

FORBIDDEN FOODS LIMITED
ACN 616 507 334

CLEANSING PROSPECTUS

For an offer of up to 10,000 Options in the capital of the Company at an issue price of \$0.015 (1.5 cents) per Option to raise up to \$150.00 (before expenses) (**Offer**).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Options issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Options being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Options offered by this Prospectus should be considered speculative.

CORPORATE DIRECTORY

Directors

Alexander Aleksic
*Chief Executive Officer and
Managing Director*

Albert Saychuan Cheok
Non-Executive Chairman

Nathan Edward Quailey
Non-Executive Director

Daniel James Rootes
Non-Executive Director

Company Secretary

Blagojce (Bill) Pavlovski

Registered Office

Unit 27
120 Collins Street
Melbourne VIC 3000

Telephone: 1300 288 664

Email: info@forbiddenfoods.com.au
Website: www.forbiddenfoods.com.au

ASX Code

FFF

Auditor*

RSM Australia
Level 27
120 Collins Street
Melbourne VIC 3000

Share Registry*

Automic Group
Level 5
126 Phillip Street
Sydney NSW 2000

Legal Advisers

Piper Alderman Lawyers
Level 27
Exchange Tower
2 The Esplanade
PERTH WA 6000

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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1. TIMETABLE AND IMPORTANT NOTES

1.1 Timetable

| Action | Date |
|---|--------------------------------|
| Lodgement of Prospectus with ASIC and ASX | 17 January 2025 |
| Opening Date | 17 January 2025 |
| Closing Date | 5:00pm AWST on 20 January 2025 |

* The above dates are indicative only and may change without notice. The Directors reserve the right to vary these dates (including the Closing Date) without notice.

** Quotation of the Options is subject to the Company being able to satisfy ASX of the quotation requirements set out in Chapter 2 of the ASX Listing Rules.

1.2 Important Notes

This Prospectus is dated 17 January 2025 and was lodged with ASIC and ASX on that date. ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Options offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

The Company intends to apply to ASX for Official Quotation of the Options offered pursuant to this Prospectus within 7 days of the date of this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. Options allotted and issued pursuant to this Prospectus will be allotted and issued on the terms and conditions set out in this Prospectus.

This Prospectus is a transaction specific prospectus for an Offer of Options to acquire continuously quoted Securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all information that is generally required to be included in a document of this type. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

1.3 No representation other than in this Prospectus

No person is authorised to give information or to make any representation in connection with the Offers described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

1.4 Website

No document or information on the Company's website is incorporated by reference into this Prospectus.

1.5 Prospectus does not contain investment advice

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular circumstances. It is important that you read and consider the information in this Prospectus in full before deciding to apply for Options and consider the risks that could affect the performance of the Options as set out in Section 5 of this Prospectus.

If you are in any doubt about whether to participate in the Offer, you should seek advice from your financial, taxation or other professional adviser before participating.

1.6 Obtaining a Prospectus and Application Form

This Prospectus will be issued as an electronic prospectus only. This Prospectus and Application Form will be available by logging in to the Company's share registry Investor Portal at <https://investor.automic.com.au/#/home>. A copy of the Prospectus and a link to the Options Application will be sent by the Company directly to each eligible Applicant.

If you receive this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by the appropriate Application Form. If you have not, please contact the Company on the Forbidden Foods Offer Information Line at the details below.

The Company reserves the right not to accept an Application Form from a person that is not eligible to participate in a particular offer being made under this Prospectus or if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement Prospectus or any of those documents were incomplete or altered.

1.7 Key risks

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 5 of this Prospectus. These risks together with other general risks applicable to all investments in listed Securities not specifically referred to, may affect the value of the Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

1.8 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application, and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third-party service providers (including mailing houses), the ASX, ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1900* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

If an Applicant becomes a securityholder of the Company, the Corporations Act requires the Company to include information about the securityholder (including name, address and details of the Securities held) in its public register. This information must remain in the register even if that person ceases to be a securityholder of the Company. Information contained in the Company's register is also used to facilitate corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its securityholders) and compliance by the Company with legal and regulatory requirements. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application. An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under the law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.9 Rounding

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

1.10 Definitions

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. Please refer to Section 8 for a glossary of defined terms.

1.11 Restrictions of foreign jurisdictions

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

No action has been taken to register or qualify the Options being offered under the Offer or otherwise permit a public offering of the Options in any jurisdiction other than in Australia and New Zealand. This Prospectus may not be distributed to or relied on by persons outside Australia or New Zealand.

This Prospectus may not be released or distributed in the United States or to any person acting for the account or benefit of a person in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any in the United States or in any other jurisdiction in which such an offer would be unlawful. The Options to be offered and sold under the offer of Options have not been, and will not be, registered under the US Securities Act, or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the Options may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the US Securities Act (which Forbidden Foods has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable US securities laws.

1.12 Shareholders resident in New Zealand

The Options under the Offer are not being offered or sold to the public in New Zealand other than to eligible Shareholders to whom the offer of Options under the Offers is being made in

reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has not been registered, filed or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

1.13 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and Management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5 of this Prospectus.

1.14 Taxation implications

The Directors do not consider it appropriate to provide eligible Shareholders advice regarding the taxation consequences of applying for Options under this Prospectus.

The Company, its advisors and its officers do not accept any responsibility or liability for any taxation consequences to you. As a result, you should consider obtaining your own professional tax adviser in connection with applying for Options under this Prospectus.

2. DETAILS OF THE OFFER

2.1 Background

On 22 August 2024, the Company issued a Notice of Extraordinary General Meeting (**EGM Notice**), announcing its intention to seek Shareholder approval for, amongst others, various issues of Securities connected with the Company's acquisition of Oat Milk Goodness (**OMG Acquisition**) and the two-tranche capital raising announced to market on 14 August 2024 (**Capital Raising**).

Capital Raising

The Capital Raising comprised the following:

- (a) an unconditional placement of 22,965,136 fully paid ordinary Shares (**Tranche 1 Placement Shares**) at an issue price of \$0.012 (1.2 cents) to professional, sophisticated and institutional investors, to raise approximately \$275,581 (before costs) in aggregate (**Tranche 1 Placement**); and
- (b) placement of a subsequent tranche of up to 31,201,531 Shares (**Tranche 2 Placement Shares**) at an issue price of \$0.012 (1.2 cents) to professional, sophisticated and institutional investors, to raise \$374,418.16 (before costs) (**Tranche 2 Placement**). The Tranche 2 Placement included a commitment of \$40,000 from Mr Alexander Aleksic to subscribe for 3,333,334 Shares.

Attaching Options

In the EGM Notice the Company also announced its intention to issue free-attaching options, each being exercisable at \$0.015 (1.5 cents) per Option and expiring 3 years from their date of issue (**Attaching Options**).

The Attaching Options would be issued on the terms set out in Appendix B of the EGM Notice, on the basis of 1 Attaching Option for every 2 Shares subscribed for under the Tranche 1 Placement or Tranche 2 Placement. The EGM Notice stated that the Company intended to seek quotation of the Attaching Options on the ASX.

Having successfully obtained Shareholder approval for the issue of Attaching Options on 20 September 2024, on 25 September 2024, the Company issued 27,083,333 Attaching Options in the capital of the Company at an issue price of \$0.015 (1.5 cents) per Attaching Option.

Lead Manager Options

The Company appointed JP Equity Holding Pty Ltd (**Lead Manager**) to act as the lead manager of the Capital Raising pursuant to a mandate (**Mandate**).

In accordance with the Mandate, the Company agreed to issue up to 26 million Options to the Lead Manager (or its nominee) on the basis of 40 Options for every \$1.00 of gross proceeds raised under the Tranche 1 Placement and Tranche 2 Placement (**Lead Manager Options**).

Each Lead Manager Option would be exercisable at \$0.015 (1.5 cents) per Option and expire 3 years from their date of issue. Lead Manager Options would also be issued on the terms set out in Appendix B of the EGM Notice.

All Lead Manager Options were to be issued for nil consideration and therefore no funds would be raised by the issue of those Options. Upon the exercise of any Lead Manager

Options, the Company would receive proceeds of \$0.015 (1.5 cents) for each Lead Manager Option exercised.

The Company intended to use any funds raised upon the exercise of the Lead Manager Options for general working capital purposes.

As part of the EGM Notice, the Company announced its intention to seek quotation of the Lead Manager Options on the ASX.

Having successfully obtained Shareholder approval for the issue of Lead Manager Options on 20 September 2024, on 25 September 2024, the Company issued 26 million Lead Manager Options in the capital of the Company at an issue price of \$0.015 (1.5 cents) per Lead Manager Option, to the Lead Manager.

2.2 The Offer

Pursuant to this Prospectus, the Company invites investors identified by the Directors to apply for up to 10,000 Options in the capital of the Company at an issue price of \$0.015 (1.5 cents) per Option to remove trading restrictions on Attaching Options and Lead Manager Options, which belong to the same class of options as the Options, issued before the Closing Date.

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The full terms and conditions of the Options (and the Attaching Options and Lead Manager Options) are set out in Section 4. Subject to the Company being able to satisfy ASX of the requirements for quotation as per Chapter 2 of the Listing Rules, the Options (together with Attaching Options and Lead Manager Options) will form a new class of quoted Securities of the Company.

2.3 Objective

The Company is seeking to raise only a nominal amount under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Attaching Options and Lead Manager Options issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to lodgement of this Prospectus) so that, following quotation of the Options, any on-sale of Attaching Options and Lead Manager Options issued before the Closing Date does not breach section 707(3) of the Corporations Act.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body;
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the

prospectus are still open for acceptance on the day on which the relevant securities were issued; and

- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

The Options are not currently in a class of quoted securities. However, the Company will apply for quotation of the Options within 7 days following the date of this Prospectus.

2.4 Application for Options

Applications for Options must be made by eligible Shareholders at the direction of the Company and must be made using the Application Form which can be accessed on the Company's share registry investor portal at <https://investor.automic.com.au/#/home>.

Payment for the Options must be made in full at the issue price of \$0.015 (1.5 cents) per Option by no later than the Closing Date, by BPAY® or EFT in Australian currency, for the appropriate Application monies.

2.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®, you do not need to submit the Application Form but are taken to have made the declarations on the Application Form.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (AWST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Any Application monies received for more than your allocation of Options will be refunded. No interest will be paid on any Application monies received or refunded.

2.6 Payment by Electronic Funds Transfer (EFT)

For payment by EFT, please follow the instructions on the Application Form. Please note that should you choose to pay by EFT, you do not need to submit the Application Form but are taken to have made the declaration on the Application Form.

You must quote your unique reference number as your payment reference/description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your Application and Options subsequently not issued.

It is your responsibility to ensure that your EFT payment is received by the share registry by no later than 5:00pm (AWST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application monies received for more than your allocation of Options will be refunded. No interest will be paid on any Application monies received or refunded.

2.7 Implications on acceptance

Returning a completed Application Form (or being deemed to have done so) or paying any Application monies will be taken to constitute a representation by you that:

- (a) You have received a copy of this Prospectus and the accompanying Application Form, and read them both in their entirety;

- (b) You acknowledge that once the Application Form is returned or a BPAY or EFT payment instruction is given in relation to any Application monies, the Application may not be varied or withdrawn by you except as required by law;
- (c) You may be offered Options in accordance with all applicable laws, and any acceptance by you on your own behalf or in respect of any person for which you are acting complies with all applicable law; and
- (d) You agree to be bound by the provisions of the Constitution (as amended and as it may be amended from time to time in the future), and the terms and conditions of the issue of the Options set out in Section 4.1.

2.8 Costs of participation

The Company will not charge any brokerage, commissions or other transaction costs in respect of the Application for, and allotment of, Options under this Prospectus.

2.9 Minimum subscription

There is no minimum subscription.

2.10 Issue

As set out in Section 2.3, the primary purpose of the Offer is to remove any trading restrictions that may have attached to Attaching Options and Lead Manager Options issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date of the Offer (including prior to the date of this Prospectus).

2.11 ASX listing

Application for Official Quotation of the Options offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus.

The fact that ASX may grant Official Quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Options. Official Quotation of the Options is subject to the Company being able to satisfy ASX of the quotation requirements set out in Chapter 2 of the ASX Listing Rules.

2.12 Enquiries

Any questions concerning the Offer should be directed to Blagojce (Bill) Pavlovski, Company Secretary, on 03 9364 4212 or at bill@visioncorp.com.au.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Attaching Options and Lead Manager Options issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

Only a nominal amount will be raised under the Offer. Accordingly, the purpose of the Prospectus is not to raise funds. Refer to Section 6.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

3.2 Effect on capital structure

The effect of the Offer on the capital structure of the Company is set out below.

| Shares ¹ | Number |
|--|--------------------|
| Ordinary Shares currently on issue | 572,223,468 |
| Shares offered under this Prospectus | Nil |
| Total Shares on issue after completion of the Offer | 572,223,468 |

Notes:

The rights and liabilities attaching to the Shares are summarised in Section 4.2 of this Prospectus.

| Options | Number |
|---|--------------------|
| FFFAM: options expiring 07/12/2025 at \$0.025 per option | 51,680,000 |
| FFFAL: options expiring 16/08/2025 at \$0.04 per option | 20,500,000 |
| FFFAH: option expiring 24/09/2026 at \$0.023 per option | 31,196,254 |
| FFFAK: options expiring 31/01/2025 at \$0.023 per option | 24,788,715 |
| Unquoted options expiring 25/09/2027 at \$0.015 per option | 53,083,333 |
| Options offered under this Prospectus ¹ | 10,000 |
| Total Options on issue after completion of the Offer² | 181,258,302 |

Notes:

1. The rights and liabilities attaching to the Options are summarised in Section 4.1 of this Prospectus.
2. This assumes that the Company has issued 10,000 Options, bringing the total Options on issue to 181,258,302.

| Performance Rights | Number |
|--|------------------|
| Performance Rights currently on issue | 8,125,000 |
| Performance Rights offered under this Prospectus | Nil |
| Total Performance Rights on issue after completion of the Offer | 8,125,000 |

3.3 Financial effect of the Offer

After expenses of the Offer of approximately \$12,000.00 there will be no proceeds from the Offer. The expenses of the Offer will be met from the Company's existing cash reserves.

3.4 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

| Shareholder | Shares | % |
|--|------------|-------|
| Anthony Edwin Adams and his controlled entities: Adams Term Investments Pty Ltd and MFA Capital Pty Ltd ATF T&J Adams Superfund and Epoc Foods Pty Ltd | 90,999,555 | 15.9 |
| Devereux Promotions Pty Ltd | 64,854,049 | 11.33 |
| DJR 29 Pty Ltd | 36,452,448 | 6.37 |

4. RIGHTS AND LIABILITIES ATTACHED TO OPTIONS

4.1 Options

The following is a summary of the terms and conditions of the Options being offered pursuant to this Prospectus, as well as Attaching Options and Lead Manager Options.

(a) **Entitlement**

Each Option entitles the Option holder to subscribe for, and be allotted, 1 (one) Share.

Shares issued on the exercise of the Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution.

(b) **Exercise Price**

The exercise price per Option is \$0.015 (1.5 cents) (**Exercise Price**).

(c) **Expiry Date**

The Options expire on the date being three years from their date of issue (**Expiry Date**).

(d) **Exercise Notice**

Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option prior to their expiry date, together with the Exercise Price in full for each Share to be issued upon exercise of each Option to the share registry (**Exercise Notice**). Unless a holder is exercising all of their Options, Options must be exercised in parcels of not less than 1,000.

In order for an Exercise Notice to be valid, the Company must receive in cleared funds before the Expiry Date, payment of an amount of money equal to the Exercise Price for the number of Options to which the Exercise Notice relates by way of bank cheque or by other means of payment approved by the Company. If the amount of money paid is less than the Exercise Price for the number of Options to which the Exercise Notice relates, the Company may in its discretion elect to treat the Exercise Notice as an Exercise Notice for such lower amount of Options.

Remittances must be made payable to 'Forbidden Foods Limited'.

(e) **Lapse**

All Options will lapse on the earlier of the:

- (i) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
- (ii) expiry of the final date and time for exercise of the Option.

In the event of liquidation of the Company, all unexercised Options will lapse.

(f) **Issue of Shares**

Upon receipt of a valid Exercise Notice (accompanied by the applicable Exercise Price) monies, the Company must issue the number of Shares equal to the number of Options the subject of valid Exercise Notices as soon as reasonably practicable.

(g) **Constitution**

Each Option holder who exercises Options consents to becoming a member of the Company, and agrees to be bound by the Constitution upon the issue of the new Shares.

(h) **Quotation**

If the Shares of the Company are quoted on the ASX:

- (i) subject to meeting the requirements of the ASX Listing Rules for quotation of a new class of securities, the Company will apply to the ASX for, and will use its best endeavours to obtain Official Quotation on the ASX of all Options; and
- (ii) the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 5 Business Days (as defined in the ASX Listing Rules) of issue; and

by either:

- (iii) giving ASX a notice that complies with section 708A(5)(e) of the Corporations Act; or
- (iv) in the event that a notice that complies with section 708A(5)(e) of the Corporations Act cannot be given, the Company must prepare a prospectus in accordance with section 708A(11) within 10 Business Days.

The Company gives no assurance that such quotation of Options or any Shares issued on the exercise of any Options will be granted.

(i) **Dividends and voting**

The Options do not provide the Option holder any entitlement to dividends or other distributions.

The Options do not entitle the Option holder to receive notice of, attend or vote at, any meeting of the Company's Shareholders.

(j) **Restrictions on transfer**

Until such time as the Options are quoted on the ASX (if at all), the Options are not capable of being transferred, sold, mortgaged, charged, hedged or made subject to any margin lending arrangement or otherwise disposed of or dealt with or encumbered in any way, and the Options will lapse immediately if any such thing purports to occur.

(k) **Participation in Securities issues**

Subject to the Section 'Participation in a reorganisation of capital' below, the Option holder is not entitled to participate in new issues of Securities without exercising the Options.

(l) **Participation in a reorganization of capital**

In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the ASX Listing Rules applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which has not been conferred on Shareholders of the Company.

In any reorganisation referred to above, Options will be treated in the following manner:

- (i) In the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the Exercise Price will be amended in inverse proportion to that ratio;
- (ii) In the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the Exercise Price will be amended in inverse proportion to that ratio;
- (iii) In the event of a return of the share capital of the Company, the number of Options will remain the same and the Exercise Price will be reduced by the same amount as the amount returned in relation to each Share;
- (iv) In the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no Securities are cancelled, the number of Option and the Exercise Price of each Option will remain unaltered;
- (v) In the event of a pro-rata cancellation of Shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the Exercise Price of each Option will be amended in inverse proportion to that ratio; and
- (vi) In the event of any other reorganisation of the issued capital of the Company, the number of Options or the Exercise Price or both will be reorganized (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which have not been conferred on Shareholders.

(m) **Application of ASX Listing Rules**

While the Company is admitted to the official list of ASX, the Options and any Shares issued on exercise of the Options are always subject to the provisions of the Constitution and the ASX Listing Rules and, to the extent of any inconsistency between these terms and conditions, the Constitution and the ASX Listing Rules, the ASX Listing Rules will prevail.

(n) **Corporations Act**

The holder's right to exercise an Option is subject to compliance with Chapter 6 of the Corporations Act. If the exercise of an Option would result in the holder having a relevant interest in greater than 20% of the Company's voting Shares on issue, then the holder may be prohibited from exercising its Options.

4.2 Shares

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted, and continues to be admitted, to the official list of the ASX.

(a) Escrow restrictions

In the event that ASX determines that certain Shares should be classified as 'restricted securities', a Shareholder must not dispose of those restricted securities (and the Company must refuse to acknowledge a disposal) during the applicable escrow period, except as permitted by the ASX Listing Rules.

Shareholders who hold restricted securities are taken to have agreed that the restricted securities are kept on the Company's issuer sponsored sub-register and to have a holding lock applied for the duration of the escrow period. Shareholders will not be entitled to participate in any return of capital on restricted securities during the escrow period except as permitted by the ASX Listing Rules.

(b) Voting at a general meeting

The Constitution was amended on 29 November 2022 which requires the Company to decide substantive resolutions at a general meeting by poll rather than a show of hands. In case of procedural resolutions, voting must be conducted by a show of hands. If the votes are equal on a proposed resolution, the Chairman of the meeting has a casting vote, in addition to his or her deliberative vote.

(c) Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and ASX Listing Rules. The Company must give at least 28 days' written notice of a general meeting.

The Constitution was amended on 29 November 2022 so as to enable the Company to hold general meetings physically, wholly-virtually or using a hybrid structure. Where the Company holds a virtual or hybrid general meeting using virtual meeting technology, the Shareholders as a whole are allowed a reasonable opportunity to participate in the meeting. The Chair of the meeting may adjourn the meeting in the event that a technical difficulty prevents the Shareholders as a whole from participating in the meeting.

(d) Dividends

The Board may pay any interim and final dividends that, in its judgment, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and decide the method of payment.

(e) Transfer of Shares

Subject to the Constitution and to any restrictions attached to a Shareholder's Shares, Shares may be transferred by proper ASTC transfer (effected in accordance

with the ASX Settlement Operating Rules, *Corporations Regulations* 2001 (Cth) and ASX Listing Rules) or by a written transfer in any usual form or in any other form approved by the Board and permitted by the Corporations Act and ASX requirements. The Board may decline to register, or prevent registration of, a transfer of Share or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules.

(f) **Issues of further Shares**

The Board may, subject to the Constitution, Corporations Act and the ASX Listing Rules issue, allot or grant Options for, or otherwise dispose of, Shares in the Company on such terms as the Board decides.

(g) **Winding up**

If the Company is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of shares, the Shareholders will be entitled to a share in any surplus property of the Company in proportion to the number of Shares held by them. If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or any part of the Company's property and decide how the division is to be carried out as between Shareholders or different classes of Shareholders.

(h) **Non-marketable parcels**

In accordance with the ASX Listing Rules, the Board may sell Shares that constitute less than a marketable parcel by following the procedures set out in the Constitution. A marketable parcel of Shares is defined in the ASX Listing Rules and is generally a holding of Shares with a market value of not less than \$500.

(i) **Variation of class rights**

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under the Constitution, and subject to the Corporations Act and the terms of issue of a class of Shares, the rights attached to any class of Shares may be varied:

- (i) with the written consent of the holders of 75% of the Shares of that class; or
- (ii) by a special resolution passed at a separate meeting of the holders of Shares of the class.

(j) **Directors – Appointment and retirement**

Under the Constitution, the Board is comprised of a minimum of three Directors and a maximum of nine Directors, unless the Company resolves otherwise at a general meeting. Directors are elected or re-elected at general meetings of the Company.

No Director (excluding the CEO) may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. The Board may also appoint any eligible person to be a Director either as an addition to the existing Directors or to fill a casual vacancy, who will then hold office until the conclusion of the next annual general meeting of the Company following his or her appointment.

(k) **Directors – Voting**

Questions arising at a meeting of the Board must be decided by a majority of votes cast by the Directors present and entitled to vote on the matter. If the votes are equal on a proposed resolution, the Chairman of the meeting has a casting vote in addition to his or her deliberative vote, unless there are only two Directors present or entitled to vote in which case the Chairman of the meeting does not have a second or casting vote and the proposed resolution is taken as lost. A Director may attend and vote by proxy at a meeting of the Board if the proxy is a Director, and has been appointed in writing by the appointer.

(l) **Directors – Remuneration**

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director, but the total aggregate amount provided to all Non-Executive Directors of the Company for their services as Directors must not exceed in any financial year the amount fixed by the Company in general meeting. The remuneration of a Director (who is not the CEO or an executive Director) must not include a commission on, or a percentage of, profits or operating revenue. Any change to that maximum aggregate amount needs to be approved by Shareholders.

Directors are entitled to be paid for all travelling and other expenses they incur in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or of Board committees. Any Director who performs extra services, makes any special exertions for the benefit of the Company or otherwise performs services which, in the opinion of the Board, are outside the scope of ordinary duties of a Non-Executive Director, may be remunerated for the services (as determined by the Board) out of the funds of the Company.

(m) **Powers and duties of Directors**

The business and affairs of the Company are to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers and do all things that are within the power of the Company and that are not by the Constitution or by law directed or required to be done by the Company in its general meeting.

(n) **Preference shares**

The Company may issue preference shares including preference shares which are, or at the option of the Company or holder are, liable to be redeemed or converted into Shares. The rights attaching to preference share are those set out in the Constitution or have been otherwise approved by special resolution of the Company.

(o) **Indemnities**

The Company must indemnify each Director and executive officer on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by the person as an officer of the Company.

The Company may, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for insurance for each officer of the Company against any liability incurred by that person as an officer of the Company or of a related body corporate, including, but not limited to, a liability for negligence or for reasonable costs and expenses incurred in defending or responding to proceedings (whether civil or criminal and whatever the outcome).

(p) **Access to records**

The Company may enter into contracts with a Director or former Director agreeing to provide continuing access for a specified period after the Director ceases to be a Director, to board papers, books, records and documents of the Company which relate to the period during which the Director or former Director was a Director, on such terms and conditions as the Board thinks fit. The Company may procure that its subsidiaries provide similar access to board papers, books, records or documents.

(q) **Amendment**

The Constitution can only be amended by special resolution passed by at least three-quarters of Shareholders present (in person or by proxy, attorney or representative) and entitled to vote on the resolution at a general meeting of the Company.

5. RISK FACTORS

5.1 Introduction

This Section 5 describes the potential risks associated with the Company's business and an investment in Options (or on exercise of the Options, Shares). It does not list every risk that may be associated with the Company or an investment in Options (or Shares) now or in the future, and the occurrence or consequences of some of the risks described in this Section 5 are partially or completely outside the control of the Company, the Directors and Management.

The selection and order of risks have been based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and impact of the risk if it did occur. The assessment is based on the knowledge of the Directors and Management as at the date of this Prospectus. There may be other risks which Directors are unaware of at the time of issuing this Prospectus, which may impact on the Company, its operations or the valuation and performance of the Options (or on exercise of the Options, Shares). The importance of different risks may change and other risks may emerge in the future.

Before applying for Options, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in the Company and should consider whether the Options are a suitable investment, having regard to their own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in the Options, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to invest.

5.2 Risks specific to an investment in the Company

(a) Reliance on third party raw material and manufacturing suppliers

The Company relies on the availability of supply of raw materials, including organic raw materials, to meet the current and expected growth in demand for its products. The Company's business model relies on outsourcing key raw materials to third party suppliers.

In addition to raw materials, the Company through its manufacturers, sources product packaging from the United States, China and other countries in Asia, and engages contract manufacturers in Australia and the United States to manufacture and pack its products.

the Company may experience disruptions to its supply chain, for example as a result of a shortage of suitable organic-certified raw materials, a virus or disease outbreak, quality control or certification issues or a production outage. Any such disruption could have a material adverse impact on the Company's ability to meet current and anticipated future consumer demand. This would likely negatively impact the financial performance and future prospects of the business.

There is also a risk that the Company may not be able to retain its key existing third party suppliers. The Company's relationships with its existing suppliers are typically not exclusive, and its suppliers also have relationships with third parties (including the Company's competitors). The Company's current third party suppliers and service providers may cease their supply to the Company, for example as a result of a dispute, which would restrict the Company's ability to source supply from that supplier. If a third party supplier ceased supplying products or services to the Company and an alternative supplier was not readily available, this could lead to a

material adverse effect of the Company's operations, financial performance and growth prospects.

In addition, the Company's supply arrangements are generally governed by purchase orders and invoices, which means that suppliers may change the price or other terms on which products are supplied, as well as the range of products available, on short notice. If this was to occur in circumstances where alternative supply arrangements were not available, this could lead to a material adverse effect on the Company's operations, financial performance and growth prospects.

(b) Foreign exchange risk

The Company sources a significant amount of its raw materials and packaging from China, and pays for it in United states dollars. The Company's manufacturing expenses are typically incurred in Australian dollars and the Company generates revenue in a range of currencies, including Australian dollars, US dollars and New Zealand dollars.

The Company's financial statements are presented in Australian dollars, and therefore the Company must translate its assets, liabilities, revenue and expenses into Australian dollars for external reporting purposes. As a result, significant changes in the value of the Australian dollar during a reporting period (in particular, any material depreciation against the US dollar) may unpredictably and adversely impact the Company's operating results, asset and liability balances and cash flows.

(c) Reliance on sales channels and key customers

The Company distributes its products to end consumers through various sales channels, including Australian retailers such as Coles and Woolworths. The Company depends on continued access to its sales channels and its relationships with its current customers and, similar to many other suppliers in the food and beverage industry, many of the Company's customer arrangements are not contracted.

There can be no guarantee that the Company's relationships with key customers and channel partners will continue or, if they do continue, that they will purchase the same, similar or greater quantities of the Company's products as they have historically.

In addition, Australian retailers are often sophisticated organisations with strong negotiating power that are able to resist price increases or demand increased promotional programs. Retailers may also decrease the number of brands that they carry and increase the emphasis on private label products. In addition, customers such as supermarkets and food distributors, may exit the Australian market for a number of reasons such as consolidation or ceasing business.

If the Company is unable to effectively negotiate commercial terms with its channel partners, or if they cease carrying the Company's products or cease operations, the Company's financial performance and prospects would be materially and adversely affected.

(d) No contracts with key customers

The Company's performance and growth is dependent on maintaining its existing customers and securing new customers. A proportion of the Company's revenue is generated from uncontracted customer relationships, using the Company's or the customer's standard terms and conditions and purchase orders and invoices. These supply arrangements typically have no minimum volume requirements and can be varied or terminated by the customer on short notice (or no notice) and without

penalty. Even when customers are contracted, the Company's sales contracts typically do not provide for minimum volumes, although they may give the Company exclusive supply rights.

There is a risk that the Company will be unable to maintain its uncontracted customers, or secure new customers, on commercially viable terms. In addition, there is no certainty as to the volume, price and frequency of any future sales from uncontracted customers. Given the nature of the Company's business, it is likely that a significant proportion of the Company's sales will continue to be on an uncontracted basis. If the Company is unable to retain its existing customers and grow its customer base, particularly in circumstances where a significant proportion of its revenue is not contracted, the Company's revenue and profitability could be materially and adversely affected.

(e) **Competitive industry**

The Company operates in a highly competitive geographic and product market.

There is no assurance that the Company will be able to compete effectively with existing and new competitors in the future. The Company competes with other larger brands and products for retail shelf space at its sales channels and many of its competitors are multinational corporations and other large food brands, most of whom have significantly more access to capital and resources. Should any of the Company's competitors participate more aggressively on price, product, innovation or other means, this could have a material adverse impact on the Company's financial performance and prospects.

(f) **Customer concentration risk**

Should the Company's trading relationship with any of its large customers change in an adverse way, for example as a result of competition, reduced demand for the Company's products or a product contamination issue, the Company's financial performance and prospects could be adversely affected.

(g) **Product concentration risk**

The Company's product mix and revenues are currently dependent on ingredients and finished consumer goods. Given the Company's limited product range, factors affecting the supply of, and demand for, these products could have a significant adverse impact on the Company's financial performance and future prospects.

(h) **Changes in consumer trends and preferences**

The Company's business is primarily focused on the sale of ambient food related goods, which are subject to continually evolving consumer preferences. The Company is subject to changing consumer trends, demands, preferences and attitudes, including a shift in the beliefs, tastes and dietary habits of end consumers. There is a risk that consumer preferences for the Company's products will change in an adverse way. Should there be a reduction in demand for the Company's products, this could have a material adverse impact on the financial performance and future prospects of the Company.

(i) **Retail environment**

There is a risk that an economic downturn could occur in Australia or overseas, which could cause the retail environment to deteriorate as consumers reduce their expenditure (generally) or reduce their disposable income expenditure on specific discretionary items. This could result in reduced turnover for the Company.

(j) **Climate or environment events**

As a seller of agricultural products, weather and climactic conditions directly affect the business operations of the Company. The quantity and quality of the Company's products may be adversely affected by adverse weather or climactic conditions, including climate change, water supply issues and drought. Any adverse change to weather or climactic conditions may impact the sustainability of the rice, seeds and grains that the Company sells, which are sourced through third party providers. If a weather or climactic condition disrupts the Company's supply chain, this may have a material adverse impact on the Company's operations and financial performance.

(k) **Failure to comply with food safety and quality standards**

As with most food products, raw materials and final products are susceptible to deterioration, contamination or tampering or may otherwise be unsafe or unfit for sale or consumption. This may result from various factors such as human error, equipment failure, mislabelling, poor storage, environmental contamination or poor regulation and/or enforcement.

Non-compliance with food safety regulations and quality standards, and associated adverse publicity, could damage the Company's brand and reputation, reduce demand for the Company's products and adversely affect its revenue. There is also potential for other adverse consequences, including regulatory penalties, litigation, product recall and disposal costs, loss of inventory and delayed supply.

Any product contamination or failure to comply with food safety regulations could have a material and adverse effect on the Company's financial performance and prospects.

(l) **Loss of certifications**

The Company relies on independent certifications, such as certifications of some of its products as organic. Quality control issues in respect of raw materials and ingredients may result in the loss of any independent certifications, which could adversely affect the Company's brand and reputation as a certified organic and natural products company and result in a loss of consumer confidence in the Company's brands. In turn, this could adversely affect the Company's business and financial performance.

(m) **Regulatory risk**

The Company is required to comply with a range of laws and regulations in Australia and in the foreign jurisdictions in which it sources product inputs (including China and Vietnam) or sells its products (currently including Australian, New Zealand, China, Southeast Asia and the United States). These laws and regulations included food standards and product content requirements, labelling and packaging, environmental, occupational health and safety, quarantine, customs and tariff and tax laws.

Compliance with these laws and regulations, and the ability to comply with any changes to these laws and regulations, is critical to the success of the Company's business. Any failure to comply with existing or new laws and regulations may result in a fine or penalty, loss of accreditation or brand damage, any of which could have a material and adverse effect on the Company's operations, performance and reputation.

(n) **Brand or reputation damage**

The Company's business is dependent on its reputation with customers and consumers. The Company's brands are of significant value to the business. The

reputation and value associated with these brands and related intellectual property could be adversely affected by a number of factors, including:

- (i) quality issues with the Company's products;
- (ii) failure of delay in supplying products;
- (iii) disputes or litigation with third parties, employees, suppliers or customers; or
- (iv) adverse media coverage (including social media) or publicity about Forbidden Foods' products or processes.

A material adverse impact to the reputation of the Company or its brands could negatively affect public perception of the Company, demand for its products, consumer loyalty and employee retention. This could have a material adverse effect on the Company's financial and operating performance and future prospects.

(o) Increase in production and logistics costs

The Company may be adversely impacted by increases in production and logistics costs, including material increases in raw ingredient prices, logistics and distribution costs. The availability and price of raw ingredients used in the Company's products are influenced by global demand and supply factors outside of the Company's control, and may be impacted by a wide range of factors such as climate or environment events. The Company may not be able to pass on increased costs to its customers.

If there is a significant increase in the cost of raw materials and the other inputs of the Company's products, this may have a material adverse effect on the Company's operating and financial performance.

(p) Failure to effectively manage inventory

The Company may fail to accurately forecast or manage its inventory levels. This may result in the Company incurring additional costs and losing revenue. If the Company acquires excess raw materials or produces excess product that it cannot sell in a timely manner, the excess product may need to be sold at a discount, otherwise the excess product will become obsolete and the Company may be required to bear the costs of the surplus product and recognise inventory write-down costs.

(q) Intellectual property risk

The Company regards its brands, trademarks, domain names, trade secrets, proprietary information and similar intellectual property as important to its success. The Company's business is developed with a strong emphasis on developing brand equity in each of its brands.

Any unauthorised use or disclosure of its intellectual property may have an adverse effect on the operating, marketing and financial performance of the Company.

In addition, there may be third party infringements of its trademarks. To enforce its intellectual property rights, the Company may have to commence legal proceedings against third parties who infringe its rights. Such intellectual property litigation is expensive and time consuming and may divert valuable resources from and disrupt the conduct of its business.

(r) **Failure to execute growth plans**

The Company intends to continue to grow its business, including through increased sales of its current products and the introduction of new products. It aims to do this by building trusted and strong brands and products.

There is a risk that the Company is unable to increase sales of its existing product range for a range of reasons including loss of customers, competition, changes in consumer preferences, product safety issues and failure to adequately market its products.

There is also a risk that the Company's new products may be unsuccessful because they are not supported by sufficient market interest and purchases, and therefore fail to sell in the targeted volumes. The Company may also be unable to offer a sufficient number of new, differentiated products.

Unsuccessful new products and ineffective marketing campaigns may adversely impact expected future revenues.

If the Company fails to grow the sales of its existing products and does not introduce successful new products, it will not meet its growth plans and its future financial performance and prospects will be diminished.

(s) **Failure to effectively manage growth**

The Company aims to achieve rapid growth in the scope of its operating activities, which may include operating in new markets. This growth is anticipated to result in an increased level of responsibility for existing and new Management personnel. If the Company is unable to manage its expected growth successfully, including through the recruitment, training, integration and management of the staff required to support this expected growth, it may not be able to take advantage of market opportunities, satisfy customer requirements, execute its business plans or respond to competitive threats.

(t) **The Company may need to raise additional capital**

The Company may need to raise future capital through equity or debt financings or from other sources. If the Company is unable to generate sufficient cash flows from its operations or is unable to raise funds from additional sources on commercially acceptable terms, then its business and financial condition may be materially and adversely affected.

In addition, if the Company issues Shares to raise capital, as consideration for acquisitions or to facilitate employee share plans, Shareholders at any time may be diluted as a result of these Share issues.

(u) **Failure to meet forward looking statements**

The forward-looking statements, opinions and estimates provided in this Prospectus rely on various contingencies and assumptions. Various factors, both known and unknown, may impact upon the performance of the Company and cause actual performance to vary significantly from expected results. There can be no guarantee that the Company will achieve its stated objectives or that any forward looking statement will eventuate.

5.3 General risks

(a) **Equity market conditions**

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(b) **Dilution**

The exercise of the Options will have a dilutory effect on Shareholders. This means that each Share will represent a lower proportion of the ownership of the Company on a fully diluted basis.

(c) **Trading in Shares may not be liquid**

There can be no guarantee that an active market in the Shares will develop. There may be relatively few potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid for their Shares.

(d) **Australian Accounting Standards may change**

Australian Accounting Standards are set by the AASB and are outside the control of the Company. The AASB regularly introduces new or refined Australian Accounting Standards, which may affect future measurement and recognition of key statements of profit and loss and balance sheet items, including revenue and receivables.

There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statements of profit and loss and balance sheet items, may differ. Changes to Australian Accounting Standards issued by the AASB, or changes to commonly held views on the application of those standards, could materially adversely affect the financial performance and position reported in the Company's consolidated financial statements.

(e) **Inflation rates**

Higher than expected inflation rates could lead to increased development and/or operating costs. If such increased costs cannot be offset by increased revenue, this could impact the Company's future financial performance.

(f) **Interest rates**

The Company does not currently have any material debt. If the Company borrows money in the future, may be exposed to increases in interest rates which would increase the cost of servicing the Company's debts.

(g) **Other risks**

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Options to be issued under this Prospectus (and on exercise of the Options, the Shares). Shareholders and other investors are recommended to consult their professional advisers before deciding whether to apply for Shares and Options pursuant to this Prospectus.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings against the Company and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s Securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of Securities on the Company and the rights attaching to the Securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

| Date | Description of Announcement |
|-------------------|--|
| 27 December 2024 | Amended notice of initial substantial holder |
| 06 December 2024 | November sales over \$0.5m, up 80% on prior year |
| 29 November 2024 | FFF Results of Annual General Meeting |
| 29 November 2024 | AGM Presentation |
| 21 November 2024 | New OMG protein on shelves in over 450 Woolworths stores |
| 15 November 2024 | Change of Director's Interest Notice |
| 07 November 2024 | FFF Trading Update |
| 01 November 2024 | Final Director's Interest Notice |
| 31 October 2024 | FFF secures product ranging at 130 Ampol Foodary locations |
| 28 October 2024 | Quarterly Activities / Appendix 4C Cash Flow Report |
| 28 October 2024 | Letter to Shareholders – Annual General Meeting |
| 28 October 2024 | Notice of Annual General meeting / Proxy Form |
| 07 October 2024 | Ceasing to be a substantial holder |
| 27 September 2024 | Initial Director's Interest Notice |
| 27 September 2024 | Final Director's Interest Notice |
| 27 September 2024 | Notice of initial substantial holder x 3 |
| 27 September 2024 | Completion of acquisition of Oat Milk Goodness |
| 26 September 2024 | Change in Director's Interest Notice x 3 |
| 26 September 2024 | Becoming a substantial holder |
| 26 September 2024 | Cleansing Notice |
| 25 September 2024 | Notification regarding unquoted securities - FFF |
| 25 September 2024 | Application for quotation of securities - FFF |
| 25 September 2024 | Cleansing Notice |
| 24 September 2024 | Application for quotation of securities - FFF |
| 24 September 2024 | Notification regarding unquoted securities - FFF |
| 24 September 2024 | Cleansing Notice |
| 23 September 2024 | Application for quotation of securities - FFF |
| 20 September 2024 | Results of Extraordinary General Meeting |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website, www.forbiddenfoods.com.au.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure Securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

| | Price | Date |
|---------|----------|-----------------|
| Highest | \$0.0160 | 31 October 2024 |
| Lowest | \$0.0070 | 25 October 2024 |
| Last | \$0.009 | 15 January 2025 |

The Options are not currently quoted on ASX.

6.4 Details of substantial Shareholders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

| Shareholder | Shares | % |
|--------------------------------|------------|-------|
| Devereux Promotions Pty Ltd | 64,854,049 | 11.33 |
| Adams Term Investments Pty Ltd | 41,461,863 | 7.25 |
| DJR 29 Pty Ltd | 36,452,448 | 6.37 |
| Epoc Foods Pty Ltd | 28,625,235 | 5.00 |

6.5 Directors' interests

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus is set out in the table below.

| Director | Shares | Options | Performance Rights |
|-------------------|------------|----------------------|----------------------|
| Alexander Aleksic | 17,941,695 | 4,444,445 (unlisted) | 8,125,000 (unlisted) |
| Nathan Quaily | 277,778 | 277,778 (unlisted) | Nil |
| Albert Cheok | 2,777,778 | 2,777,778 (unlisted) | Nil |
| Daniel Rootes | 38,452,448 | 1,000,000 (unlisted) | Nil |

Notes

No Director or any of their associates intend to participate in the Offer.

Remuneration

The Constitution specifies that the Board may decide the remuneration to which each Director is entitled for his or her services as a Director, but the total aggregate remuneration of non-executive Directors shall not exceed in any financial year the amount fixed by the Company in general meeting.

When calculating the remuneration of a non-executive Director, any amount paid by the Company or related body corporate:

- (f) to a superannuation, retirement or pension fund for a Director is to be included;
- (g) as fees for acting as a Director of the Company or any child entity (including attending and participating in any Board committee meetings where the Board has not made a determination under rule 7.7(c) of the Constitution) is to be included;
- (h) as Securities, issued with the approval of Shareholders under the ASX Listing Rules, are to be excluded; and
- (i) for any insurance premium paid or agreed to be paid for a Director under rule 9.4 is to be excluded.

Remuneration may be provided in such manner that the Board decides, including by way of non cash benefit, such as a contribution to a superannuation fund. The remuneration is taken to accrue from day to day.

The remuneration of a Director (who is not a chief executive officer or an executive Director) must not include a commission on, or a percentage of, profits or operating revenue.

The Directors are entitled to be paid all travelling and other expenses they incur in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or of committees of the Board.

Any Director who performs extra services, makes any special exertions for the benefit of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a non-executive Director, may be remunerated for the services (as determined by the Board) out of the funds of the Company.

The table below shows the total annual remuneration paid to both executive and non-executive Directors and proposed Directors in each of the past two financial years and the proposed remuneration for the current financial year.

| Director | FY ended 30 June 2023 \$ | FY ending 30 June 2024 \$ | FY ending 30 June 2025 \$ |
|-------------------|--------------------------------|---------------------------------|---------------------------------|
| Albert Cheok | - | 30,000 ⁵ | 60,000 ¹² |
| Nathan Quailey | - | 24,000 ⁶ | 36,000 ¹³ |
| Katie Eshuys | - | 30,000 ⁷ | 20,000 ¹⁴ |
| Jarrold Milani | 214,187 ¹ | 44,590 ⁸ | |
| Anthony Rowlinson | 77,533 ² | 5,349 ⁹ | |
| Alex Aleksic | - | 295,708 ¹⁰ | 321,667 ¹⁵ |
| Marcus Brown | 242,162 ³ | 139,990 ¹¹ | 16,667 ¹⁶ |
| Justin O'Sullivan | 17,177 ⁴ | - | |
| Daniel Rootes | - | - | 48,000 ¹⁷ |

Notes:

1. Comprising cash salary and fees of \$164,794, superannuation of \$20,749, long service leave of (23,406) and equity settled options of \$52,050.
2. Comprising cash salary and fees of \$70,166 and superannuation of \$7,367.
3. Comprising cash salary and fees of \$147,039 and superannuation of \$16,035, long service leave of \$27,038 and equity settled options of \$52,050.
4. Comprising cash salary and fees of \$15,545 and superannuation of \$1,632.
5. Comprising cash salary and fees of \$30,000.
6. Comprising cash salary and fees of \$24,000.
7. Comprising cash salary and fees of \$30,000.
8. Comprising cash salary and fees of \$31,818, superannuation of \$3,500 and equity settled options of \$9,272.
9. Comprising cash salary and fees of \$4,831 and superannuation of \$518.
10. Comprising cash salary and fees of \$268,208 and superannuation of \$27,500.
11. Comprising cash salary and fees of \$144,430 and superannuation of \$5,606, long service leave of (\$19,318) and equity settled options of \$9,272.

12. Comprising cash salary and fees of \$60,000.
13. Comprising cash salary and fees of \$36,000.
14. Comprising cash salary and fees of \$20,000.
15. Comprising cash salary and fees of \$291,667 and superannuation of \$30,000.
16. Comprising cash salary and fees of \$16,667.
17. Comprising cash salary and fees of \$48,000.

6.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Piper Alderman has acted as the solicitors of the Company in relation to the Offer. The Company estimates it will pay Piper Alderman \$12,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Piper Alderman has not received any fees from the Company for any other services.

6.7 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$15,206.00 (excluding GST) and are expected to be applied towards the items set out in the table below:

| Expense | (\$) |
|--------------|-----------------|
| ASIC fees | \$3,206 |
| Legal fees | \$12,000 |
| Total | \$15,206 |

6.8 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic Prospectus and electronic Application Form on the basis of a paper Prospectus lodged with the ASIC, and the publication of notices referring to an electronic Prospectus or electronic Application Form, subject to compliance with certain conditions.

If you receive this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the appropriate Application Form. If you have not, please contact the Company on the Forbidden Foods Offer Information Line.

The Company reserves the right not to accept an Application Form from a person that is not eligible to participate in a particular Offer being made under this Prospectus or if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement Prospectus or any of those documents were incomplete or altered.

6.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company participates in the Clearing House Electronic Subregister System (**CHES**). CHES is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHES, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including Options issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHES statement.

The CHES statement will set out the number of Options issued to an investor under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the share registry and will contain the number of Options issued to you under this Prospectus and your security holder reference number. A CHES statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

6.10 Governing law

This Prospectus, the Offers and the contracts form on acceptance of the Offers are governed by the laws in force in Western Australia.

Any dispute arising out of, or in connection with this Prospectus or the Offers will be determined by the courts of Western Australia. By accepting the Offers, you agree to submit to the non-exclusive jurisdiction of the courts in Western Australia.

7. DIRECTORS' AUTHORISATION

This 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 Prospectus with the ASIC.

8. GLOSSARY

\$ means Australian dollars unless otherwise stated.

Applicant means an investor who applies for Options pursuant to the Offer.

Application means an application for Options offered under this Prospectus, by means of an Application Form.

Application Form means an application form in respect of the Offers accompanying this Prospectus (including any electronic form provided by an online application facility).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the board of Directors unless the context indicates otherwise.

Closing Date means the date specified in the timetable set out in Section 1.1 of this Prospectus (unless varied).

Company means Forbidden Foods Limited (ACN 616 507 334), and its subsidiaries.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Management means the executive management team of the Company.

Offer means the offer of Options referred to in the "Details of the Offer" Section of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an Option with the terms and conditions set out in Section 4.1.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.