

Companies Announcement Office
ASX Limited
Level 6, 20 Bridge Street
Sydney NSW 2000

CFOAM - \$4.14m raised through placement

CFOAM Limited is pleased to announce it has received binding commitments to raise \$4.14 million (before costs) through a two-tranche placement of 258,768,127 new shares at an issue price of \$0.016 per share (**Placement**). The Placement price of \$0.016 represents a 15.78% discount to the last closing price on 7 May 2021 of \$0.019 and a 22.03% discount to the 15-day VWAP of \$0.0205. Tranche 1 of the Placement will consist of 118,768,127 shares issued under the Company's existing Listing Rule 7.1 and 7.1A capacity (**Tranche 1**) with the remaining 140,000,000 shares to be issued subject to shareholder approval at a General Meeting to be convened as soon as practicable (**Tranche 2**). The Placement shares rank equally with the Company's existing fully paid ordinary shares.

The net proceeds of the Placement will be utilised towards the CFOAM business, investment in Innovaero Technologies Pty Ltd (**Innovaero**) and for general working capital.

CFOAM owns a 10.24% in Innovaero and has an anti-dilution right for a period to December 2021. Innovaero is currently raising up to A\$6m via a convertible note and CFOAM intends to commit up to A\$1,975,000 as part of this capital raising strategy. This investment will maintain and increase CFOAM's interest in Innovaero when converted to equity. Innovaero is reviewing its options and may be considering an ASX listing later in 2021 and the conversion is subject to 30% discount to an IPO valuation. CFOAM's current interest will increase from 10.24% to up to 17%, subject to the valuation conversion. CFOAM has no Board or management role in Innovaero and is an investor.

Pamplona Capital Pty Ltd, a Corporate Authorised Representative of Symmetry Group Pty Ltd ACN 159 449 368 (AFSL 426 385) have acted as Lead Manager to the Placement under the existing mandate with the Company.

As far as the Company is aware, no securities were issued or agreed to be issued in the Placement to any related party of the Company.

An Appendix 3B for the proposed issues of the Tranche 1 and Tranche 2 Placement shares will follow.

This announcement effectively lifts the trading halt which the Company requested on Monday, 10 May 2021.

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This ASX release has been approved for release by Gary Steinepreis on behalf of the Board of Directors

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About CFOAM Limited

CFOAM® products are an inorganic carbon material that is manufactured from coal, pitch or lignin feedstock. CFOAM® products manufactured in this process have a rigid foam structure, similar in appearance to pumice stone, but with entirely different properties. CFOAM® products are currently used across a wide variety of markets including composite tooling for the aerospace sector, energy absorbing applications and defence applications. Additional markets such as automotive applications for energy absorption and fire resistance are also expected to become significant to the Company over time.

CFOAM® products were developed to meet the growing demand for ultra-high-end performance engineering materials in the industrial, aerospace, military and commercial product markets.

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