

20 March 2025

ASX RELEASE

ASX: RFA

ASX RELEASE

PROPOSED VOLUNTARY DELISTING FROM ASX

Rare Foods Australia Limited (ACN 148 155 042) (**RFA** or the **Company**) advises that the Company has formally applied to be removed from the Official List of ASX (**Official List**) under ASX Listing Rule 17.11 (**Delisting**).

The ASX has subsequently confirmed it will remove the Company from the Official List, subject to certain conditions being satisfied, including the Company obtaining shareholder approval for the Delisting, which will be sought at a general meeting of the Company's shareholders, to be held on or about 29 April 2025 (**General Meeting**). Refer to the notice of meeting for the General Meeting which will be released shortly for further details (**Notice of Meeting**).

Background and Rationale for the Delisting

Over the last year, the Company has seen a decline in the global demand for seafood products, and in particular abalone as a result of macro-economic factors such as high interest rates, inflation and low wage growth which has resulted in less discretionary income for consumers. The negativity in the current market has been compounded by the fact that the Company has been unable to secure a cost-effective supply of juvenile abalone from its sole supplier in WA.

As a result, the Company recognises the need to reduce its costs significantly to be profitable and maintaining an ASX listing adds significant additional costs to the Company's business.

Managing Director Brad Adams said *"Like many Australian seafood businesses, we are experiencing the toughest trading conditions ever experienced in our key markets. Business costs have continued to increase, yet revenues have not. The Company has implemented significant cost cutting measures over the previous six months to ensure the business is cashflow positive to remain in business during this economic downturn. For a company of our size, maintaining an ASX listing is a large cost burden, and the Company believes it can provide significantly more value to shareholders operating as an unlisted public company."*

The Company continues to develop niche markets that provide higher returns for its unique MSC ranched greenlip abalone, the Company is also hopeful that a cost-effective solution to its juvenile abalone supply can be realised, and the Company will continue to develop growth opportunities such as the Subsea Estate Ocean wine making business.

In pursuing the Delisting strategy, the Board is committed to maintaining strong governance and continuous disclosure obligations as an unlisted public company. Importantly, we look forward to communicating directly with our shareholders, developing and executing on our strategy without continually revealing our plans to competitors in a listed company environment."

In determining to pursue the Delisting, the following matters were relevant to the Board's considerations:

(a) Market conditions and cost reductions

The Company recognises the need to reduce its costs significantly to be profitable and maintaining an ASX listing adds additional costs to the Company's business.

The Board estimates that costs attributable to the Company's ASX listing are approximately \$735,000 per annum. In addition, there are indirect costs associated with the need to devote management time attending to matters relating to the listing which could be directed elsewhere if the Company was unlisted.

(b) **Share trading prices undervalue the Company**

The prices at which the Company's fully paid ordinary shares (**Shares**) are (and have been) trading on the ASX, and by extension, the Company's market capitalisation (being approximately \$4.3 million as at 19 March 2025), are materially lower than the value of its net assets of approximately \$7.4 million (as at 31 December 2024).

Following the Delisting, the Board believes that, instead of an undervalued public market capitalisation being the primary reference of value, future valuations will be based on an appraisal of the Company's business, brand value, operational fundamentals and future prospects.

(c) **Lack of liquidity**

There has been a lack of liquidity in trading in the Company's Shares on ASX, as evidenced by the following statistics:

MONTH	DAYS TRADED	NUMBER OF SHARES TRADED	VALUE OF SHARES TRADED (AUD) ¹
February 2025	19	310,328	\$6,310
January 2025	9	1,794,090	\$46,835
December 2024	6	470,897	\$13,656
November 2024	12	1,744,035	\$57,408
October 2024	10	2,651,312	\$51,966
September 2024	14	3,427,190	\$48,960

Notes:

1. Approximate value based on the average Share price (rounded up) for the relevant month.

Recent trading history shows notably low volume trading in the Company's Shares on ASX, and the Company believes this is unlikely to change in the foreseeable future.

(d) **Disproportionate impact on price**

As only small numbers of the Company's Shares are being traded on ASX, this has had a disproportionate impact on the Share price. A low-value trade or a trade in a small number of Shares could have a marked impact on the official ASX market price, and there is a risk that a trade of only a few Shares could cause the reported price to change significantly (as some recent trades have proved). This potential volatility could make it difficult for investors to make an accurate assessment of the actual value of their Shares and increase exposure to a person effecting trades with the intention of manipulating the reported price.

(e) **Customer, strategic and corporate opportunities**

The Board believes that following the Delisting, the Company will have greater flexibility to pursue and execute its market share strategy, as well as pursue other potential value-enhancing strategic opportunities and potential corporate and/or asset level transactions, which the Board considers will create enhanced value to Shareholders in an unlisted public company environment.

(f) **Fundraising**

The Company requires funding to meet its ongoing operational and working capital requirements. However, since the beginning of 2024, the Company has experienced significant fundraising difficulty and has not benefited from being a listed entity in this sense.

The Company's most recent capital raising in March 2024 received applications for approximately 33,528,005 Shares from unrelated parties, representing approximately 32.72% of the 102,474,663 Shares offered to Shareholders under the Company's entitlement offer.

Because of the limited support for the Company's previous capital raising, the Company has been required to seek funds from outside the ASX. However, this is impeded by the Company's low market capitalisation.

In addition, due to the level of the Company's Share price, any future material capital raising would be highly dilutive to existing Shareholders and would further reduce the Share price.

As such, the Company is seeking to be removed from the Official List to enable it to raise third party funding to allow the Company to continue operations on an ongoing basis in the short to medium term.

(g) Limited operations

While the Company remains underfunded, its operations have been limited and therefore, there is little benefit from being listed on ASX.

(h) Minority Shareholders

Delisting of the Company will not result in any substantial diminution of the protection for minority Shareholders given that the Company's Shareholders do not presently have the benefit of liquidity in their Shares.

Conditions for Delisting

In response to the Delisting application, ASX has formally advised the Company that it has resolved to remove the Company from the Official List, on a date to be determined by ASX in consultation with the Company, subject to compliance with the following conditions:

- (a) as is usual practice, the Company's removal from the Official List must be approved by a special resolution of shareholders of the Company;
- (b) the Notice of Meeting seeking shareholder approval for the Delisting must include:
 - (i) the time and date at which the Company will be removed from the Official List if that approval is given; and
 - (ii) a statement to the effect that the removal will take place no earlier than one month after approval is granted;
 - (iii) a statement to the effect that if holders wish to sell their securities on ASX, they will need to do so before the entity is removed from the Official List; and if they do not, details of the processes that will exist after the Company is removed from the official list to allow security holders to dispose of their holdings and how they can access those processes; and
 - (iv) the information prescribed in section 2.11 of ASX Guidance Note 33; and
- (c) the removal of the Company from the Official List must not take place any earlier than one month after security holder approval is obtained so that security holders have at least that period to sell their securities should they wish to do so;
- (d) the Company must apply for its securities to be suspended from quotation at least two (2) business days before its proposed removal date; and
- (e) the Company releases the full terms of the decision to the market immediately.

The Company intends to fully comply with the above conditions.

The Company has obtained approval from the ASX in respect to the Delisting and the full text of ASX's approval is detailed in the Annexure to this announcement.

The Company is proposing to seek shareholder approval (as a special resolution) for the proposed Delisting in accordance with the conditions imposed by ASX, for which a Notice of Meeting (containing all information noted above) will be dispatched shortly. Further details relating to the proposed Delisting, including potential advantages and disadvantages for shareholders, will be included in the Notice of Meeting. All shareholders will be entitled to vote on the resolution.

Consequences of Delisting

The consequences for the Company's removal from the Official List include:

- (a) the Company's Shares will no longer be quoted on ASX and will no longer be traded on the ASX;
- (b) the Company's shareholders will have their CHESS holdings converted to the certificated sub-register on the Company's share register. No action will be required by shareholders to affect this conversion;
- (c) shareholders seeking to sell their Shares following the Delisting will be entitled to transfer their holdings off-market to a willing third-party purchaser in accordance with the Company's constitution;
- (d) for so long as the Company continues to have more than 100 shareholders post Delisting, the Company will be an 'unlisted disclosing entity'. As such, the Company will continue to be subject to continuous disclosure obligations under the Corporations Act 2001 (Cth) (**Corporations Act**). The Company will still provide disclosure to shareholders of material matters in accordance with the Corporations Act on the Company's website. The Company will also continue to lodge annual and interim financial statements (audited or auditor-reviewed, respectively) in accordance with the Corporations Act;
- (e) there will no longer be a readily available indicator of market price for the Company's Shares, Shares will be less liquid and shareholders will need to find a purchaser for their Shares at an agreed price;
- (f) as an unlisted public company, the Company will no longer have the ability to raise capital from the issue of securities to the public in reliance on a limited disclosure fundraising document. Should the Company seek to raise capital following the Delisting, it will be required to offer securities pursuant to a full prospectus or by way of a placement to sophisticated and institutional investors (to whom such disclosure is not required); and
- (g) the Company's constitution and, therefore, shareholders' rights will remain unchanged following the Delisting, such that shareholders will continue to have the right to:
 - (i) receive notices of meetings and other notices issued by the Company;
 - (ii) exercise voting rights attached to shares; and
 - (iii) entitlement to receive dividends declared and payable by the Company from time to time.

Arrangements for Shareholders to sell Shares

The Company will remain listed on the ASX for at least one (1) month after the General Meeting to allow Shareholders to sell their Shares on the ASX should they wish to do so. If the resolution is passed and the Company is to be removed from the Official List, Shareholders must sell their Shares before 29 May 2025 after which trading of the Shares will be suspended prior to the Delisting.

If Shareholders wish to sell their Shares after the Company is removed from the Official List, they may only do so via private transactions as there will be no formal securities market or exchange in place to allow Shareholders to dispose of their Shares. Shareholders wishing to trade their Shares after the Delisting, can transfer their Shares off-market to a willing third-party purchaser in accordance with the requirements of the Corporations Act and the Constitution.

Delisting Timetable

The indicative timetable for the proposed Delisting is set out below.

EVENT	DATE
Confirmation of Delisting approval received from ASX	19 March 2025
Notice of Meeting dispatched to shareholders	28 March 2025
General Meeting	29 April 2025
Results of General Meeting	29 April 2025

Suspension Date	29 May 2025
Anticipated Delisting Date (date on which Delisting is expected to take effect)	3 June 2025

1. The dates above are indicative only and subject to change by the Company or ASX. The Company will inform shareholders of any changes to the indicative timetable referred to above by announcement made via the ASX market announcements platform.

As noted above, Shareholders are advised that the purpose of the condition that the Delisting must not take place any earlier than one (1) month after shareholder approval has been obtained is so that shareholders have a period of time to sell their Shares on ASX should they wish to do so.

Remedies Available to Shareholders

Part 2F.1 of the Corporations Act

In the circumstances whereby a shareholder considers the Delisting to be contrary to the interest of shareholders as a whole, or oppressive to, unfairly prejudicial to, or discriminatory against a shareholder or shareholders, that shareholder may apply to the Court for an order under Part 2F.1 of the Corporations Act.

The Court can make any order under section 233 of the Corporations Act that it considers appropriate in relation to the Company. This may include an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future.

Part 6.10 Division 2 Subdivision B of the Corporations Act

In the circumstances whereby a shareholder considers that the Delisting involves "unacceptable circumstances" that shareholder may apply to the Takeovers Panel for a declaration of unacceptable circumstances or orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (refer to Guidance Note 1: Unacceptable Circumstances issued by the Takeovers Panel).

Pursuant to section 657D of the Corporations Act, If the Takeovers Panel has declared circumstances to be unacceptable under section 657A of the Corporations Act, it may make an order that it thinks appropriate to (amongst other matters) protect the rights or interests of any person or group of persons where it is satisfied that those rights or interests have been or are affected, or will be or are likely to be affected, by the circumstances.

This announcement was authorised to be given to the ASX by the **Board of Rare Foods Australia Limited**.

For investor and media enquiries, please contact:

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About the Company

For more information visit www.rarefoodsaustralia.com.au.

ANNEXURE – ASX DECISION

Decision

ASX's formal decision is as follows:

Confirmation Decision

1. Based solely on the information provided ASX Limited (**ASX**), pursuant to Listing Rule 17.11, will remove Rare Foods Australia Limited (**Company**) from the Official List, on a date to be determined by ASX in consultation with the Company, subject to compliance with the following conditions:
 - (a) The request for removal of the Company from the Official List is approved by a special resolution of ordinary security holders of Company.
 - (b) The notice of meeting seeking security holder approval for the Company's removal from the Official List must include the following information, in form and substance satisfactory to ASX:
 - (i) a timetable of key dates, including the time and date at which the Company will be removed from the Official List if that approval is given;
 - (ii) a statement to the effect that the removal will take place no earlier than one month after approval is granted;
 - (iii) a statement to the effect that if holders wish to sell their securities on ASX, they will need to do so before the entity is removed from the Official List; and if they do not, details of the processes that will exist after the Company is removed from the official list to allow security holders to dispose of their holdings and how they can access those processes; and
 - (iv) the information prescribed in section 2.11 of ASX Guidance Note 33.
 - (c) The removal of the Company from the Official List must not take place any earlier than one month after security holder approval is obtained so that security holders have at least that period to sell their securities should they wish to do so.
 - (d) The Company must apply for its securities to be suspended from quotation at least two (2) business days before its proposed removal date.
 - (e) The Company releases the full terms of this decision to the market immediately.
2. ASX has considered Listing Rule 17.11 only and makes no statement as to the Company's compliance with other listing rules.

Basis Confirmation Decision

3. ASX may remove an entity from the Official List of ASX at the request of an entity. Removal from the Official List at an entity's request recognises that remaining listing may no longer be suitable for a listed entity at a particular stage in its existence. There is no requirement for ASX to act on the request. ASX's power not to agree to requests for delisting enables it to ensure that delisting is not sought for inappropriate reasons or conducted in a way that is clearly harmful to the market or to security holders' legitimate interests. ASX may impose conditions on granting the request. The power to impose conditions enables ASX to ensure that an orderly market is maintained in the period leading up to the delisting, and that the listed entity makes appropriate arrangements in connection with its delisting. These conditions may include: (i) seeking security holder approval for delisting by way of a special resolution; (ii) giving advanced notice of an amount of time which is adequate to the particular circumstances; or (iii) providing alternative arrangements for security holders to exit their investment before or after delisting.

Facts/Reason for providing the Confirmation

4. The circumstances faced by the entity are those to which section 2.7 of Guidance Note 33 applies. Where an entity requests removal from the Official List of ASX and its ordinary securities are not readily able to be traded on another exchange, ASX will usually require the entity to obtain security holder approval for removal from the Official List by way of a special resolution.

Conditions of confirmation

The confirmation is subject to certain conditions. Under Listing Rule 18.1, these conditions must be complied with for the confirmation to be effective.

ASX's power to vary or revoke waiver

It should be noted that under ASX Listing Rule 18.3, ASX may vary or revoke the confirmation at any time.