2023	
	No.	$	No.	$
Balance at beginning of year	-	-	-	-
Shares to be issued	823,151	42,000	-	-
Balance at end of year	823,151	42,000	-	-

The unissued ordinary shares relate to 823,151 shares to be issued to the Chief Executive Officer in lieu of a portion of his base salary relating to the period from 12 February to 30 June 2024. On 15 July 2024, the Company issued 192,310 shares at an issue price of $0.078 per share, relating to the period from 12 February to 31 March 2024.

11. RESERVES

	2024 $	2023 $
Share based payment reserve	101,911	52,000
Foreign currency translation reserve	3,955	-
	105,866	52,000

Share-based Payments Reserve
This reserve is used to record the value of equity benefits provided to directors, executives and employees as part of their remuneration, as well as to consultants and advisors for provision of services.

Foreign currency translation reserve
The foreign currency translation reserve records exchange differences arising on translation of foreign subsidiary accounts.

SHARE BASED PAYMENT RESERVE

	2024 $	2023 $
Balance at beginning of year	52,000	52,000
Options issued during the year (Note 12.3.2)	49,911	-
Balance at end of year	101,911	52,000

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

FOREIGN CURRENCY RESERVE

	2024 $	2023 $
Balance at beginning of year	-	-
Movement during the year	3,955	-
Balance at end of year	3,955	-

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. SHARE OPTIONS

Each option issued converts into one ordinary share of Frugl Group Limited on exercise. Options carry neither rights to dividends, nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

12.1. MOVEMENTS IN SHARE OPTIONS DURING THE YEAR

The following reconciles the share options outstanding at the beginning and end of the year:

	2024		2023	
	Number of options	$	Number of options	$
Balance at beginning of the year	279,500,000	52,000	29,500,000	52,000
Granted during the year	9,000,000	49,911	250,000,000	-
Exercised during the year	(8,750,000)	-	-	-
Consolidation during the year	(261,099,990)	-	-	-
Balance at end of the year	18,650,010	101,911	279,500,000	52,000
Exercisable at end of the year	18,650,010	101,911	279,500,000	52,000

12.2. SHARE OPTIONS EXERCISED DURING THE YEAR

During the year 8,750,000 options were converted into shares (2023: Nil).

12.3. SHARE BASED PAYMENTS

Share-based payments made during the year ended 30 June 2024 are summarised below.

12.3.1. Recognised Share-Based Payment Expense

	2024 $	2023 $
Options issued to directors	49,911 (i)	-
Shares issued to supplier	81,885	12,124
	131,796	12,124

(i) On 9 February 2024 the Company issued 9,000,000 Options to Directors (or their nominee), following shareholder approval on 15 November 2023. The options had no vesting conditions and vested immediately on issue.

12.3.2. Options Granted During the Year

The Group granted the following options during the year ended 30 June 2024:

Number of Options Issued	Grant Date	Expiry Date	Exercise Price	Total Value	Recipient
9,000,000	15 Nov 2023	31 Dec 2025	$0.01	$49,911	Directors

Underlying share price	Expected volatility	Expected dividends	Risk free rate	Value per option
$0.01	100%	Nil	4.11%	$0.0055

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date on which they are granted. The fair value of the shares issued was determined by using the closing market price and the fair value of the options issued was determined by using a Black and Scholes model.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. FINANCIAL INSTRUMENTS

13.1. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2021.

The Group is not subject to any externally imposed capital requirements.

13.2. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Board of directors provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include interest rate risk, liquidity risk and credit risk.

The Group seeks to minimise the effects of these risks by making use of credit risk policies and future cash requirements. These are approved by the Board of directors and are reviewed on a regular basis.

The totals for each category of financial instruments, measured in accordance with *AASB 9 Financial Instruments*, as detailed in the accounting policies to these financial statements below.

13.3. INTEREST RATE RISK

The Group is exposed to interest rate risk on its cash reserves held with the NAB or other acceptable Australian Banking entities. The risk of interest rate movements is managed by the Group by maintaining an appropriate mix between short term deposits and at call deposits.

The Group is not subject to any other interest rate risk as none of its other financial assets or liabilities is subject to variable interest rates.

The Group's exposure to interest rate on financial assets subject to variable interest rates is detailed in the interest rate risk sensitivity analysis section of this note.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13.3. INTEREST RATE RISK (CONTINUED)

13.3.1. Interest rate sensitivity analysis

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

Financial assets

	Weighted average effective interest rate	2024 $	2023 $
Cash and cash equivalents	1.5%	652,910	1,298,006
Trade and other receivables	N/A	189,747	39,440
Other assets	4%	107,739	80,736
		950,396	1,418,182

Financial liabilities

	Weighted average effective interest rate	2024 $	2023 $
Trade and other payables	N/A	774,982	396,301
Borrowings	15%	815,752	-
		1,590,734	396,301

13.4. LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations with financial liabilities. Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and identifying when further capital raising initiatives are required as disclosed in Note 2.17. The Group presently has no significant source of operating income and it is reliant on equity contributions and cooperation of creditors and lenders to continue as a going concern.

The Group is not materially exposed to liquidity risk.

13.5. CREDIT RISK

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. In respect of financing activities, the Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks and financial institutions. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Group's bank has an "AA-" long term issuer rating by Standards & Poors (S&P).

14. BUSINESS COMBINATION

On 10 January 2024, the Company announced that it has entered into a binding head of agreement (HOA) to acquire 100% of the issued share capital of Trienpont International Co. Ltd ("Trienpont"), including Trienpont's business and assets, from the shareholders of Trienpont.

On 29 February 2024, the Company announced that following approval at the general meeting of shareholders held on 19 February 2024, it has issued 440,000,000 fully paid ordinary shares in the capital of the Company as part of the considerations of the acquisition of Trienpont. Under the terms of the binding HOA entered into with Trienpont, as varied on 27 February 2024, the parties have agreed to defer payment of the cash consideration under the HOA until 1 July 2024.

A final announcement was made on 24 April 2024 to confirm that the acquisition was formally completed.

Details of the purchase acquisition and net assets acquired are as follows:

	Note	$
440,000,000 fully paid shares in the capital of the Company issued to the shareholders of Trienpont, valued at A$0.007 per share	10	3,080,000
Cash consideration	(i)	80,000
		3,160,000

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The assets and liabilities recognised as a result of the acquisition are as follows:

	Note	As at 29 Feb 2024 $
Cash and cash equivalents		120,608
Trade and other receivables		71,896
Other assets		6,162
Property, plant and equipment		21,592
Trade and other payables		(266,523)
Borrowings		(19,352)
		(65,617)
Excess consideration paid over net assets acquired	(ii)	3,225,617
		3,160,000

(i) *On 27 February 2024, the parties have agreed to defer payment of the cash consideration under the HOA until 1 July 2024.*

(ii) *The initial excess consideration has been classified as goodwill.*

15. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2.2 Details of subsidiary companies are as follows:

Entity	Incorporation	2024 Ownership	2023 Ownership
Frugl Operations Pty Ltd	Australia	100%	100%
Trienpont International Co. Ltd	Thailand	99.99%	-
Premium Pipe Services Pty Ltd	Australia	100%	100%
Family Insights IP Pty Ltd	Australia	100%	100%

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling party of the Group is Frugl Group Limited. Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

16.1. LOANS TO KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

There have been no loans to key management personnel during the current or prior year and no balances were outstanding as at the reporting date.

16.2. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key management personnel related parties
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with key management personnel related parties are set out below.

On 1 June 2023, the Company entered into a binding loan facility agreement ("Facility") with Mr Kenny Woo, a Company director, available on call. The facility has a principal amount of $1,000,000, bears an interest rate of 8% per annum payable monthly in arrears, unsecured and repayable on 31 May 2024.

On 10 May 2024, the Company renewed its facility with Mr Kenny Woo, a Company director, which was expiring on 31 May 2024 to 31 May 2025. The facility has a principal amount of $1,000,000, bears an interest rate of 9% per annum payable monthly in arrears, unsecured and repayable on 31 May 2025. At the date of this report, the Company has not made any drawdown, and a full facility limit is available.

PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. 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 the areas of data analytics of its grocery comparison products, digital transformation, software development and technical consulting. The 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.

	Australia $	Thailand $	Total $
30 June 2024			
Segment revenue	406,959	404,591	811,550
Segment results	(2,887,533)	(45,030)	(2,932,563)
Included within segment result:			
• R+D Tax Rebate	397,659	-	397,659
• Research and development costs, materials and consultants	(1,606,939)	-	(1,606,939)
• Depreciation and amortisation expenses	(133,236)	(20,329)	(153,565)
• Share-based payments	(131,796)	-	(131,796)
Segment assets	4,328,664	586,882	4,915,546
Segment liabilities	(1,513,835)	(686,182)	(2,200,018)

	Australia $	Thailand $	Total $
30 June 2023			
Segment revenue	162,257	-	162,257
Segment results	(2,280,652)	-	(2,280,652)
Included within segment result:			
• R+D Tax Rebate	612,724	-	612,724
• Research and development costs, materials and consultants	(871,308)	-	(871,308)
• Depreciation and amortisation expenses	(4,617)	-	(4,617)
• Share-based payments	(12,124)	-	(12,124)
Segment assets	1,420,011	-	1,420,011
Segment liabilities	(319,820)	-	(319,820)