

**FRUGL GROUP LIMITED**  
**ACN 096 870 978**  
**SUPPLEMENTARY PROSPECTUS**

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**1. IMPORTANT INFORMATION**

This supplementary prospectus (**Supplementary Prospectus**) is dated 19 September 2022 and is supplementary to the prospectus dated 2 September 2022 (**Prospectus**) issued by Frugl Group Limited (ACN 096 870 978) (**Company**).

This Supplementary Prospectus was lodged with the ASIC on 19 September 2022. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. To the extent of a conflict between the Prospectus and the Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company at <https://fruglgroup.com.au/>. The Company will send a copy of this Supplementary Prospectus to all Applicants who have subscribed for Shares pursuant to the Prospectus to the date of this Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

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**2. PURPOSE OF THIS DOCUMENT**

The Supplementary Prospectus has been prepared to provide investors with updated information in relation to the Prospectus, specifically:

- (a) providing an updated timetable;
- (b) updating the disclosure in respect of the Company's loan facility with Mathew Walker;
- (c) removing the Directors' recommendation for Shareholders to take up their Entitlements; and
- (d) updating the disclosure in respect of the proposed use of funds.

### 3. AMENDMENTS TO THE PROSPECTUS

#### 3.1 Timetable

The Board wishes to advise that the timetable of the Offer has been extended until 5:00pm (WST) on 23 September 2022.

Accordingly, Section 1.1 of the Prospectus is deleted and replaced with the following:

Lodgement of Prospectus with ASIC, ASX and Appendix 3B	2 September 2022
Ex date	7 September 2022
Record Date for determining Entitlements	8 September 2022
Dispatch of Prospectus, Offer opens, lodgement of amended Appendix 3B	16 September 2022
Lodgement of Supplementary Prospectus with the ASIC and ASX	19 September 2022
Last day to extend the Closing Date	19 September 2022
Closing Date as at 5:00pm*	23 September 2022
Shares quoted on a deferred settlement basis	26 September 2022
ASX notified of under subscriptions	28 September 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	30 September 2022
Quotation of Shares issued under the Offer	3 October 2022

\*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

#### 3.2 Directors' Interests in Securities

Section 1.4 of the Prospectus is amended by including, underneath the table (and attaching footnotes in Section 1.4 of the Prospectus), the following:

*"On 18 July 2022, the Group entered into a binding loan facility agreement with Director Mathew Walker (**Loan Agreement**). The key terms of the Loan Agreement are as follows:*

- (a) principal loan amount of \$1,000,000;*
- (b) interest rate of 1% of the loan per month payable monthly in arrears;*
- (c) security against the Company's 2022 Financial Year Research and Development Offset Rebate; and*

(d) repayment on the earlier of:

(i) the Company completing a capital raising of no less than \$1,000,000; or

(ii) 30 June 2023.

As at 30 June 2022, the Company has drawn down \$700,000 under the Loan Agreement. On 30 August 2022, the terms of the Loan Agreement were amended, with the maturity of the Loan now on the earlier of the Company successfully completing a capital raising of no less than \$2,000,000 or on 30 June 2023."

### 3.3 Board recommendation

Section 1.4 of the Prospectus is amended by deleting the sentence which states that "The Board recommends all Shareholders take up their Entitlements."

### 3.4 Purpose of the Offer

Section 3.1 of the Prospectus is amended by replacing the table (and the attaching footnotes) with the following table:

Item	Proceeds of the Offer	Maximum Subscription (\$1,013,261)	%
1.	Marketing of Frugl Grocery App <sup>2</sup>	405,304	40
2.	Commercialisation of the InFocus Analytics retail intelligence SaaS Platform <sup>2</sup>	303,978	30
3.	Expansion of the Frugl Market platform into Southeast Asia <sup>3</sup>	101,326	10
4.	Working capital	159,207	16
5.	Expenses of the Offer <sup>1</sup>	43,446	4
	<b>Total</b>	<b>1,013,261</b>	<b>100</b>

#### Notes:

1. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.
2. For the avoidance of doubt, marketing activities for the Frugl Grocery App also involves commercial activities which are a priority for the existing business unit along with the InFocus Analytics retail intelligence SaaS Platform. Expansion plans can be readily optimised at the discretion of the Company.
3. Expansion of the Frugl Market platform into Southeast Asia – this contemplates:
  - (a) marketing & scoping activities (\$40,000);
  - (b) initiation of pilot programs (\$31,326);
  - (c) research (\$15,000); and
  - (d) travel (\$15,000).

Collectively this is to understand the viability / scalability of the Frugl Market Platform within the region. The Company has the internal resources to carry out these initial work streams. This would be carried out over a 12 to 18 month period by the Company. In the event full subscription of Offer is not achieved, the order of funding use is indicated as detailed.

### 3.5 Continuous disclosure obligations

Section 6.2 of the Prospectus is amended by inclusion of the following line items in the table contained in that Section:

<i>Date</i>	<i>Description of Announcement</i>
16 September 2022	Letter to Shareholders
16 September 2022	Appendix 3B - Addendum
13 September 2022	Entitlement Issue – Revised Timetable
7 September 2022	Appendix 3B - Addendum
5 September 2022	Entitlement Issue Prospectus

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## 4. CONSENTS

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

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## 5. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



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**Sean Smith**  
**CEO and Managing Director**  
**FRUGL GROUP LIMITED**