Target Market Determination

Made by: Forbidden Foods Limited (ACN 616 507 334) (**Company**)

Effective Date: 9 December 2022

Product: Free-attaching quoted options to acquire fully paid ordinary shares in the Company (**Shares**) to be issued in connection with a placement of Shares (**Placement**) and a pro rata non-renounceable entitlement offer (**Rights Issue**)

1 Important information about this document

This target market determination (**TMD**) has been prepared by the Company in relation to the following offers pursuant to the Company's replacement prospectus dated 9 December 2022 (**Prospectus**) (available at https://www.forbiddenfoods.com.au/investors/asx-announcements):

- an offer of up to 15,211,269 quoted options over Shares (exercisable at $0.08 each and expiring 31 January 2025) to eligible sophisticated and institutional investors who participated in the Placement announced on 8 December 2022 (**Placement Options**);
- an offer of up to 17,233,850 quoted options over Shares in connection with a pro rata non-renounceable rights issue (**Rights Issue Options**); and
- an aggregate of 10,000,000 quoted options over Shares to be split equally between BW Equities Pty Ltd and Viriathus Capital Pty Ltd (together, the **Joint Lead Managers**) in connection with lead manager services provided by the Joint Lead Managers (**Broker Options**),

(the Placement Options, Rights Issue Options and Broker Options, together the **Options**).

Capitalised terms used, but not defined, in this TMD, have the meaning ascribed to them in the Prospectus.

Pursuant to the Prospectus:

- eligible participants in the Placement can apply for one Placement Option for every two Shares subscribed for by that participant under the Placement;
- eligible shareholders who apply for Shares in the Rights Issue (and an associated shortfall offer) will receive one Rights Issue Option for every two Shares subscribed for under the Rights Issue (and shortfall offer); and
- each Joint Lead Manager can apply for its respective proportion of the Broker Options.

This TMD sets out the class of consumers for which the Options would likely be consistent with their financial objectives, the distribution conditions and restrictions imposed on the distribution of the Options as well as reporting requirements for distributors in accordance with the requirements of section 994B of the *Corporations Act 2001* (Cth) (**Corporations Act**).

Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional adviser if they have any questions regarding the contents of the Prospectus. Any recipient of this TMD who wants to acquire Options under the Offers will need to complete the relevant Application Form accompanying the Prospectus. There is no cooling off period in respect of the issue of the Options. This TMD is not a disclosure document for the purposes of the Corporations Act, and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (**ASIC**).

This TMD does not take into account what you currently have, or what you want and need, for your financial future. It is important for you to consider these matters and carefully read the Prospectus before you make an investment decision. The Company is not licensed to provide financial product advice in relation to the Options.

2 Target Market

The table below summarises the overall class of consumers that fall within the target market for Options, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet.

TMD Requirement	Target Market Determination
Investment Objective	The Company expects that an investment in the Options will be suitable to investors who have the right, but not the obligation, to gain exposure to equities in a small cap healthy food company listed on the Australian Securities Exchange (**ASX**).
Investment Timeframe	The target market of investors will take a short to medium term outlook in relation to their investment. The Company has applied for quotation of the Options which remains subject to compliance with the requirements of ASX and the ASX Listing Rules. To the extent the Options are quoted on ASX's official list, subject to any escrow restriction imposed by ASX, the Options will be freely transferable from the date of issue. Option holders will also have an ability to exercise Options and trade the underlying Shares issued on exercise (irrespective of whether the Options are quoted on ASX or not), however investors should be aware that such dealing is only likely to be commercially viable in the event that the trading price of the Shares exceeds the exercise price of the Options both at the date of exercise and at the date of sale. Investors with a medium-term outlook will benefit from an ability to exercise Options within the approximate 2 year term of the Options, and increase their shareholding and exposure to the potential upside in the Shares in the future (although no upside can be guaranteed). Given the need to pay the exercise price in order to acquire the underlying Shares, investors in the target market are those who are in a financial position that is sufficient for them to accept the Options now with a 2 year time horizon, during which time their ability to liquidate their Options may be limited on exercise of the Options by the trading price of the underlying Shares.
Investment Metrics	While the Company does not have an established eligibility framework for investors based on metrics such as age, expected return or volatility, it is expected that the target market of investors will be able to withstand potential fluctuations, and the potential for the losses, in the value of their investment. The Options offer no guaranteed income or capital protection.
Risks	The Company considers that, while the issue price of the Options is free, an investment in the Company offered in connection with the Prospectus (for example, through the exercise of Options) should be considered high risk since there is no guarantee that the Company's Share price will ever exceed the exercise price of the Options, and the Options may ultimately prove to be worthless. Investors should take this into consideration in subscribing for Shares and taking up their right to the free attaching Options. The Options are considered not

	appropriate for an investor who would not be able to bear a loss of some or all of the investment. Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and appreciate the risks of investing in the Options as an asset class generally, and the more specific risks of investing in the Company. Specific risks relating to the Company, and an investment in the Shares, are set out in the Prospectus, and investors should review those risks carefully before deciding whether to invest.

3 Distribution Conditions

Eligible Shareholders are eligible to participate in the Rights Issue and Shortfall Offer, being shareholders who:

(a) were a registered holder of Shares at 7.00pm (AEDT) on the Record Date, being 13 December 2022;

(b) have a registered address in either Australia or New Zealand; and

(c) are not in the United States and are not acting for the account or benefit of a person in the United States.

New investors who are sophisticated an institutional investors may also potentially participate in the Shortfall Offer if all shortfall Shares are not subscribed for by Eligible Shareholders.

Only Eligible Placement Options Applicants are eligible to participate in and apply for Placement Options, being shareholders who participated in, and are to be issued, Placement Shares under the Placement announced on ASX on 8 December 2022.

Only the Joint Lead Managers are eligible to participate in the Broker Offer and apply for the Broker Options.

A copy of the Prospectus and access to this TMD will be made available to all applicants under the Prospectus before they complete an application for any Options.

The Company considers that these distribution conditions will ensure that persons who receive Options fall within the target market in circumstances where personal advice is not being provided to those persons by the Company.

4 Review Triggers

The Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the Options will no longer be available for investment by way of issue. It follows that the TMD will only apply in the period between the commencement of the offer of the Options under the Prospectus and the issue of the Options shortly after the close of the Rights Issue (**Offer Period**), after which the TMD will be withdrawn.

To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate to the Options and should be reviewed, the following review triggers apply for the Offer Period:

(a) there is a material change to the Options key attributes that make it no longer consistent with the likely objectives, financial situation and needs of clients in the target market;

(b) the Company lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus;

(c) the occurrence of a significant dealing in Options that is not consistent with this TMD. The Company does not consider that an on-sale of the Options on market is a significant dealing;

(d) the Company identifies a substantial divergence in how the Options are being distributed and purchased from this TMD;

(e) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; and

(f) material changes to the regulatory environment that applies to an investment in the Options.

The Company may also update or amend this TMD at any time.

5 Review Period

If a review trigger occurs during the Offer Period, the Company will undertake a review of the TMD in light of the review trigger as soon as reasonably practicable.

The Company will otherwise complete a review of the TMD immediately prior to the issue of Options under the Offers. Given the length of the Offer Period (approximately 6 weeks) the Company does not intend to periodic reviews of this TMD.

6 Information Reporting

Reporting requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints about the Options	• For such time as the duration of the offers remain open, within 10 business days after the end of each quarter • Within 10 business days after the end of the Offer Period	• The number of complaints received • A summary of the nature of each complaint or a copy of each complaint
A significant dealing of the Options that is not consistent with this TMD	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than 10 business days after the significant dealing occurs	• Details of the significant dealing • Reasons why the distributor considers that the significant dealing is not consistent with this TMD
A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD	Within 10 business days after the end of the close of the Offer Period of Options (which will occur upon the date the Options are issued) in accordance with the Prospectus	A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD

7 Contact Details

Contact details in respect of this TMD for the Company are:

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