

Forbidden Foods Limited ASX: FFF

ASX Announcement

12 April 2024

Strategic share placement at a premium to raise up to \$0.6m

Key Highlights

- Firm commitments to raise \$0.6m via a Share Placement priced at \$0.018 per share – a 27.4% premium to the 15-day Volume Weighted Average Price (VWAP) of Forbidden Foods' shares to 9 April 2024
- Funds raised will provide balance sheet strength to accelerate sales with key retailers, increase ecommerce revenue and drive brand awareness, alongside the strategic build-up of inventory to meet future demand
- Capital raise positions the Company to significantly expand its sales profile and complement the forecast cost savings and margin expansion from its recent contract manufacturing partnership with Edenvale Foods

Forbidden Foods Ltd (ASX: FFF) ("Forbidden Foods" or "the Company") is pleased to advise it has received firm commitments to raise \$0.6m through the issuance of up to approximately 33.3 million new fully paid ordinary shares in the Company at \$0.018 per share via a share placement ('Placement').

The Placement provides Forbidden Foods with new funding to capitalise on the momentum it has established with key retailers to further accelerate sales and build brand awareness via its ecommerce channels. Funds raised will also be allocated to a strategic build-up of inventory levels to ensure fulfilment for future purchase orders as they arise.

The capital raise follows the recent execution by Forbidden Foods of a strategic manufacturing alliance agreement with Edenvale Foods Pty Ltd, an SQF certified contract manufacturer based in NSW which specialises in nutrient dense ingredients for use in functional snack bars (*refer ASX Announcement 14 March 2024*). The agreement with Edenvale is expected to have a materially positive impact on the Company's per-unit manufacturing costs and production volume capacity.

The Company is now focused on targeted marketing and brand awareness strategies to build from its existing distribution footprint to drive sales alongside streamlined manufacturing processes to expand margin growth.

Management Commentary

Forbidden Foods' Chief Executive Officer, Alex Aleksic said: *"We are pleased to announce this strategic capital raise, which comes at an important juncture in our stated growth strategy to accelerate sales for our flagship Blue Dinosaur product range in core target markets, alongside an improved manufacturing capability to drive margin growth."*

With the funds raised, Forbidden Foods will have added financial flexibility to execute on targeted marketing and distribution campaigns across key retail channels, where the management team have identified specific opportunities to build off the group's existing sales footprint. Strategically, this gives the Company an opportunity to establish real momentum when combined with our improved manufacturing capability through the partnership with Edenvale Foods.

We look forward to providing further updates as Forbidden Foods continues to capitalise on the improved market position it has established since the new management team was appointed in mid-2023.”

Additional details:

The Placement price of \$0.018 represents a 27.4% premium to the 15-day Volume Weighted Average Price (VWAP) of Forbidden Foods’ shares to 9 April 2024, being the last trading day prior to the announcement of this Placement.

Pursuant to the Placement terms, the Board has the discretion to accept funds through the issuance of additional shares at \$0.018 via a share placement to directors and other related parties of the Company (‘Related Party Shares’). Directors of the Company have committed to subscribe for up to \$105,000 of shares under the Placement, demonstrating their continued support for the Company’s growth and strategy.

Investors who participate in the capital raise will be issued with one option for each share subscribed for under the placement, exercisable at \$0.023 within 24 months from the date of issue of the option (‘Attached Options’).

Shares to be issued under this Placement are to be issued pursuant to Forbidden Foods’ available capacity under ASX Listing Rules 7.1 and 7.1A. Completion of the Placement is expected to occur on 18 April 2024, with trading of the new shares expected to commence on the following business day. The issue of Related Party Shares and any Attached Options will be subject to shareholder approval at an Extraordinary General Meeting (‘EGM’) which will be held in May 2024.

Canterbury Hill Advisory Pty Ltd acted as Lead Manager to the Placement. The Lead Manager will receive a management fee of 1% and a placement fee of 5% for its services.

Indicative timetable

Event	Date*
Settlement of Placement	17 April 2024
Allotment and issue of Placement shares	18 April 2024
Placement shares commence trading on ASX	19 April 2024
Dispatch of EGM Notice to include shareholder approval of Related Party Shares and Attached Options	April 2024
EGM at which Related Party Shares and Attached Options to be approved	May 2024
Settlement of Related Party Shares	Within 3 days of EGM
Issue of Related Party Shares and Attached Options	One business day following settlement of Related Party Shares
Related Party Shares commence trading on ASX	One business day following issue of Related Party Shares

* The dates are indicative only and may be subject to change.

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

ENDS

For further information, please contact:

Alex Aleksic

Chief Executive Officer

alex.aleksic@forbiddenfoods.com.au

Henry Jordan

Six Degrees Investor Relations

henry.jordan@sdir.com.au

About Forbidden Foods Ltd

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• FOODS •



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