

forbidden foods

ASX Announcement

Forbidden Foods Limited ASX: FFF

14 February 2025

Firm commitments to raise \$1m to accelerate sales trajectory

Key Highlights

- Funds raised to be primarily deployed towards inventory build to meet recent demand for Oat Milk Goodness (OMG) and Blue Dinosaur product ranges in Australian market
- Placement follows exceptional operational performance in Q2 FY25 including:
 - Net sales of \$1.17m, a gain of 104% from the previous quarter and up 77% from the prior comparative period
 - Cash receipts from customers of \$1.16m, a gain of 55% from the previous quarter and up 80% on PCP
 - Ecommerce sales for Blue Dinosaur products of \$383,000, up 94% on PCP
 - Considerably lower cost base following execution of several cost-reduction initiatives
- Placement undertaken at \$0.007 with no discount to last trading price on 11 February 2024
- Discussions are well-advanced with several counterparties for additional product-stocking agreements, positioning the Company to further consolidate its recent sales momentum

Forbidden Foods Ltd (ASX: FFF) ("Forbidden Foods" or "the Company") is pleased to advise that it has secured firm commitments from sophisticated, professional and institutional investors to raise \$1m through the issue of 142,857,143 new fully paid ordinary shares ('Shares') at an issue price of \$0.007 per Share ('Placement'). As part of the capital raise, Forbidden Foods Non-Executive Director, Mr Daniel Rootes, has committed to subscribe for approximately \$21,000 of new shares under the Placement, subject to shareholder approval.

Funds from the Placement will be primarily used to increase inventory across the Company's Blue Dinosaur and Oat Milk Goodness ('OMG') ranges. The strategic inventory build will position the Company to benefit from economies of scale in production and meet growing demand, following considerable sales growth in recent months across its core product channels. Capital will also be deployed towards sales and marketing, as well as some operational costs.

The commitments follow strong operational progress from the combined entity following the strategic acquisition of OMG, which included net sales of \$1.17m in Q2 FY25 - a 104% increase from the prior quarter and a 77% rise year-on-year - as well as cash receipts from customers totalling \$1.16m in the last quarter, up 55% quarter-on-quarter and 80% from the prior year.

Management commentary:

Forbidden Foods' Chief Executive Officer, Alex Aleksic said: "We're very pleased to have secured firm commitments for this capital raise which further validates our post-acquisition growth strategy, as well as the Company's outlook for the remainder of CY25 and beyond. Through this Placement, there have been a number of new shareholders come onto the register. I would like to take this opportunity to welcome them, as well as thank existing shareholders for their ongoing support.

"The funds raised from this Placement will directly assist in FFF growing its inventory, to meet recent product demand. As previously advised, the Company is engaged with several counterparties for additional product-stocking agreements and these are well-advanced. We expect the execution of these agreements will leave Forbidden Foods well positioned to further consolidate its momentum with additional sales increases over the coming quarters."

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Placement details:

Under the Placement, the Company will issue approximately 142.8m new fully paid ordinary shares at an issue price of \$0.007 per Share. The Placement represents a 12.5% discount to the 15-day Volume Weighted Average Price ('VWAP') of \$0.008 and no discount to the last traded price on 11 February 2025.

Participants in the Placement will also receive one free attaching listed option (ASX: FFFO) for every two new Shares subscribed for under the Placement, that have an exercise price of 1.5 cents and will expire 25 October 2027 ("Attaching Options"). The Attaching Options will be issued subject to shareholder approval at an upcoming General Meeting of the Company.

The Shares issued under the Placement will be listed on ASX and will rank pari-passu with the existing fully paid ordinary shares in the capital of the Company. The Shares issued under the Placement will be issued pursuant to the Company's remaining placement capacity under ASX Listing Rule 7.1.

JP Equity Partners and GBA Capital acted as joint lead managers to the Placement and are entitled to a 6% fee on funds raised.

ENDS

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About Forbidden Foods Ltd

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