

**EQUITY STORY GROUP LIMITED**  
**ACN 653 383 478**

**SECOND SUPPLEMENTARY PROSPECTUS**

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**1. IMPORTANT INFORMATION**

This is a supplementary prospectus (**Second Supplementary Prospectus**) which supplements the first supplementary prospectus dated 11 February 2022 (**First Supplementary Prospectus**) and the prospectus dated 4 February 2022 (**Prospectus**) issued by Equity Story Group Limited (ACN 653 383 478) (**Company**).

This Second Supplementary Prospectus is dated 11 April 2022 and was lodged with ASIC on that date. ASIC, the ASX and their respective officers take no responsibility for the content of this Second Supplementary Prospectus.

This Second Supplementary Prospectus should be read together with the First Supplementary Prospectus and 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 Second Supplementary Prospectus. If there is a conflict between the Prospectus and this Second Supplementary Prospectus, this Second Supplementary Prospectus will prevail.

This Second Supplementary Prospectus will be issued with the First Supplementary Prospectus and the Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company at <https://equitystory.com.au/investor-center/>. A paper copy of the Second Supplementary Prospectus is available upon request.

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.

The Directors consider that the changes in this Second Supplementary Prospectus are not materially adverse from the point of view of an investor. Accordingly, no action needs to be taken if you have already subscribed for Shares under the Prospectus.

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**2. PURPOSE OF THIS DOCUMENT**

The purpose of this Supplementary Prospectus is to provide additional information to investors.

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**3. UPDATES TO DISCLOSURES ON THE COMPANY'S WEBSITE**

The Company confirms that it has received enquiries from ASIC concerning some disclosures on the Company's website.

The enquiries from ASIC relate to the following:

- (a) Certain statements on the Company's website regarding performance results based on the results of a members survey conducted by the Company in 2021.
- (b) The Company's policies and practices in relation to investment recommendations.

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**This Second Supplementary Prospectus dated 11 April 2022 is intended to be read with the first supplementary prospectus dated 11 February 2022 and the prospectus dated 4 February 2022 issued Equity Story Group Ltd (ACN 653 383 478).**

### 3.2 Performance Results

The Company has removed from its website certain statements regarding investment performance returns (**Performance Results**) based on the results of a members' insight and satisfaction survey conducted in 2021 (**Survey**). A total of 226 responses to the Survey were received from members who completed the Survey on a voluntary basis.

The Performance Results were calculated based on averages from the responses to the Survey on questions relating to capital invested and estimated returns based on general advice recommendations. The Company launched a new public website in late December 2021 and presented the results of the Survey as a typical client experience.

ASIC has advised that it does not agree with the methodology used to compile the statistics and considers that the manner in which they are presented is not appropriate. The Company has made the decision to remove the relevant statistics from its website and will refrain from publishing them further.

### 3.3 Investment recommendations policy

ASIC recommended that the Company publish on its website a policy setting out the way investment recommendations are made and communicated to Paying Subscribers. This is further detailed in section 4 below.

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## 4. IMPLEMENTATION OF AN INVESTMENT RECOMMENDATIONS POLICY

The Company has implemented a new "Investment Recommendations Policy" in relation to investment recommendations.

The Investment Recommendations Policy has been added as a one-time notification to the member login portal, which will include the complete policy and will require every Paying Subscriber and every Subscriber who has been provided with a member login upon commencing a trial (each, a **Member**) to confirm that they have read and understood the policy before they are able to enter the members portal on the Company's website.

The Investment Recommendations Policy will be accessible by Members at any time at the '**About**' page of the Company's website.

If any changes are made to the Investment Recommendations Policy, Members will be notified of these changes by:

- (a) email notification; and
- (b) a one-time 'Investment Recommendations Policy Change / Update' notification upon login at the member login portal, which will include a copy of the complete updated Investment Recommendations Policy and will require every Member to confirm that they have read and understood the updated policy before they are able to proceed and enter the website.

The Investment Recommendations Policy sets out the Company's policies in relation to investment recommendations and includes the following:

- (a) The Company's general advice recommendations are primarily provided in video format (via the Trade Watch Podcasts) and the Company maintains a recorded list of all recommendations on its website.
- (b) A table of recorded ASX general advice recommendations and the information provided at the time of recommendation is found on the '**Dashboard**' page and a table of recorded US market general advice recommendations and the information provided at the time of recommendation can be found on the '**US Market**' page of the website (each, a **Table**).
- (c) The record of the Company's recommendations contains information provided at the time of recommendation only and will not be updated following the date of its recommendation, except on occasions where the fundamental view of the Equity story team changes in relation to a prior recommendation. In such circumstances:
  - (i) Members will be notified promptly by email that a Trade Watch Podcast is available to view on the Company website, where the Equity Story team will provide their updated view on the prior recommendation based on current technical and/or fundamental factors; and
  - (ii) the Company will insert a date to the '**Trade Watch Update**' column of the Tables, which will hyperlink to the specific Trade Watch Podcast containing the updated views of the Company in relation to the particular recommendation.
- (d) Each of the recommendations listed is dated and the following information is provided in the Tables:
  - (i) ticker code of the stock;
  - (ii) date of the recommendation;
  - (iii) buy under price, being the price the Company considers to be fair value at the time of recommendation;
  - (iv) market capitalisation of the company (i.e. large/mid/small/micro cap);
  - (v) investment versus trade – investment (i.e. 2 years investment timeframe) / trade (i.e. 3-6 months investment timeframe);
  - (vi) target length of investment/trade, being the fair exit price when considering all other information provided at the time of the original recommendation;
  - (vii) stop loss levels (with (W) indicating weekly and (M) indicating monthly);

- (viii) target price, being the Company's guide on how long it estimates the position should be moved from buy under price to its target price;
  - (ix) risk profile (high/medium/low);
  - (x) type (e.g. trending/1 year growth/3 year growth); and
  - (xi) Trade Watch update, as discussed above (if applicable).
- (e) The information provided in the Tables should not be solely relied upon by Members for investment recommendations and Members should watch the Trade Watch Podcasts in addition to referring to the Tables to ensure that a Members' understanding of a particular stock recommendation is up to date.
- (f) Weekly/monthly stop-loss levels may be provided based on what the Company considers to be some key trading levels over a weekly/monthly period for a Paying Subscriber to monitor themselves.
- (g) Paying Subscribers are required to take into account their personal objectives, financial situation and needs, and Paying Subscribers are responsible to conduct their own due diligence, make their own investment decisions and monitor their own investments based on the Company's recommendations.

The Company has also undertaken a detailed review of the record of all of its historical recommendations on its website and confirmed that as at the date of this Second Supplementary Prospectus, it is not aware of any missing recommendations.

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## 5. RECRUITMENT OF CHIEF FINANCIAL OFFICER AND CHIEF TECHNOLOGY OFFICER

The Company is in the process of recruiting a Chief Financial Officer (**CFO**) with an appropriate level of skills, qualifications and experience to assist the Directors in relation to its financial reporting obligations.

Further, the Company is proposing to engage the services of a Chief Technology Officer (**CTO**) following the completion of its initial public offering and official listing on ASX.

The Company confirms that there are no amendments to be made to its Use of Funds table as stated in Section 7.11 of the Prospectus as the funds allocated to administration costs are sufficient to cover the salaries of the proposed recruitment of a CFO and CTO.

The Company will make an announcement regarding the appointment of a CFO and CTO at the relevant time.

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## 6. CONSENTS

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

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**7. DIRECTORS' AUTHORISATION**

This Second 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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**Ben Loiterton**  
**Non-Executive Chairman**  
**For and on behalf of**  
**Equity Story Group Limited**