

16 December 2022

Dear Shareholder

NON-RENOUNCEABLE RIGHTS ISSUE OFFER – NOTIFICATION TO ELIGIBLE SHAREHOLDERS

On 8 December 2022, Forbidden Foods Limited (ASX:FFF) (the **Company**) announced a non-renounceable rights issue (**Rights Issue**) to eligible shareholders on the basis of one (1) new share (**Rights Issue Share**) for every three (3) shares held at the Record Date (as defined below) at an issue price of \$0.035 per Rights Issue Share, together with one free quoted Rights Issue Option (exercisable at \$0.08 each on or before 31 January 2025) for every two Rights Issue Shares subscribed for under the Rights Issue.

The Rights Issue follows a placement conducted by the Company that raised \$1,080,000 (**Placement**).

Details on how to participate in the Rights Issue, and how to access your entitlement, are set out below. In addition, certain matters in connection with the capital raising, including the issue of \$162,298 in shares under the Placement and options to be issued under the terms of the Placement, require the approval of shareholders at an extraordinary general meeting (**EGM**) to be held in January 2023. Details of the EGM, and a link to the notice of meeting and your on-line proxy form, will be despatched to you separately.

Eligibility to participate in the Rights Issue

Shareholders who are eligible to participate in the Rights Issue Offer (**Eligible Shareholders**) are those persons who:

- a) were a registered holder of fully paid ordinary shares in the Company as at 7:00pm (AEDT) on the record date, being 13 December 2022 (**Record Date**);
- b) have a registered address on the Company's share register that is in Australia and 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.

This letter is to notify you that the Rights Issue is now open and to provide you with instructions on how to participate in the Rights Issue by obtaining a copy of the prospectus relating to the Rights Issue and your personalised Rights Issue Application Form.

The Rights Issue is non-renounceable, which means Eligible Shareholders cannot transfer or sell any of their entitlements, whether on ASX or otherwise. The Rights Issue is not underwritten. In determining an Eligible Shareholder's entitlements, any fractional entitlements have been rounded down to the nearest whole number of Rights Issue Shares. The Rights Issue is scheduled to close on 27 January 2023 (unless extended) and it is expected that the Rights Issue Shares will be issued and holding statements despatched on or around 1 February 2023. Any Rights Issue Shares not subscribed for by Eligible Shareholders will be made available for subscription, so Eligible Shareholders participating in the Rights Issue will be able to subscribe for additional shares in excess of their entitlement (**Shortfall Offer**).

Prospectus and Rights Issue entitlement

The Rights Issue and Shortfall Offer is being made pursuant to a replacement prospectus lodged with ASIC and ASX on 9 December 2022 (**Prospectus**), a copy of which is available on the Company's website at

www.forbiddenfoods.com.au and on the ASX website at www.asx.com.au. The Prospectus sets out the full details of the Rights Issue.

The Prospectus and your personalised Rights Issue Application Form are available to view online at <https://investor.automic.com.au/#/home>, and by following the instructions. No hard copy Prospectus will be sent to you, unless you have previously elected to receive all shareholder documents in hard copy.

A copy of the Company's target market determination (TMD) that has been prepared in accordance with the design and distribution obligations under the Corporations Act in connection with the offer of the options under the Rights Issue is also available to view alongside the Prospectus, and is available to view at the Company's website.

You should read the Prospectus carefully and in its entirety before deciding whether to participate in the Rights Issue (or Shortfall Offer) and subscribe for the Rights Issue Shares (together with attaching Rights Issue Options). Eligible Shareholders who wish to subscribe for the Rights Issue Shares (together with attaching Rights Issue Options) will need to complete the personalised Rights Issue Application Form that accompanies the Prospectus and is available at the link above.

Eligible Shareholders that wish to participate in the Rights Issue are encouraged to subscribe for Rights Issue Shares as soon as possible, particularly given the time of year. Application Monies must be received before 5.00pm (AEDT) on Friday, 27 January 2023 (**Closing Date**). The Company reserves the right, subject to the Corporations Act, the Listing Rules, and other applicable laws, to vary the dates of the Rights Issue (including extending the Rights Issue or accepting late applications) without notice.

Participation in the Rights Issue is optional and Eligible Shareholders may elect to do nothing. If you choose to do nothing, you will continue to hold the same number of shares in the Company, however, your interest in the Company will be diluted by the issue of shares under the Placement and by the issue of the Rights Issue Shares (including any shares issued under the Shortfall Offer).

Indicative Timetable

The indicative timetable for the Rights Issue (and the tranche 2 Placement) is detailed below:

Event	Date* (2022 / 2023)
Announcement of results of Placement, announcement of Rights Issue and Broker Offer, lodge Appendix 3B and lodgment of Original Prospectus with ASIC and ASX	(Before market open) Thursday, 8 December
Ex-date for Rights Issue	Monday, 12 December
Record Date	7.00pm Tuesday, 13 December
Dispatch of Prospectus Dispatch of EGM Notice Rights Issue opens (Opening Date)	Friday, 16 December
EGM to approve issue of tranche 2 Placement Shares, Placement Options and Broker Options	10.00am, Wednesday, 18 January
Rights Issue closes (Closing Date)	5.00pm on Friday, 27 January

Event	Date* (2022 / 2023)
Announcement of results and shortfall (if any) under the Rights Issue Rights Issue shares start trading on a deferred settlement basis	Monday, 30 January
Settlement of tranche 2 Placement Shares	Monday, 30 January
Issue and allotment of tranche 2 Placement Shares, Placement Options, Rights Issue Shares, Rights Issue Options and Broker Options Lodge Appendix 2A	Before Noon, Tuesday, 31 January
Dispatch of holding statements	Wednesday, 1 February
Commencement of trading of tranche 2 Placement Shares and Rights Issue Shares on normal settlement basis	Wednesday, 1 February

**** These dates are indicative only and are subject to change. Forbidden Foods, reserves the right, subject to the Corporations Act and the ASX Listing Rules, to amend this indicative timetable by sending a revised timetable to ASX. In particular Forbidden Foods reserves the right to extend the Closing Date, accept late applications under the Placement or Rights Issue (either generally or in particular cases), and to withdraw or vary the Placement or Rights Issue without prior notice. Any extension of the closing date will have a consequential effect on the date for the allotment and issue of Shares and Options. All times are to Australian Eastern Daylight Savings Time (AEDT).**

Further Information

If you have any questions in relation to any of the above matters, please contact the Forbidden Foods Offer Information Line on 1300 288 664 (from within Australia) or +61 2 9698 5414 (from outside Australia) from 8.30am to 8.30pm (AEDT), Monday to Friday (other than public holidays). For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

Yours faithfully

Marcus Brown
Managing Director