

CFOAM LIMITED
ACN 611 576 777
SECOND SUPPLEMENTARY PROSPECTUS

1. IMPORTANT INFORMATION

This is a supplementary prospectus (**Second Supplementary Prospectus**) which supplements the prospectus dated 20 October 2020 (**Original Prospectus**) as modified by the first supplementary prospectus dated 27 October 2020 (**First Supplementary Prospectus**) (together, the **Prospectus**) issued by CFOAM Limited (ACN 611 576 777) (**Company**).

This Second Supplementary Prospectus was lodged with the ASIC on 6 November 2020. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Second Supplementary Prospectus.

This Second Supplementary Prospectus must be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Second Supplementary Prospectus. To the extent of a conflict between the Prospectus and the Second Supplementary Prospectus, this Second Supplementary Prospectus will prevail.

This Second Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company at www.cfoam.com. Shareholders may also request a hard copy of this Second Supplementary Prospectus free of charge by contacting the Company at +61 8 9420 9300.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

2. REASONS FOR SECOND SUPPLEMENTARY PROSPECTUS

The Company made the following announcements on 4 November 2020:

- (a) the Takeovers Panel received an application from shareholders of the Company who collectively hold 37.5% of the issued shares in the Company (**Applicants**) in relation to the affairs of the Company. The Applicants are seeking an interim order restraining the Offer under Prospectus from proceeding pending the outcome of the application; and
- (b) the Company gave notice that it received notices under sections 203D and 249D of the Corporations Act signed by the Applicants requesting that the Company call and arrange to hold a general meeting to consider resolutions concerning:
 - (i) the removal of Gary Christian Steinepreis, as a director;
 - (ii) the removal of Todd John Hoare, as a director; and
 - (iii) the removal of Nicholas Ong, as a director.

Copies of the above announcements are set out in Annexures A and B to this Second Supplementary Prospectus.

By this Second Supplementary Prospectus, the Company makes the amendments to the Prospectus as set out in Section 3 below primarily for the purpose of updating Section 6 (Continuous disclosure obligations) of the Prospectus as a result of further announcements made by the Company since lodgement of the Prospectus.

In order to ensure that this information is properly incorporated into the Prospectus, it must be lodged with the ASIC and released to ASX. This Second Supplementary Prospectus has been drafted to comply with the relevant provisions of the Corporations Act.

3. AMENDMENTS TO THE PROSPECTUS

The Prospectus is amended as set out below.

3.1 Continuous disclosure obligations

The table under paragraph 4 of Section 6.2 of the Prospectus is deleted and replaced with the following:

Date	Description of Announcement
4 November 2020	Notices received to call a general meeting
4 November 2020	TOV: CFOAM Limited Panel Receives Application
30 October 2020	Quarterly Activities Report
30 October 2020	Appendix 4C - quarterly
29 October 2020	Notice of Annual General Meeting/Proxy Form
29 October 2020	Letter to shareholders - AGM meeting restrictions
29 October 2020	Despatch of Prospectus
28 October 2020	Appendix 2A
28 October 2020	Disclosure Document - Supplementary prospectus
26 October 2020	Board changes
21 October 2020	Update - Proposed issue of Securities
20 October 2020	Proposed issue of Securities
20 October 2020	Renounceable Issue - Prospectus
8 October 2020	Proposed issue of Securities
8 October 2020	Proposed issue of Securities
8 October 2020	New investment opportunity and funding update
5 October 2020	Date of AGM & Closing Date for Director Nominations
1 October 2020	Appendix 4G – Corporate Governance Statement

4. ACTION BY INVESTORS

As the outcome of the Takeovers Panel application and the Sections 203D and 249D notices are to be determined in the future, the content of this Second Supplementary Prospectus is not considered to be materially adverse to investors, and no action is needed to be taken by investors. Investors should continue to monitor the ASX announcements platform as the Company will provide updates as required.

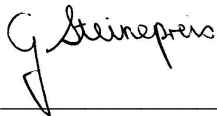
5. CONSENTS

The Company confirms that each of the advisors that have given their written consent to being named in the Prospectus (refer to Section 6.7 of the Prospectus) have not withdrawn that consent prior to the lodgement of this Second Supplementary Prospectus with the ASIC.

6. DIRECTORS' AUTHORISATION

This Second Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Second Supplementary Prospectus with the ASIC.



Gary Steinepreis
Non-Executive Chairman
For and on behalf of
CFOAM LIMITED



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP20/74

Wednesday, 4 November 2020

CFOAM Limited – Panel Receives Application

The Panel has received an application from shareholders who collectively hold 37.5% of the issued shares in CFOAM Limited in relation to the affairs of that company.

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

On 8 October 2020, CFOAM announced that it:

- had entered into an “*agreement to invest A\$1,550,000 to acquire a strategic 10.24% interest in Innovaero Technologies Pty Ltd (Innovaero), an Australian Aerospace and Defence Technology business*”, conditional (among other things) on CFOAM completing a new equity raising for a minimum of A\$3,000,000 and
- would undertake a 4 for 3 renounceable entitlement issue at an issue price of \$0.015 per share to raise to \$3,843,481 (**Entitlement Issue**).

On 20 October 2020, CFOAM issued a prospectus for the Entitlement Issue, disclosing that the Entitlement Issue is scheduled to close on 9 November 2020.

The Applicants submit, among other things, that:

- CFOAM has present working capital requirements that are unfunded and an investment of A\$1,500,000 in Innovaero disregards those capital requirements, and has no discernible benefit.
- The Entitlement Issue “*will allow for the acquisition of a substantial interest*” in CFOAM, is substantially dilutionary and is made at a large discount.
- They have identified an alternative source of funding for CFOAM that would be “*beneficial for all shareholders and as a result would improve the working capital position of*” CFOAM.

The Applicants seek an interim order restraining the Entitlement Issue from proceeding pending the outcome of the application and a final order “*permanently preventing*” the Entitlement Issue.

Allan Bulman

Director, Takeovers Panel
Level 16, 530 Collins Street
Melbourne VIC 3000

Ph: +61 3 9655 3500

takeovers@takeovers.gov.au

ANNEXURE B – 203D AND 249D NOTICES ANNOUNCEMENT

ASX ANNOUNCEMENT

4 November 2020



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

NOTICES RECEIVED UNDER SECTIONS 203D AND 249D OF THE CORPORATIONS ACT

CFOAM Limited (**Company**) gives notice that it has received notices under sections 203D and 249D of the Corporations Act 2001 (Cth) signed by shareholders (who state that they collectively hold at least 5% of the votes that may be cast at a general meeting of the Company) requesting that the Company call and arrange to hold a general meeting to consider resolutions concerning:

- the removal of Gary Christian Steinepreis, as a director;
- the removal of Todd John Hoare, as a director; and
- the removal of Nicholas Ong, as a director.

The Company is seeking legal advice as to the validity of the notices.

If the notices are valid, the directors are required to call a general meeting within 21 days of receipt of the notice under section 249D and the meeting must be held no later than 2 months after receipt of that notice. The notice under section 249D was received by the Company on 4 November 2020.

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

For further details on this release, please contact:

Gary Steinepreis

Director

[E: gsteinepreis@CFOAM.com](mailto:gsteinepreis@CFOAM.com)

This Second Supplementary Prospectus dated 6 November 2020 is intended to be read with the First Supplementary Prospectus dated 27 October 2020, which supplemented the Original Prospectus dated 20 October 2020, issued by CFOAM Limited (ACN 611 576 777).