

Forbidden Foods Limited ASX: FFF

ASX Announcement

9 August 2023

Forbidden Foods receives firm commitments for strategic \$1.03m Share Placement

Highlights

- *Strategic placement with strong demand from sophisticated and institutional investors to provide balance sheet strength for near-term growth initiatives.*
- *The Directors have taken the opportunity to accept further subscriptions to the value of \$300k including Directors participation (subject to shareholder approval at the 2023 AGM)*
- *Placement offer price represents a 5.2% premium to the last closing share price for Forbidden Foods.*
- *Funds raised will be allocated towards the scale-up of the Company's operations in the US and Australia across manufacturing, distribution and sales for its leading range of Blue Dinosaur healthy snack products.*
- *Several near-term value drivers, including:*
 - *well-established manufacturing base in the US market, with market opportunity to convert distribution footprint into national sales growth.*
 - *strong position for Blue Dinosaur products in Australia that can be further leveraged through targeted marketing campaigns and expanded product distribution agreements.*
 - *identifying M&A opportunities within complementary categories*

Forbidden Foods Ltd (ASX: FFF) ("Forbidden Foods" or "the Company") is pleased to confirm that it has received firm commitments for a Share Placement ('Placement') of approximately 36.68 million new fully paid ordinary shares ("Shares") in the Company at \$0.02 per Share to raise approximately \$0.73m, with further firm commitments to raise an additional \$300,000, subject to shareholder approval at the Company's 2023 AGM, for a total Placement amount of \$1.03m.

Funds raised will be used to accelerate sales with key retailers and drive brand awareness in the US and Australia for the Company's leading range of Blue Dinosaur healthy snack food products. Forbidden Foods will also allocate capital to the strategic build-up of Blue Dinosaur inventory holdings to fulfil future purchase orders.

The Placement, which attracted strong demand from a network of institutional and sophisticated investors, positions Forbidden Foods with extra balance sheet strength to capitalise on its current market opportunity for the Blue Dinosaur product range.

With its on-ground manufacturing operations now firmly established in the US market, Forbidden Foods is now executing on its stated strategy to convert its extensive distribution footprint to fast-track US sales growth, with a targeted strategy to achieve product ranging for Blue Dinosaur in over 25,000 stores nationwide in the US.

The group's opportunity in the US market complements its Australian operations, where Forbidden Foods is driving sales growth in its core target market of Gen-Z consumers with a strong market footprint through major domestic stockists and ongoing product innovation.

Details of the Placement

The Placement offer price of \$0.02 per share represents a 5.2% premium to the last closing price of Shares on 4 August 2023, being the last trading day prior to the announcement of this Placement.

Pursuant to the Placement, Forbidden Foods will issue 36,680,000 Shares at an issue price of \$0.02 (2 cents) to raise approximately \$0.733m million before costs. Completion of the Placement is expected to occur by Wednesday, 16 August 2023, with trading of the new Shares expected to occur the following business day.

In addition, the directors have accepted firm commitments to raise a further \$300,000, subject to shareholder approval at the Company's 2023 AGM. Directors of the Company have agreed to subscribe for \$70,000 worth of this total demonstrating their support for the Company's targeted strategy.

Subject to approval by the Company's shareholders at the Company's 2023 AGM, investors who participated in the Placement will be issued with one free attaching option for each share subscribed for under the placement, exercisable at \$0.025 cents (2.5 cents) within 24 months from the date of issue of the option ("Placement Options").

The initial tranche of Shares to be issued under this Placement are to be issued pursuant to Forbidden Foods' available capacity under ASX Listing Rule 7.1 and 7.1A, comprising 22,006,945 and 14,673,055 fully paid ordinary shares respectively. Canterbury Hill Advisory Pty Ltd acted as Lead Manager to the Placement. The Lead Manager will receive a management fee of 1% and a placement fee of 5% for its services.

Management commentary:

Chief Executive Officer, Alex Aleksic said: *"We are pleased to confirm this strategic placement, which attracted strong support from our network of sophisticated and institutional investors. Following my recent appointment as CEO, the senior management team carried out a strategic review of operations and this funding round provides Forbidden Foods with the financial flexibility to execute on the key operational objectives that emerged from that review. We are confident the Company has a unique opportunity to capitalise on the strong traction for Blue Dinosaur products in Australia and the US, and look forward to providing ongoing updates in the second half of the year as we drive sales growth across our key target markets. Would like to thank Canterbury Hill Advisory for acting as lead manager to the Offer."*

Timetable

Event	Date (2023)
Settlement of Placement	Tuesday, 15 August
Allotment and issue of Placement Shares	Before noon, Wednesday, 16 August
Lodge cleansing notice and Appendix 2A (Placement Shares)	
Placement Shares commence trading on ASX on a normal settlement basis	Thursday, 17 August
Dispatch of AGM Notice to include shareholder approval of additional Placement commitments (Director Placement Shares) and all Placement Options	Early October
AGM at which Director Placement Shares and all Placement Options to be approved	Late October
Settlement of Director Placement Shares	Within 3 Business Days of AGM
Issue of Director Placement Shares and all Placement Options	Before noon, one Business Day following settlement of Director Placement Shares
Lodge cleansing notice and Appendix 2A (Director Placement Shares) and Appendix 3G (all Placement Options)	
Director Placement Shares commence trading on ASX on a normal settlement basis	One Business Day following issue of Director Placement Shares

ENDS

This ASX announcement has been approved for release by the Board of Directors of Forbidden Foods Ltd.

For further information, please contact:

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About Forbidden Foods Ltd

Forbidden Foods Ltd (ASX: FFF) is a health & wellness food company. The Company was established with a vision to provide engaging brands that provide the very best foods to meet consumer demand for clean, sustainable and healthy products. The core brand in the portfolio is Blue Dinosaur® which is sold in Australia & USA.