

ZOONO GROUP LIMITED
ACN 006 645 754
SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 26 April 2023 (**Prospectus**) issued by Zoono Group Limited ACN 006 645 754 (**Company**).

This Supplementary Prospectus is dated 8 May 2023 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should 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. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus in hard copy or as an electronic copy and may be accessed on the Company's website at www.zoono.com.au

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.

1. BACKGROUND

By this Supplementary Prospectus, the Company makes the amendments to the Prospectus as set out in Section 2 by updating the use of funds in the Prospectus. The amendments to the Prospectus outlined in Section 2 below should be read in conjunction with the Prospectus.

2. AMENDMENTS TO THE PROSPECTUS

2.1 Purpose of the offer

Section 3.1 of the Prospectus is deleted and replaced with the following:

The purpose of the Offer is to raise up to \$2,102,289 before costs. The funds raised from the Offer are intended to be applied in accordance with the table below.

Item	Proceeds of the Offer	Full Subscription (\$)	Full Subscription (%)	Half Subscription (\$)²	Half Subscription (%)	Partial Subscription (\$)³	Partial Subscription (%)
1.	Douglas Pharmaceuticals JV	500,000	24	300,000	29	200,000	27
2.	China expansion	400,000	19	250,000	24	175,000	23
3.	Packaging for extension of shelf life	100,000	5	75,000	7	50,000	7

Item	Proceeds of the Offer	Full Subscription (\$)	Full Subscription (%)	Half Subscription (\$) ²	Half Subscription (%)	Partial Subscription (\$) ³	Partial Subscription (%)
4.	Payments to suppliers and employees ⁴	1,009,822	48	358,232	34	276,115	37
5.	Expenses of the Offer	92,467	4	67,913	6	43,360	6
	Total	\$2,102,289	100%	\$1,051,145	100%	744,475	100%

Notes:

1. Refer to Section 6.6 for further details relating to the estimated expenses of the Offer.
2. Assuming that only half of the Full Subscription is achieved under the Offer.
3. Assuming that only Mr Hyslop and his associates take up their full Entitlement and no other Shareholders take up their Entitlements under the Offer. Refer to Section 1.4 for details regarding Mr Hyslop and his associates' intent to take up their full Entitlements.
4. The Company has significant liabilities to its suppliers and employees which will increase over the next 6 months. This amount will be applied towards paying its various suppliers and employees with consideration to the Company's anticipated operations over this period.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances, including the outcome of the results achieved from its business activities and operations, regulatory developments and market and general economic conditions, have the potential to affect the manner in which the funds are ultimately applied. Accordingly, the Board reserves the right to alter the way funds are applied.

In the event the Offer is not fully subscribed, operational objectives may be modified, which may result in delay or substantial changes to the Company's future plans. In this event (and after accounting for associated Offer costs) it is likely that the Company will appropriately scale back funds available in the following order and otherwise in accordance with the above table: Item 1. Douglas Pharmaceuticals JV, Item 2. China expansion, Item 3. Packaging for extension of shelf life and Item 4. Working capital. On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives.

The Company notes that it has access to other funding arrangements, existing trade receivables and expects other transactions currently being negotiated to complete in the short term, which will enable the Company to achieve its operational objectives in the event of a Shortfall under the Offer. Accordingly, on completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives and not require additional funding for the short to medium term. In any event, on the assumption that the Offer is only subscribed to the "Partial Subscription" level as included in the table above, no other funding is able to be secured, no transactions are completed and no trade receivables are received, the Company anticipates that the "Partial Subscription" funds would be sufficient for the Company to continue its operations for approximately 6 months based on the Company's current cash burn rate.

2.2 Company Specific Risk

Section 5.2 of the Prospectus is amended by inserting the following after the end of the table:

Risk Category	Risk
Inventory	<i>Consumer preferences are constantly changing, and new trends may emerge. There is a risk that the Company may therefore fail to accurately predict the future sales of its various product lines and management of its inventory. Given the Company is currently holding surplus inventory, there is also a risk that the Company may be required to impair a portion of its existing inventory. Any failure to accurately manage inventory levels may materially and adversely affect the Company's cash flows, financial performance and ability to meet its current liabilities. Given the current surplus inventory has a long expiry date, the Company does not anticipate it will be required to impair or otherwise not be able to realise value for its existing inventory.</i>

3. CONSENT

The Company confirms that as at the date of this Supplementary Prospectus, each of the advisors that have been named as having consented to being named in the Prospectus (refer to Section 6.5 of the Prospectus) has not withdrawn that consent prior to the lodgement of this Supplementary Prospectus with the ASIC.

4. 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.



Paul Hyslop
Managing Director
For and on behalf of
Zoono Group Limited