ACN 096 870 978

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2024

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CORPORATE DIRECTORY

BOARD OF DIRECTORS & MANAGEMENT

Mr Kit Weng Yip	Non-Executive Chairman
Mr Kenny Woo	Managing Director
Ms Kulthirath Pakawachkrilers	Non-Executive Director
Mr Ken Tovich	Chief Executive Officer

COMPANY SECRETARY

Mr Steve Samuel

REGISTERED OFFICE

Level 2, 98-100 James Street
Northbridge WA 6003
AUSTRALIA

PRINCIPAL PLACE OF BUSINESS

Level 2, 98-100 James Street
Northbridge WA 6003
AUSTRALIA

POSTAL ADDRESS

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ASX Codes: FGL (Shares), FGLOA (Options)

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DIRECTORS' REPORT

The directors of Frugl Group Limited (**ASX: FGL**) (**Company** or **Frugl**) submit herewith the annual financial report of the Company and its controlled entities (**Group**) for the financial year ended 30 June 2024.

DIRECTORS

The names and particulars of the directors of the Company in office during the year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

MR KENNY WOO BCom.

MANAGING DIRECTOR

Mr Woo is an experienced entrepreneur with a proven track record of multiple start-up's and exits. For 10 years he served as the Founder and Managing Director of Easy Plastic Sdn Bhd and Facilipack Industries, an integrated manufacturer of disposable food packaging specializing in the extrusion, injection molding and thermoforming process. Currently he serves as a Director of Farm Square Co., Ltd a revolutionary indoor farming business in Bangkok selling zero-mile pesticide and chemical free organic vegetables. He is a graduate of Curtin University of Technology with a Bachelor of Commerce in Accounting & Finance. The appointment of Mr Woo further strengthens the Company's contact network in south-east Asia as it seeks to explore commercialisation opportunities for the Company's proprietary technology in the region.

Mr Woo has not been a director of any other ASX listed entity in the last three years.

MR KIT WENG YIP BCom, FCPA.

NON-EXECUTIVE CHAIRMAN

Mr Yip has extensive experience in investment banking and corporate finance. Among his previous senior roles he has served as Executive Director of Nomura Securities Malaysia, Deputy Group Managing Director and Head of Investment Banking of Affin Hwang Investment Bank and Director of RHB Investment Bank and CIMB Investment Bank in Malaysia. He currently serves as Independent Non-Executive Director of Esente Capital Berhad, PCA Capital Markets Sdn Bhd, Capital Dynamics Asset Management Sdn Bhd, Privasia Technology Berhad(Listed on the ACE Market of the Bursa Securities Malaysia Berhad), Euro Holdings Berhad and Supermax Corporation Berhad (both listed on the Main Market of Bursa Malaysia Securities He is a graduate of the University of Western Australia, a Fellow member of CPA Australia, a Member of the Malaysian Institute of Accountants and Chartered Taxation Institute of Malaysia.

Mr Yip has an extensive contact network throughout south-east Asia and will be invaluable in the Company's ambitions to expand and commercialise its platform in the region. Mr Yip is currently serving as a Divisional Councilor for CPA Australia Malaysia Division since January 2021 and was elected Deputy President for calendar year 2023 and 2024. He also serves as a Member of the Faculty of Business Industry Advisory Board, Curtin University Malaysia.

Mr Yip has not been a director of any other ASX listed entity in the last three years.

MS KULTHIRATH PAKAWACHKRILERS MBA

NON-EXECUTIVE DIRECTOR

Ms Pakawachkrilers has extensive experience in e-Commerce, business development and digital marketing in south-east Asia. She currently serves as President of the Thai e-Commerce Association and is CEO and Co-Founder of the Thailand e-Business Centre (TeC). Additionally, she advises the national subcommittee on e-Commerce, Big Data, and e-Commerce Development under the Ministry of Commerce. She holds an Executive MBA from the prestigious Tsinghua-INSEAD Business School, underscoring her strong academic foundation and practical business acumen.

Ms Pakawachkrilers has not been a director of any other listed ASX entity in the last three years.

DIRECTORS' REPORT (CONTINUED)

MR STEVE SAMUEL CA
COMPANY SECRETARY
Steve Samuel is a Chartered Accountant who commenced his career at a large international accounting firm and has since been involved with a number of start-up companies, based in Australia.

DIRECTORS' SHAREHOLDINGS

The following table sets out the current directors' relevant interests in shares and options of Frugl Group Limited at the date of this report:

Directors	Ordinary Shares At Date of Report	Options over Ordinary Shares At Date of Report
Mr Kit Weng Yip	-	-
Mr Kenny Woo	10,333,333	4,666,667
Ms Kulthirath Pakawachkrilers	-	200,000

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Information about the remuneration of key management personnel is set out in the remuneration report on pages 4 - 11. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Share-based compensation
D. Directors' equity holdings
E. Relationship between the remuneration policy and company performance

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A. PRINCIPLES USED TO DETERMINE NATURE & AMOUNT OF REMUNERATION

The Board of Directors ("Board") form the Remuneration Committee. The remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component with the flexibility to offer specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to manage the Group.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.
- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth.
- The directors and executives who receive the superannuation guarantee contribution, as required by the government, received 11% of base salary for the year ended 30 June 2024 and do not receive any other retirement benefits.
- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews the remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required, which during the year none was required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is presently limited to $250,000. Fees for non-executive directors are not linked to the performance of the Group.

REMUNERATION REPORT (AUDITED)

- In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Group and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles. No external remuneration consultant was used during the year.
- All remuneration paid to Directors and Executives is valued at the cost to the Group and expensed. Options are valued using the Black-Scholes methodology.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors and executive performance. Currently, this is facilitated through the issue of options to the directors and executives to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth. The Group currently has no performance-based remuneration component built into director and executive remuneration packages.

NON-EXECUTIVE DIRECTORS

The remuneration of Non-Executive Directors consists of directors' fees, payable in advance. Remuneration of Non-Executive Directors is based on fees approved by the Board of directors and is set at levels to reflect market conditions and encourage the continued services of the directors. Non-Executive directors do not receive retirement benefits but are able to participate in share-based incentive programmes in accordance with Company policy.

The Group's Non-Executive directors are eligible to receive fees for their services in addition to their role and the reimbursement of reasonable expenses.

OTHER BENEFITS

No other benefits were paid to Non-Executive Directors during the year.

SERVICE CONTRACTS

The Group has entered into services agreements with its executive Director and key management personnel (KMP). The Group has also entered into Non-Executive Director appointment letters outlining the policies and terms of the appointment including compensation to the office of Director. The principal terms of the executive service agreements existing at reporting date are set out below:

REMUNERATION REPORT (AUDITED)

MR KIT WENG YIP

NON-EXECUTIVE CHAIRMAN

The Group entered into a consultancy agreement with Mr Yip in respect of his appointment as a Non-Executive Chairman of the Group. Mr Yip is paid a fee of $48,000 per annum for his services as Non-Executive Chairman and is reimbursed for all reasonable expenses incurred in performing his duties.

The agreement may be terminated:

(a) by providing the Group with written notice allowing reasonable time for the Group to plan for the departure; or

(b) in accordance with the law or the Company's constitution.

MR KENNY WOO

MANAGING DIRECTOR

The Group entered into an employment agreement with Mr Kenny Woo in respect of his role as Executive Managing Director of the Group. Mr Woo is paid a fee of $240,000 per annum for his services as Executive Managing Director and is reimbursed for all reasonable expenses incurred in performing his duties. Mr Woo's services are made to Northshore Fund Management Pty Ltd, a related entity.

The agreement may be terminated:

(a) by either party without cause with 3 months' written notice or if the Group elects to with payment in lieu of notice;

(b) by the Group, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Group a right of summary dismissal at common law; or

(c) by Mr Woo immediately, by giving notice, if the Group is in breach of a material term of this agreement.

MS KULTHIRATH PAKAWACHKRILLERS

NON-EXECUTIVE DIRECTOR

The Group entered into a consultancy agreement with Ms Kulthirath Pakawachrillers in respect of her appointment as a Non-Executive Director of the Group. Ms Pakawachrillers is paid a fee of $48,000 per annum for her services as Non-Executive Director and is reimbursed for all reasonable expenses incurred in performing her duties.

The agreement may be terminated:

(a) by providing the Group with written notice allowing reasonable time for the Group to plan for the departure; or

(b) in accordance with the law or the Group's constitution.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED)

MR KEN TOVICH

CHIEF EXECUTIVE OFFICER *(Appointed 12 February 2024)*

The Group entered into an employment agreement with Mr Ken Tovich in respect of his role as Chief Executive Officer of the Group. Mr Tovich is paid a salary of $18,000 per month (exclusive of superannuation) for the first 6 months from the Appointment Date. After the first six, the Company will increase his salary to $20,000 per month (exclusive of superannuation). 50% of Mr Tovich' salary will be paid in shares, at a deemed issue price which is equal to the 5-day volume weighted average price of the shares immediately prior to each quarter end.

The agreement may be terminated:

(a) by either party without cause with 1 month written notice or if the Group elects to with payment in lieu of notice;

(b) by the Group, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Group a right of summary dismissal at common law; or

(c) by Mr Tovich immediately, by giving notice, if the Group is in breach of a material term of this agreement.

B. DETAILS OF REMUNERATION

Details of remuneration of key management personnel of Frugl Group Limited are set out below.

The key management personnel of Frugl Group Limited are the directors as listed above.

The Group does not have any other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

REMUNERATION REPORT (AUDITED)

The table below shows the 2024 figures for remuneration received by the Group's key management personnel:

Directors	Short-term Employee Benefits			Share-based Payments	Post-employment	Total	Performance Related
	Salary & Fees $	Superannuation $	Other Benefits $	$	Prescribed Benefits $	$	%
2024							
Kit Weng Yip	48,000	-	-	-	-	48,000	0%
Kenny Woo[(i)]	223,000	-	-	33,274	-	256,274	13%
Kulthirath Pakawachkrilers	48,000	-	-	16,637	-	64,637	26%
Ken Tovich[(ii)]	42,000	4,755	-	42,000	-	88,755	0%
	361,000	4,755	-	91,911	-	457,666	

(I) Director fees for Kenny Woo were paid to Northshore Fund Management Pty Ltd, a related entity of Mr Woo.
(II) The share based payment paid to Ken Tovich represents 50% of his base salary and therefore is not performance related.

The table below shows the 2023 figures for remuneration received by the Group's key management personnel:

Directors	Short-term Employee Benefits			Share-based Payments	Post-employment	Total	Performance Related
	Salary & Fees $	Superannuation $	Other Benefits $	$	Prescribed Benefits %	$	%
2023							
Kit Weng Yip	20,000	-	-	-	-	20,000	0%
Kenny Woo	6,000	-	-	-	-	6,000	0%
Kultirath Pakawachkrilers	12,000	-	-	-	-	12,000	0%
Jonathan Wild (ii)	-	-	-	-	-	-	0%
Sean Smith	260,836	28,153	-	-	-	288,989	0%
Matthew Walker (iii)	60,000	-	-	-	-	60,000	0%
	358,836	28,153	-	-	-	386,989	

(III) Director fees for Jonathon Wild were paid to Wild Consulting Pty Ltd, a related entity of Mr Wild.
(IV) Director fees for Mathew Walker were paid to Great Southern Flour Mills Pty Ltd, a related entity of Mr Walker.

RELATED PARTY TRANSACTIONS

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 and is unsecured with any funds drawn down repayable on 31 May 2024. No amount had been drawn down on this facility.

On 10 May 2024, the Company replaced their facility with a new facility for the same principal amount available but with an interest rate of 9% per annum payable monthly in arrears, and repayable on 31 May 2025. No amount has been drawn down on this facility.

As at 30 June 2024, $166,793 of KMP's remuneration remains outstanding (2023: $Nil amount payable).

Other than the above, no KMP has entered into a transaction with the Company.

REMUNERATION REPORT (AUDITED)

C. SHARE-BASED COMPENSATION

Options can be issued to directors and executives as part of their remuneration. The options are based on performance criteria.

During the 2024 financial year, 6,000,000 and 3,000,000 options exercisable at $0.15 on or before 31 December 2025 were issued to Mr Kenny Woo and Ms Kulthirath Pakawachkrilers, respectively. Refer to Note 16.3 for further details.

The 6,000,000 Options were issued to Mr Kenny Woo's nominee.

All options issued fully vested as no conditions were attached. No further options have been granted to directors since.

D. DIRECTORS' EQUITY HOLDINGS

(i) Fully paid ordinary shares of Frugl Group Limited:

The following fully paid ordinary shares were held directly, indirectly or beneficially by key management personnel and their related parties during the years ended 30 June 2024 and 30 June 2023:

Directors	Balance at 1 July No.	Issued on exercise of options No.	Acquired No.	Net other change No.	Balance at 30 June No.
2024					
Kit Weng Yip	-	-	-	-	-
Kenny Woo	150,000,000	5,000,000	-	(144,666,667)[(i)]	10,333,333
Kulthirath Pakawachkrilers	-	-	-	-	-
2023					
Kit Weng Yip	-	-	-	-	-
Kenny Woo	-	-	-	150,000,000[(ii)]	150,000,000
Kulthirath Pakawachkrilers	-	-	-	-	-
Jonathan Wild	7,500,000	-	5,651,653	(13,151,653)[(ii)]	-
Sean Smith	165,000	-	-	(165,000)[(ii)]	-
Matthew Walker	40,000,000	-	88,750,000	(128,750,000)[(ii)]	-

(i) Equity consolidation (see Note 14.1)
(ii) On resignation or appointment

REMUNERATION REPORT (AUDITED)

(ii) Share options of Frugl Group Limited:

The following options were held directly, indirectly or beneficially by key management personnel and their related parties during the years ended 30 June 2024 and 30 June 2023:

Directors	Balance at 1 July No.	Granted as remuneration No.	Options Exercised No.	Net other change No.	Balance at 30 June No.(ii)
2024					
Kit Weng Yip	-	-	-	-	-
Kenny Woo	75,000,000	-(iii)	(5,000,000)	(65,333,333)(i)	4,666,667
Kulthirath Pakawachkrilers	-	3,000,000	-	(2,800,000)(i)	200,000
2023					
Kit Weng Yip	-	-	-	-	-
Kenny Woo	-	-	-	75,000,000	75,000,000
Kulthirath Pakawachkrilers	-	-	-	-	-
Jonathan Wild	3,000,000	-	-	(3,000,000)(iv)	-
Sean Smith	6,000,000	-	-	(6,000,000)(iv)	-
Matthew Walker	34,750,000	-	-	(34,750,000)(iv)	-

(i) Equity consolidation (see Note 14.1).
(ii) Options are fully vested and exercisable.
(iii) 6,000,000 Options were issued to Mr Kenny Woo's nominee.
(iv) Options held at date of resignation.

E. RELATIONSHIP BETWEEN THE REMUNERATION POLICY AND COMPANY PERFORMANCE

Per the Group's remuneration policy, directors' remuneration can be linked to either short term or long-term performance conditions. The Board feels that currently the terms and conditions of options and shares currently on issue to the directors are a sufficient incentive to align the goals of the directors with those of the shareholders to maximise shareholder wealth, and as such, has not set any performance conditions for the directors of the Group. The Board will continue to monitor this policy to ensure that it is appropriate for the Group in future years.

The table below sets out summary information about the Group's earnings and movement in shareholder wealth for the five years to 30 June 2024:

	30 June 2024(i)	30 June 2023(ii)	30 June 2022(ii)	30 June 2021(ii)	30 June 2020(i)
Revenues from contracts with customers	796,599	162,257	142,827	27,286	5,772
Loss from ordinary activities after tax attributable to members	(3,105,337)	(2,179,082)	(2,242,698)	(1,230,250)	(1,365,594)
Net loss for the period attributable to members	(3,105,337)	(2,179,082)	(2,242,698)	(1,230,250)	(1,365,594)
Share price at start of year ($)	0.011	0.044	0.044	0.026	0.05
Share price at end of year ($)	0.05	0.011	0.011	0.044	0.026
Basic & diluted earnings/(loss) per share	(0.104)	(0.121)	(0.012)	(0.011)	(0.02)

(i) Post-consolidation basis
(ii) Pre-consolidation basis

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED)

ADOPTION OF REMUNERATION REPORT BY SHAREHOLDERS

The adoption of the remuneration report for the financial year ended 30 June 2024 was put to the shareholders of the Group at the Annual General Meeting (**AGM**) held on 15 November 2023. 99.57% of votes were in favour of the resolution and the resolution was passed without amendment via a poll conducted at the meeting. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

- - END OF REMUNERATION REPORT - -

DIRECTORS' REPORT (CONTINUED)

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 18.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings held during the financial year ended 30 June 2024 and the number of meetings attended by each Director. During the period, 3 Board meetings were held. There are no separate nomination, remuneration or audit committees.

Board of Directors			
Board Member	Eligible to Attend	Attended	Circular Resolutions Passed
Kit Weng Yip	3	3	9
Kenny Woo	3	3	9
Kultirath Pakawachkrilers	3	3	9

OPTIONS

At the date of this report 16,683,335 options over ordinary shares in the Group were on issue.

As at 30 June 2024, options on issue are as detailed below.

Type	Expiry Date	Exercise Price	Number on issue
Listed options (FGLOA)	20 July 2024	$1.50	1,966,675
Unlisted options (FGLAA)	31 December 2025	$0.15	16,683,335

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

DIRECTORS' REPORT (CONTINUED)

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 heads 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 consideration for 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 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, 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 200m2 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) was 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)

FINANCIAL REVIEW

For the year ended 30 June 2024 the Group incurred a net loss of $3,105,337 (2023: $2,179,082), a net operating cash outflow of $2,452,570 (2023: $2,051,147), has net current liabilities of $641,575 (30 June 2023: net current assets $1,098,362) and net assets of $2,543,054 (2023: $1,100,191).

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).

INDEMNITIES OF AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the Group.

DIVIDENDS

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

NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory duties where the auditor’s expertise and experience with the Group and/or Group are important. No non-audit services were provided by the Group’s current auditors, HLB Mann Judd during the year.

DIRECTORS' REPORT (CONTINUED)

COMPLIANCE

CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for the corporate governance of the Group. The Board guides and monitors the business affairs of the Group on behalf of the shareholders by whom they are elected and to whom they are accountable. The Corporate Governance policies and practices of the Group are reviewed annually in accordance with the standards required of the Group by the Directors, the ASX, ASIC and other relevant stakeholders, to ensure that the highest appropriate governance standards are maintained, commensurate with the size and operations of the Group.

The ASX Corporate Governance Council released the fourth edition of its Corporate Governance Principles and Recommendations on 27 February 2019 to take effect for the first full financial year commencing on or after 1 July 2020. The Group's Corporate Governance Statement, and associated policy documents complies as far as possible with the spirit and intentions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations as appropriate, having regard to the size of the Group and the nature of its enterprise. The Corporate Governance Statement can be found on the Group's web site:
www.fruglgroup.com.au

INDEPENDENT PROFESSIONAL ADVICE

Directors of the Group are expected to exercise considered and independent judgement on matters before them and may need to seek independent professional advice. A director with prior written approval from the Chairman may, at the Group's expense obtain independent professional advice to properly discharge his responsibilities.

BOARD COMPOSITION

The Board consists of one Executive and two Non-Executive Directors. Details of their skills, experience and expertise and the year of office held by each director have been included in the Directors' Report. The number of Board meetings and the attendance of the directors are set out in the Directors' Report.

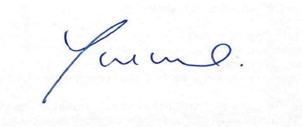
The Board will decide on the choice of any new director upon the creation of any new Board position and if any casual vacancy arises. Decisions to appoint new directors will be minuted. The Board considers that due to the size and complexity of the Group's affairs it does not merit the establishment of a separate nomination committee. Until the situation changes the Board of the Group will carry out any necessary nomination committee functions.

SHARE TRADING POLICY

Directors, officers and employees are prohibited from dealing in the Group shares when they possess inside information. The Board is to be notified promptly of any trading of shares in the Group by any director or officer of the Group.

This Directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

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



Kit Weng Yip
Chairman
Perth, Western Australia this 26th day of September 2024.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Frugl Group Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**N G Neill**
26 September 2024	**Partner**

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Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

DIRECTORS' DECLARATION

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards and International Financial Reporting Standards as disclosed in Note 2 and giving a true and fair view of the financial position of the Group as at 30 June 2024 and its performance for the year ended on that date;

(c) the audited remuneration disclosures set out in the Directors' Report comply with Accounting Standard AASB 124 Related Party Disclosures and the Corporations Act and Regulations 2001;

(d) the consolidated entity disclosure statement on page 59 is true and correct; and

(e) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* for the year ended 30 June 2024.

Signed in accordance with a resolution of the Board of Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

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

Kit Weng Yip
Chairman
Perth, Western Australia this 26th day of September 2024.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the Members of Frugl Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Frugl Group Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.17 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Acquisition of subsidiary Refer to Note 23	
During the year, the Group acquired 100% of the issued share capital of Trienpoint International Pty Limited which is based in Thailand. We identified the acquisition of the subsidiary as a key audit matter as the acquisition of a subsidiary involves complex accounting judgements and estimates particularly related to the valuation of assets and liabilities acquired, determination of goodwill on acquisition, foreign currency translation and consolidation procedures, which are all material to the financial statements.	Our audit procedures included, among others: • Reviewing the purchase agreement and other relevant documents to understand the terms of the acquisition; • Considering the accounting treatment of the acquisition, ensuring it satisfies the requirements of AASB 3 *Business Combinations*. • Assessing management's determination of the acquisition date and purchase consideration and evaluating management's methodology used in the purchase price allocation, including the identification and valuation of intangible assets; • Assessing the appropriateness of exchange rates used for foreign currency translation; • Reviewing the consolidation process and testing key consolidation adjustments; • Evaluating the alignment of the subsidiary's accounting policies with Group policies; and • Evaluating the adequacy of the Group's disclosures in relation to the acquisition, foreign currency translation, and consolidation procedures in the consolidated financial statements.
Convertible notes Refer to Note 12	
During the year, the Group entered into a convertible note arrangement. This arrangement involved the ability for the lender to demand repayment in the form of issuance of equity instruments in the capital of the Company. This conversion option is an embedded derivative. We identified the embedded derivative as a key audit matter as the conversion option failed to meet the equity classification criteria, which then involves significant judgement, particularly, where the market data is limited, and could have a material impact on the financial results due to the volatility in the fair value.	Our audit procedures to assess the recognition and accounting treatment of the embedded derivatives included: • Evaluating the convertible note arrangement and ensuring that the treatment is in line with the underlying agreements and supporting documentation; • Reviewing management's valuation expert's assessment to ensure the fair value of the identified embedded derivatives is appropriate; and • Reviewing the adequacy and appropriateness of related disclosures in the financial statements.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

Revenue recognition Refer to Note 3	
The Group has reported revenue amounting to $796,599 for the year ended 30 June 2024. The Group provides grocery comparison services in which there is an inherent risk around the accuracy of the revenue being recorded. We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and gives rise to the inherent risk that the revenue could be subject to misstatement to meet expectations and targets.	Our audit procedures to assess the recognition of revenue amongst others, included the following: • Obtaining an understanding of the process relating to the recognition of revenue, • Comparing a sample of transactions comprising of various revenue streams recorded during the year with relevant underlying supporting documents and cash receipts; • Assessing the appropriateness of accounting policies for revenue recognition for compliance with the applicable financial reporting framework including the correct application to the amounts recognised during the year; • Inspecting the manual journal entries relating to revenue recognised during the year and the corresponding underlying documentation for those journal entries which were considered to be material or met specified risk-based criteria; and • Considering the appropriateness of disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Frugl Group Limited for the year ended 30 June 2024 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
26 September 2024

Norman Glew

N G Neill
Partner

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	796,599	162,257
Other income		47,628	6,002
R+D Tax Rebate		397,659	612,724
Net gain on fair value of embedded derivatives	12	151,944	-
Government grant and subsidies		-	25,000
		1,393,830	**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		(319,000)	(386,989)
Depreciation and amortisation expenses		(162,122)	(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 and audit fees		(103,696)	(68,328)
Insurances		(68,675)	(55,838)
Interest expenses		(82,072)	(75,339)
Corporate fees		(147,426)	(206,326)
Share-based payments	14.3.1	(131,796)	(12,124)
Effective interest of convertible notes	12	(189,232)	-
Marketing and investor relations expenses		(2,035)	(143,292)
Other expenses from ordinary activities		(59,240)	(145,984)
Total expenses		**(4,499,167)**	**(2,985,065)**
Loss before income tax expense		**(3,105,337)**	**(2,179,082)**
Income tax expense		-	-
Loss after income tax expense		(3,105,337)	(2,179,082)
Loss after income tax expense for the year attributable to the owners of the Company		**(3,105,337)**	**(2,179,082)**
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss		-	-
Exchange differences on translation of foreign operations		4,255	-
Total comprehensive loss for the year		**(3,101,082)**	**(2,179,082)**
Loss per share from continuing operations			
Basic and diluted loss per share (cents per share)	4.1	(0.104)	(0.121)

[1] Balances for the year ended 30 June 2023 have been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 10.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

	Notes	2024 $	Restated 2023[1] $
Current assets			
Cash and cash equivalents	21	652,910	1,298,006
Trade and other receivables	6	189,747	39,440
Other assets		107,739	80,736
Total current assets		950,396	1,418,182
Non-current assets			
Plant and equipment	7	146,388	1,829
Right- of-use assets	8	584,584	-
Intangible assets	9	3,225,617	-
Total non-current assets		3,956,589	1,829
Total assets		**4,906,985**	**1,420,011**
Liabilities			
Current liabilities			
Trade and other payables	10	834,655	294,731
Borrowings	11	518,505	-
Finance lease liabilities	13	176,173	-
Employee entitlements		62,638	25,089
Total current liabilities		1,591,971	319,820
Non-current liabilities			
Convertible notes	12	401,512	-
Finance lease liabilities	13	370,448	-
Total non-current liabilities		771,960	-
Total liabilities		**2,363,931**	**319,820**
Net assets		**2,543,054**	**1,100,191**
Equity			
Issued capital	14	43,825,487	39,373,453
Unissued share capital	14	42,000	-
Reserves	15	106,166	52,000
Accumulated losses		(41,430,599)	(38,325,262)
Total equity		**2,543,054**	**1,100,191**

[1] Balances at 30 June 2023 have been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 10.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2024

		Share Capital $	Unissued Share Capital $	Share Based payment Reserve $	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)
Other comprehensive income for the year		-	-	-	-	-	-
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		-	-	-	-	(3,105,337)	(3,105,337)
Other comprehensive income for the year	15	-	-	-	4,255	-	4,255
Total comprehensive loss for the year		**-**	**-**	**-**	**4,255**	**(3,105,337)**	**(3,101,082)**
Shares/Options issued during the year	14	4,452,034	-	49,911	-	-	4,501,945
Shares to be issued	14	-	42,000	-	-	-	42,000
Balance at 30 June 2024		**43,825,487**	**42,000**	**101,911**	**4,255**	**(41,430,599)**	**2,543,054**

[1] Balances for the year ended 30 June 2023 have been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 10.

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

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		(3,712,988)	(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	21	(2,573,178)	(2,051,147)
Cash flows from investing activities			
Payments for property, plant and equipment		(190,248)	-
Cash acquired from acquisition of subsidiary		120,608	-
Net cash used in investing activities		(69,640)	-
Cash flows from financing activities			
Proceeds from issues of shares	14.1	662,850	3,876,673
Payments of share issue costs	14.1	-	(60,145)
Proceeds from exercise of options	14.1	87,500	-
Proceeds from borrowings	11	790,412	641,026
Proceeds from convertible note facility	12	904,023	-
Repayments of borrowings	11	(307,863)	(1,182,250)
Payments of borrowing costs		(20,075)	-
Payment for principal portion of lease liabilities		(146,667)	-
Net cash generated by financing activities		1,970,180	3,275,304
Net (decrease)/increase in cash and cash equivalents		**(672,638)**	**1,224,157**
Cash and cash equivalents at the beginning of the year		1,298,006	73,807
Effect of exchange rate changes on cash		27,542	42
Cash and cash equivalents at the end of the year	21	**652,910**	**1,298,006**

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

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, marketing and customer support of its grocery comparison and data analytics products and services, providing digital transformation, and software development services.

2. STATEMENT OF MATERIAL 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 September 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.

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.

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.

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.

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.

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. CONVERTIBLE NOTES

Convertible notes are accounted for as follows:

- Contracts that exhibit the characteristics of equity (ie - they pass the 'fixed for fixed test') are accounted for as equity.
- Contracts that exhibit characteristics of a liability are recognised as a liability in the statement of financial position, net of transaction costs.
- Compound contracts – the embedded derivative is separated from the host contract. The derivative is initially recognised at fair value on the date a derivative contract is entered into and is subsequently remeasured to its fair value at each reporting date. The host contract is accounted for at amortised cost with the effective interest being the difference between the face value of the contract less the embedded derivative. If the contract contains one or more embedded derivatives, the Group may designate the entire contract at fair value through profit or loss.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

2.10. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.11. 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.

2.12. EARNINGS PER SHARE

2.12.1. 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.

2.12.2. 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.

2.13. 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.

2.13.1. 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.

2.13.2. Interest income

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

2.14. 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 in one industry and develops a single technology.

The Group solely operates within the geographical location of Australia on the basis that NextGen Networks Limited, incorporated in New Zealand, is 100% dormant.

2.15. 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.

2.15.1. 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. Refer Note 5 Income Tax.

2.15.2. 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.

2.15.3. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.15.4. Identifying performance obligations

The Group provides users access to its software application Frugl (**App**), which users can download from the Apple App Store or Google Play Store (**Application Stores**) and subscribe to the platform on a month-by-month basis. The subscription is a promise from the Group to the user that they will be allowed access to the App for the month. Granting and supporting the access to the App is the sole performance obligation for the Group.

The timing of revenue recognition for the Group focuses on the successful subscription to the App by the user. Once the user has accepted the terms and conditions of the App and successfully subscribes, revenue is recognised.

2.16. 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.

2.17. 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.

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.

2.18. 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 $3,105,337 (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 $641,575 (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 as the Directors believe the Group will be able to pay its debts as and when they fall due. 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;

- Research and development expenditure projects are undertaken to which the Group will seek to apply for the R&D tax incentive rebate (R&D Rebate) at 43.5%; 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, until the Group has sufficient funds to meet its liabilities as and when they fall due.

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, adequately reducing operational expenditure as required, or further defer debt facilities, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.19. 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".

2.20. ADOPTION OF NEW AND REVISED STANDARDS

2.20.1. 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.

2.20.2. Standards and Interpretations in issue not yet adopted applicable to 30 June 2024

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. REVENUE

	2024 $	2023 $
Revenue from contracts with customers	796,599	162,257
	796,599	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	(0.104)	(0.121)

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	(3,105,337)	(2,179,082)

	No.	No.
Weighted average number of ordinary shares for the purposes of basic loss per share	29,868,001	18,077,973

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. INCOME TAX

5.1. INCOME TAX RECOGNISED IN PROFIT OR LOSS

	2024 $	2023 $
Current tax	-	-
Deferred tax	-	-
	-	-

The income tax expense for the year can be reconciled to the accounting (loss) as follows:

	2024 $	2023 $
Loss before tax	(3,105,337)	(2,280,652)
Income tax (benefit) calculated at 25% (2023: 25%)	(776,334)	(570,163)
Effect of expenses not deductible and income in determining taxable profit or loss	(55,875)	(90,554)
Current year deferred taxes not booked	-	-
Other deductible/other non-deductible and non-assessable items	362,911	85,014
Effect of current year tax losses not recognised as deferred tax assets	469,298	575,703
Income tax expense in consolidated statement of comprehensive income	-	-

The tax rate used for the 2024 year of 25% (2023: 25%) is the corporate tax rate of payable by small business entities on taxable profits under Australian law.

5.2. TAX LOSSES

Deferred tax assets on the unused revenue tax losses of $17,726,540 (2023: $15,864,964) have not been recognised as the future recovery of these losses is subject to the Group satisfying the requirements imposed by the regulatory authorities, including the application of the available fraction rules. The benefit of deferred tax assets not brought to account will only be brought to account if:

(a) Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised.
(b) The conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect the Group in realising the benefit.

5.3. DEFERRED TAX ASSETS

Deferred tax assets recognised directly in equity	21,055	37,322
Revenue income tax losses not brought to account at 25% (2023: 25%)	4,435,531	3,966,241
Other temporary differences	555,699	176,520
Unrecognised deferred tax assets relating to the above temporary differences	5,012,285	4,180,083

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. 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.

6.1. FAIR VALUE AND CREDIT RISK

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

7. PLANT AND EQUIPMENT

30 June 2024	Leasehold Improvements $	Office & Computer Equipment $	Total $
Cost	72,089	111,611	183,700
Accumulated Depreciation	(12,588)	(24,724)	(37,312)
Carrying value	59,501	86,887	146,388

30 June 2023	Leasehold Improvements $	Office & Computer Equipment $	Total $
Cost	-	10,415	10,415
Accumulated Depreciation	-	(8,586)	(8,586)
Carrying value	-	1,829	1,829

30 June 2024	Leasehold Improvements $	Office & Computer Equipment $	Total $
Balance at beginning of period	-	1,829	1,829
Additions	72,089	102,558	174,647
Depreciation expensed	(12,588)	(8,661)	(21,249)
Effect of exchange rates	-	(8,839)	(8,839)
Balance at end of period	59,501	86,887	146,388

30 June 2023	Leasehold Improvements $	Office & Computer Equipment $	Total $
Balance at beginning of period	-	-	-
Additions	-	10,415	10,415
Depreciation expensed	-	(8,586)	(8,586)
Balance at end of period	-	1,829	1,829

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. RIGHT-OF-USE ASSETS

	2024 $	2023 $
Balance at beginning of period	-	-
Additions	746,957	-
Depreciation expensed	(140,922)	-
Interest expensed	(21,846)	-
Effect of exchange rates	395	-
Balance at end of period	584,584	-

9. INTANGIBLE ASSETS

Carrying value

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

	Note	2024 $	2023 $
Balance at beginning of period		-	-
Acquisition through business combination	23	3,225,617	-
Balance at end of period		3,225,617	-

10. TRADE AND OTHER PAYABLES

	2024 $	2023 $
Current		
Unsecured trade creditors	421,334	137,419
Revenue received in advance	92,398	20,591
Sundry creditors and accruals	320,923[2]	136,721[1]
	834,655	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.

[2]Includes $80,000 payable under the Trienpont HOA (see Note 23).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. BORROWINGS

	2024 $	2023 $
Balance at beginning of period	-	700,000
Loan from Radium Capital[(i)]	790,412	-
Loan from Director (cash)[(ii)]	-	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	(3,640)	-
Balance at end of period	518,505	-

(i) 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.

(ii) 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. The remaining balance of the facility was paid in cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. CONVERTIBLE NOTE

	2024 $	2023 $
Convertible notes		
Financial liabilities at amortised cost	267,509	-
Embedded derivative at FVTPL	134,003	-
	401,512	-

	2024 $	2023 $
Financial liabilities at amortised cost		
Opening balance	-	-
Convertible note proceeds	904,023	-
Transaction costs	(539,799)	-
Derivative liability recognised at inception	(285,947)	-
Effective interest of host liability	189,232	-
	267,509	-

	2024 $	2023 $
Embedded derivative		
Opening balance	-	-
Derivative liability recognised at inception	285,947	-
Fai value movement	(151,944)	-
	134,003	-

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 (Tranche 1) pursuant to the Note Facility, with up to an additional $1.1 million drawable subject to certain conditions. The Note Facility is secured against Company assets and has maturity date 18 months after issue date of the Notes.

A facility fee of US$13,200 plus A$20,000 (2% of the Note Facility limit) was 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 was also required to issue 5,000,000 shares to the Investor within 5 days of the execution date of the Note Facility in consideration of the Investor entering into the Note Facility. On 3 June 2024, the Company issued 5,000,000 shares at an issue price of $0.1 per share.

13. FINANCE LEASE LIABILITIES

	2024 $	2023 $
Current liability	176,173	-
Non-current liability	370,448	-
	546,621	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. 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

14.1. 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 23)	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 12)	5,397,990	539,799	-	-
Issued on exercise of options	8,750,000	87,500	-	-
Consolidation of capital[(i)]	(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

(i) During the year, the Company's capital was consolidated on the basis of 15 shares being converted into one share.

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.

14.2. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. RESERVES

	2024 $	2023 $
Share based payment reserve	101,911	52,000
Foreign currency translation reserve	4,255	-
	106,166	52,000

15.1. SHARE BASED PAYMENT 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.

	2024 $	2023 $
Balance at beginning of year	52,000	52,000
Options issued during the year (Note 16.3.1)	49,911	-
Balance at end of year	101,911	52,000

The Share Based Payment 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.

15.2. FOREIGN CURRENCY TRANSLATION RESERVE

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

	2024 $	2023 $
Balance at beginning of year	-	-
Movement during the year	4,255	-
Balance at end of year	4,255	-

16. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16.1. 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[(i)]	(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

(i) *During the year, the Company's capital was consolidated on the basis of 15 options being converted into one option.*

16.2. SHARE OPTIONS EXERCISED DURING THE YEAR

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

16.3. SHARE BASED PAYMENTS

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

16.3.1. Recognised Share-Based Payment Expense

	2024 $	2023 $
Options issued to directors[(i)]	49,911	-
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

16.3.2. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. FINANCIAL INSTRUMENTS

17.1. 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 2023.

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

17.2. 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.

17.3. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17.3. INTEREST RATE RISK (CONTINUED)

17.3.1. 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	834,655	294,731
Convertible notes	N/A	401,512	-
Borrowings	16%	518,505	-
		1,353,160	294,731

17.4. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17.5. 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).

18. 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 Australia Pty Ltd (formerly Premium Pipe Services Pty Ltd)	Australia	100%	100%
Trienpont International Co., Ltd	Thailand	99.99%	-

19. KEY MANAGEMENT PERSONNEL DISCLOSURES

19.1. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation paid or payable to key management personnel of the Group is set out below:

	2024 $	2023 $
Short-term employee benefits	361,000	466,125
Post-employment benefits	4,755	28,153
Share-based payments	91,911	-
	457,666	494,278

The compensation of each member of the key management personnel of the Group is set out in the Remuneration Report on pages 4 to 11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. 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.

20.1. LOANS FROM KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

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 and is unsecured with any funds drawn down, repayable on 31 May 2024. This facility was withdrawn and settled during the financial year ending 30 June 2024 with no outstanding liability due to Mr Kenny Woo and a full facility limit is available.

On 10 May 2024, the Company replaced their facility with a new facility for the same principal amount available but with an interest rate of 9% per annum payable monthly in arrears, and repayable on 31 May 2025. No amount has been drawn down on this facility.

20.2. 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 in Note 20.1 above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

	2024 $	2023 $
(Loss) for the year	(3,105,337)	(2,179,082)
Non-cash items		
Depreciation and amortisation	162,122	4,617
Share-based payments	131,796	12,124
Finance costs	189,232	-
Other expenses (non-cash)	42,761	115,376
Other income (non-cash)	(191,641)	-
	(2,771,067)	(2,046,965)
Movements in working capital		
(Increase)/ decrease in trade and other receivables	(150,307)	46,957
Increase in trade and other payables (incl. provisions)	375,199	70,401
(Increase) in other assets	(27,003)	(121,540)
Net cash used in operating activities	(2,573,178)	(2,051,147)

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	652,910	1,298,006

22. COMMITMENTS

Office Lease commitments

The Group has entered into commercial leases on certain premises. These leases have an average life of 3 years. These leases have been accounted for under AASB 16.

Future minimum rentals payable under the leases are as follows:

	2024 $	2023 $
Within 12 months	276,119	-
between 12 months and 5 years	418,903	-
Total	695,021	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. BUSINESS COMBINATION

On 10 January 2024, the Company announced that it has entered into a binding heads 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 consideration for 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. The Company believes that the acquisition of Trienpont will allow it to broaden its InFocus Analytics operations beyond retail data analytics into sector- agnostic applications. Furthermore, it will enable the Company to accelerate the software development of its platform and facilitate the development of its Machine Learning and Artificial Intelligence integration projects.

The fair value of Trienpoint's net assets acquired and the resulting goodwill and tax balances have been measured provisionally. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the requirements of the Australian Accounting Standards permits the acquisition values to be revised.

This acknowledges the time required to gain access to and consolidate information for both entities and to make certain valuations as at the acquisition date. Any changes to these provisional values will be reported within the next reporting period. The amounts in the table on the following page have been measured on a provisional basis.

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		3,080,000
Cash consideration	(i)	80,000
		3,160,000

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. This amount is included as part of Sundry creditors and accruals in Note 10.

(ii) At balance date, the initial accounting for the business combination is incomplete as the Company is currently finalising the allocation of the initial excess consideration noted above.

Impact of acquisition on the results of the Group

If the combination had taken place at the beginning of the year, additional revenue of $252,854 would have been recognised for the period to 29 February 2024, with an immaterial impact on the loss for the period due to the private company structure of the entity.

24. REMUNERATION OF AUDITORS

The auditor of Frugl Group Limited is HLB Mann Judd.

Auditor of the parent entity	2024 $	2023 $
Audit and review of the financial statements	55,000	44,561
	55,000	44,561

Network firm of the parent Company auditor	2024 $	2023 $
Audit of the financial statements – Trienpont International Co. Ltd	8,319	-
	8,319	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. 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	389,640	796,599
Segment results	(3,045,360)	(59,977)	(3,105,337)
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	(141,797)	(20,329)	(162,126)
• Share-based payments	(131,796)	-	(131,796)
Segment assets	4,320,103	586,882	4,906,985
Segment liabilities	(1,663,075)	(700,856)	(2,363,931)

	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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 2 for a summary of the significant accounting policies relating to the Group.

	2024 $	2023 $
Statement of financial position		
Assets		
Current assets		
Cash and cash equivalents	569,723	1,258,980
Trade and other receivables	24,524	14,003
Total current assets	594,247	1,272,983
Non-current assets		
Plant and equipment	110,506	-
Right- of-use assets	253,237	-
Investments in subsidiaries	3,160,000	-
Total non-current assets	3,523,743	-
Total assets	**4,117,990**	**1,272,983**
Liabilities		
Current liabilities		
Trade and other payables	398,472	221,788
Borrowings	518,505	-
Finance lease liabilities	79,668	-
Employee entitlements	52,626	20,053
Total current liabilities	1,049,271	241,841
Non-current liabilities		
Convertible notes	401,512	-
Finance lease liabilities	138,843	-
Total non-current liabilities	540,355	-
Total liabilities	**1,589,626**	**241,841**
Net assets	**2,528,364**	**1,031,142**
Equity		
Issued capital	43,825,487	39,373,453
Reserves	101,911	52,000
Accumulated losses	(41,399,034)	(38,394,311)
Total equity	**2,528,364**	**1,031,142**
Statement of profit or loss and other comprehensive income		
Net loss and comprehensive loss	**(3,004,723)**	**(2,371,486)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. EVENTS AFTER THE REPORTING PERIOD

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.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

as at 30 June 2024

Basis of preparation

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the s295(3A)(a) of the *Corporations Act 2001* and includes the required information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Tax residency

Section 295 (3A)(vi) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of the tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency
Current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance.

Foreign tax residency
Where necessary, independent tax advisers have been engaged to assist in the determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3a)(vii) of the Corporations Act 2001).

Trusts and partnerships

None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group.

Name of Entity	Country of Incorporation	Equity interest %	Tax Residency	Foreign Jurisdiction
Frugl Operations Pty Ltd	Australia	100%	Australian	N/A
Trienpont Australia Pty Ltd (formerly Premium Pipe Services Pty Ltd)	Australia	100%	Australian	N/A
Trienpont International Co., Ltd	Thailand	99.99%	Foreign	Thailand

ADDITIONAL SHAREHOLDERS' INFORMATION

Frugl Group Limited's issued capital is as follows:

ORDINARY FULLY PAID SHARES

At the date of this report there are 104,908,618 Ordinary fully paid shares in the Group.

	Number of shares
Balance at the beginning of the year	956,062,008
Movements of shares during the year and to the date of this report	(851,153,390)
Total number of shares at the date of this report	104,908,618

RANGE OF SHARES AS AT 26 SEPTEMBER 2024

Range	Total Holders	Units	% Issued Capital
1 - 1,000	87	19,808	0.02%
1,001 - 5,000	120	402,188	0.38%
5,001 - 10,000	74	538,064	0.51%
10,001 - 100,000	141	4,774,304	4.55%
100,001 - > 100,001	65	99,174,254	94.53%
Total	**487**	**104,908,618**	**100.00%**

TOP 20 HOLDERS OF ORDINARY SHARES AS AT 26 SEPTEMBER 2024

#	HOLDER NAME	Units	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,706,651	19.74%
2	APISARA LIMAPICHAT	9,397,584	8.96%
3	GREAT SOUTHERN FLOUR MILLS PTY LTD	5,250,000	5.00%
4	MS ALICIA LI SHIA LEW	5,000,000	4.77%
5	VINCENT TRIENPONT	4,693,333	4.47%
6	JUSTIN MAC CARTHY	3,520,000	3.36%
6	ROHAN ALEXANDER BRAMMALL	3,520,000	3.36%
7	OBSIDIAN GLOBAL GP LLC	3,442,931	3.28%
8	MULLOWAY PTY LTD <JOHN HARTLEY POYNTON FM A/C>	3,373,143	3.22%
9	OCEAN WIND DEVELOPMENTS LIMITED	3,124,936	2.98%
10	TRUE GAIN ENTERPRISES LIMITED	3,091,267	2.95%
11	RICKTAKE DEVELOPMENT LIMITED	3,027,530	2.89%
12	MR ROBERT GREGORY LOOBY <THE NOROB FAMILY A/C>	2,980,000	2.84%
13	STATION NOMINEES PTY LTD <STATION SUPER FUND A/C>	2,666,667	2.54%
14	MR THIAM FUAT LIM	2,602,416	2.48%
15	SHARP ALLY INTERNATIONAL LIMITED	2,170,427	2.07%
16	CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C>	1,666,667	1.59%
17	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	1,392,831	1.33%
18	AZURE GLOBAL GROUP LIMITED	1,333,333	1.27%
19	LOOBY HOLDINGS PTY LTD <K & F LOOBY SUPER FUND A/C>	1,300,000	1.24%
20	MR SIMON THOMAS MELVILLE <MELVILLE FAMILY A/C>	1,000,000	0.95%
Total of Top 20 Holders of ORDINARY SHARES		**85,259,716**	**81.29%**

ADDITIONAL SHAREHOLDERS' INFORMATION

UNQUOTED EQUITY SECURITIES

At the date of this report, the Company has no unquoted fully paid ordinary shares on issue.

At the date of this report there are 16,683,335 unissued ordinary shares in respect of which options are outstanding. The balance is comprised of the following:

Number of options	Expiry date	Exercise price (cents)	Listed/Unlisted
16,683,335	31 December 2025	$0.15	Unlisted

No person entitled to exercise any option referred to above has had, by virtue of the option, a right to participate in any share issue of any other body corporate.

RANGE OF UNQUOTED OPTIONS AS AT 26 SEPTEMBER 2024

Range	Total Holders	Units	% Issued Capital
1 - 1,000	-	-	0.00%
1,001 - 5,000	-	-	0.00%
5,001 - 10,000	-	-	0.00%
10,001 - 100,000	1	41,667	0.25%
100,001 - > 100,001	11	16,641,668	99.75%
Total	**12**	**16,683,335**	**100.00%**

At the date of this report there are 600,000 Convertible Notes at a face value of US$1.12 per note.

The Convertible Notes have the following conversion conditions:

- The Convertible Notes may be converted by the Noteholder at any time before the Maturity Date by providing a conversion notice.
- Each conversion notice must specify details including how many Convertible Notes the Noteholder elects to convert, whether the Noteholder is electing to convert the Convertible Notes at the Fixed Conversion Price, the Variable Conversion Price or the Conversion Price in the Event of Default, and the number of Shares that the Company must issue to the Noteholder in respect of the Conversion.
- Shares will not be issued on conversion of any Convertible Notes if such conversion would cause any person to hold a relevant interest in more than 20% of the Shares on issue.

The Convertible Notes have the following conversion prices:

- Fixed Conversion Price: A$0.15 for the Tranche 1 and 130% of the average daily VWAP over the 5 Actual Trading Days immediately prior to the issue date for Tranche 2.
- Variable Conversion Price: the lesser of:
  a. 90% of the average of the lowest 5 daily VWAPs during the 20 Actual Trading Days prior to the Conversion Notice Date; and
  b. the Fixed Conversion Price.