

Forbidden Foods Limited ASX: FFF

ASX Announcement

28 February 2023

Close and withdrawal of Rights Issue and Placement update

Forbidden Foods Limited (FFF / the Company) (ASX: FFF) refers to its previous announcements of 8 December 2022 and 24 January 2023 in relation to its two- tranche placement to sophisticated and professional investors (**Placement**) and its one for three pro-rata rights issue (**Rights Issue**) to eligible shareholders at an issue price of \$0.035 per share, with one free attaching option for every two shares subscribed for under either the Placement or the Rights Issue.

Rights Issue

The Rights Issue was launched following the Company's successful Placement which raised a total of \$1.08m (before costs), the second tranche of the Placement having obtained shareholder approval at the Company's EGM on 18 January 2023 (**Tranche 2 Placement**). The Rights Issue provided all of the Company's shareholders with the opportunity to subscribe for new fully paid ordinary shares in the Company on substantially similar terms as those offered to investors under the Placement, including the opportunity to subscribe for one free attaching option (exercisable at \$0.08 each on or before 31 January 2025) for every two shares subscribed under the Rights Issue (**Rights Issue Options**).

The Rights Issue closed at 5.00pm (AEDT) on 24 February 2023. As at the close of the Rights Issue the Company had received valid applications under the Rights Issue for 606,794 Rights Issue Shares (and accordingly 303,383 (following rounding) Rights Issue Options), raising a total of \$21,238.09.

In accordance with the requirements of the Corporations Act the Company had made an application within seven days of the date of its prospectus for the Rights Issue (**Prospectus**) for quotation of the Rights Issue Options as a separate class of securities from the Company's existing quotation of ordinary shares. Due to the low number of applications under the Rights Issue, regrettably the Company is not able to satisfy the spread requirements under the ASX Listing Rules for the Rights Issue Options to be quoted and it has become apparent that the Rights Issue Options will not be able to be admitted to quotation on ASX within the 3-month period required under the Corporations Act. Accordingly, in accordance with regulatory guidance and *ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70*, the Company has decided to withdraw the Rights Issue, together with the other offers under the Prospectus, and repay the application proceeds to all of the applicants under the Rights Issue. Refunds of application monies (without interest) will be processed and sent to applicants under the Rights Issue as soon as practicable.

Placement

The allotment and issue of the shares under tranche 1 of the Placement occurred on 15 December 2022 raising a total of \$917,703 (before costs). Shareholder approval was obtained at the EGM in January 2023 for the allotment and issue of further shares under the Tranche 2 Placement (**Tranche 2 Placement Shares**) to raise a further \$162,298

(before costs), resulting in the Placement raising a total of \$1.08m (before costs). As noted above, each of the Tranche 1 Placement Shares and the Tranche 2 Placement Shares (**Placement Shares**) issued to sophisticated and professional investors is to be issued with one free attaching option (exercisable at \$0.08 each on or before 31 January 2025) for every two Placement Shares subscribed for (**Placement Options**). The Placement Options were originally to be issued pursuant to the Prospectus but for the reasons set out above the offer of Placement Options pursuant to the Prospectus has been withdrawn. Instead, the Placement Options will be allotted and issued directly to sophisticated and professional investors who participated in the Placement, with those Placement Options remaining unquoted. The issue of the Tranche 2 Placement Shares and the Placement Options is expected to occur on 3 March 2023, with trading of the Tranche 2 Placement Shares on a normal settlement basis expected to commence on 6 March 2023. The issue of the options to the brokers to the Placement approved by shareholders at the EGM in January will also proceed on the same basis.

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

For further information, please contact:

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