



10 January 2024

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Directors

Kit Weng Yip, Chairman

Kenny Woo, Managing Director

Kulthirath Pakawachkrilers,
Director

Steve Samuel, Company
Secretary

Issued Capital

ASX Code: FGL

1,041,688,151 Ordinary Shares

29,500,000 Listed options
exercisable at \$0.10 on or before
20 July 2024

245,000,000 Unlisted options
exercisable at \$0.01 on or before
31 December 2025

Overview

Frugl is a retail intelligence ecosystem that acquires publicly available grocery data, enriches it, and utilises it to power two independent retail platforms; Frugl Grocery and InFocus Analytics.

With management drawn from major Australian and International retail organisations, Frugl combines retail experience, expertise in data analytics, and enterprise-scale data sets ready for immediate commercialisation.

AGREEMENT TO ACQUIRE TRIENPONT INTERNATIONAL CO. LTD

HIGHLIGHTS

- F** Frugl Group Limited enters into binding heads of agreement to acquire 100% of the shares on issue in Trienpont International Co. Ltd.
- F** Trienpont has a wealth of experience in transforming digital projects across a wide range of industries.
- F** Acquisition of Trienpont will accelerate Frugl's software development and effectively deliver growth to Shareholders.

Frugl Group Limited (ACN 096 870 978) (ASX: FGL) (**Frugl** or the **Company**) is pleased to announce that it has entered into a binding heads of agreement (**Agreement**) 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 (**Trienpont Vendors**) (the **Acquisition**).

As announced on 13 April 2023, the Company has been in partnership with Trienpont for approximately 8 months. Trienpont has proven to be highly reliable and become a critical part of the Company's business, albeit on a consultancy basis.

The Company believes that the Acquisition will allow it to better harness Trienpont's services and more effectively deliver growth to Shareholders. Further, it will enable the Company to accelerate the software development of its platform and facilitate the development of its Machine Learning (ML) and Artificial Intelligence (AI) integration projects.

Trienpont is a South East Asian based technology business specialising in Digital Transformation, Software Development, Cloud Migrations & Integrations, and Technical Consulting and has existing clients in Australia, Asia, and Western Europe.

The financial impacts as a result of Acquisition are as follow:

Description	Frugl ¹	Trienpont ²	Post Acquisition
Total Assets	\$1,420,011	\$ 374,473	\$1,794,484
Annual revenue	\$805,983	\$866,660	\$1,672,643
Total equity	\$998,621	\$ 322,027	\$1,320,648
Total expenses	(\$3,086,635) ³	(\$764,865)	(\$3,851,500)
Profit / (loss) before tax	(\$2,280,652)	\$84,866	(\$2,195,786)

¹As per the audited Financial Report for the year ended 30 June 2023.

²As per the audited Financial Report for the year ended 31 December 2022.

³The balance of \$3,086,635 stated in the audited Financial Report for the year ended 30 June 2023 was incorrectly described as Loss before income tax expense, it is instead represents the Total Expenses for the year ended.

Managing Director, Mr Kenny Woo, commented:

*"Machine Learning (ML) and Artificial Intelligence (AI) belong at the very heart of Frugl's value proposition. ML and AI will allow Frugl to offer its users more intelligent recommendations and enhance the quality and accuracy of the data that it offers its corporate clients. **Trienpont's** core competencies and abilities will ensure that Frugl is able to future-proof its core business model and transform its products to an independently intelligent solution harnessing the power of Big Data and AI to continuously evolve and provide an unbeatable user value proposition*

Vincent Trienpont, Chief Executive Officer of Trienpont commented:

"We are thrilled to be a catalyst of technological innovation between Australia, Asia, and Europe. Our team's knowledge and experience will propel Frugl's existing products into the next generation, including the Frugl App and Infocus Analytics, whilst allowing us to offer a wide range of bespoke technology solutions to the APAC region".

Key Acquisition Terms

In consideration for the Acquisition, the Company agreed to:

- (a) pay Trienpont \$80,000 in cash; and
- (b) issue the Trienpont Vendors in proportion to their respective interests in Trienpont that number of fully paid ordinary shares in the capital of the Company (**Shares**) that is equal to \$7,920,000 divided by the greater of:
 - (i) \$0.018 (assuming the closing price immediately prior to completion is less than \$0.018); and
 - (ii) the volume weighted average price of the Shares traded in the 5 days prior to settlement of the Acquisition, subject to shareholder approval (**Consideration Shares**).

The Trienpont Vendors acknowledged and agreed to enter into a voluntary escrow agreement in respect of the Consideration Shares to be issued to the Trienpont Vendors on the following basis:

- (a) 30% of the Shares will be subject to escrow until the earlier of:
 - (i) 12 months from the date of issue; and
 - (ii) the Company achieving \$2,500,000 in revenue for the financial year ending 30 June 2024; and
- (b) 70% of the Shares will be subject to escrow until the earlier of:
 - (i) 24 months from the date of issue; and
 - (ii) the Company achieving \$4,000,000 in revenue for the financial year ending 30 June 2025.

Settlement of the Acquisition is conditional upon the satisfaction (or waiver) of the following conditions precedent:

- (a) the parties obtaining all necessary shareholder and regulatory approvals (including the Company obtaining shareholder approval for the issue of the Consideration Shares) necessary to lawfully complete the matters set out in the Agreement; and
- (b) the parties obtaining all third party approvals and consents necessary to lawfully complete the matters set out in the Agreement.

The Agreement otherwise contains terms considered standard for an agreement of its type, including representations and warranties and indemnities from both parties.

Proposed timetable¹

The proposed timetable in respect of the Acquisition is as follows:

Event	Date
ASX announcement of the acquisition	10 January 2024
General Meeting	19 February 2024
Satisfaction (or waiver) of conditions precedent	23 February 2024
Completion of Acquisition	23 February 2024

¹The above timetable is indicative only and subject to change.

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

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

Kit Weng Yip
Chairman
Frugl Group Limited