

# CFOAM LIMITED

ABN 46 611 576 777

LEVEL 1, 33 ORD STREET

WEST PERTH WA 6005

TEL: +61 8 9 226 1524

## SHAREHOLDER UPDATE ANNOUNCEMENT

8 October 2024

CFOAM Limited (ACN 611 576 777) (Company) advises that the Company has been removed from the official list of the ASX (Official List) of the Australian Securities Exchange (ASX).

Following a review, the board of directors of the Company (Board) have unanimously determined that the removal from the Official List is in the best interests of shareholders for the following reasons:

### **A. Suspension**

The Company was suspended from trading on 9 January 2023 and has been suspended since that date. In order for its shares to be re-instated to trading on ASX, the Company would need to re-comply with Chapters 1 and 2 of the ASX Listing Rules. There are currently no prospects of the Company re-complying with Chapters 1 and 2 of the Listing Rules.

### **B. Lack of Liquidity**

There has been no trading in the Company's shares on ASX since the suspension of trading and as the Company will not be able to re-comply with Chapters 1 and 2 of the Listing Rules in the foreseeable future, the Company's lack of liquidity will not change.

### **C. Assets**

The Company has cash and investments in 2 unlisted entities – Aerovation Technologies Pty Ltd (Aerovation), an Australian Aerospace and Defence Technology business and CarBon New Energy Pty Ltd (CarBon). CarBon is a national **first to market** Electric Vehicle (EV) only leasing and subscription business, with a strong focus on accelerating the decarbonisation of Australian Commercial Fleets. The Company proposes to monetise these investments and then distribute the remaining cash to shareholders. This will take time and a decision on the best way to return the capital to shareholders will be subject to approval at a shareholder meeting.

### **D. Listing Costs**

The Board estimates that costs attributable to the Company's ASX listing are approximately \$50,000 per annum. In addition, there are indirect costs associated with the need to devote management time attending to matters relating to the ASX listing and other ongoing administrative and compliance obligations. The Board believes that the funds used to maintain the Company's ASX listing, together with the management time, could be directed toward the monetisation of its investments. There is no tangible benefit from being a listed company at present.

### **E. Minority Shareholders**

The removal from the Official List will not result in any substantial diminution of the protection for minority shareholders provided by the Corporations Act 2001 (Cth) given that the Company's shareholders do not presently have the benefit of liquidity in their shares.

### **Consequences for Removal from the Official List**

The consequences for the Company and its security holders are as follows:

- a) the Company's securities are no longer quoted on ASX and will no longer be traded on the ASX. However, security holders have been unable to sell their securities on ASX since 9 January 2023 as the Company's securities have been suspended from quotation and are not trading;
- b) Shareholders will have their CHESS holdings converted to the certificated sub-register on the Company's share register. No action will be required by Shareholders to affect this conversion;
- c) Security holders seeking to sell their securities will be entitled to transfer their holdings off-market to a willing third-party purchaser in accordance with the Company's constitution;
- d) for so long as the Company continues to have more than 100 Shareholders, the Company will be an 'unlisted disclosing entity'. As such, the Company will continue to be subject to continuous disclosure

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obligations under the Corporations Act. The Company will still provide disclosure to Shareholders of material matters in accordance with the Corporations Act on the Company's website. The Company will also continue to lodge annual and interim financial statements (audited or auditor-reviewed, respectively) in accordance with the Corporations Act;

- e) there will no longer be a readily available indicator of market price for the Company's securities (noting that security holders have been unable to sell their securities on ASX since 9 January 2023 as the Company's securities have been suspended from quotation and are not trading), securities will be less liquid and security holders will need to find a purchaser for their securities at an agreed price;
- f) as an unlisted public company, the Company will no longer have the ability to raise capital from the issue of securities to the public in reliance on a limited disclosure fundraising document. Should the Company seek to raise capital, it will be required to offer securities pursuant to a full prospectus or by way of a placement to sophisticated and institutional investors (to whom such disclosure is not required); and
- g) the Constitution and, therefore, Shareholders' rights remain unchanged, such that Shareholders will continue to have the right to:
  - i. receive notices of meetings and other notices issued by the Company;
  - ii. exercise voting rights attached to Shares; and
  - iii. entitlement to receive dividends declared and payable by the Company from time to time.

### **Shareholder information**

Shareholders are encouraged to update their information at the share registry to include their email address and bank account details so that when a return of capital is made then these details are available.

*This shareholder update announcement has been approved for release by Gary Steinepreis on behalf of the Board of Directors*

*For further details, please contact:*

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*Director*

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