



## ASX Announcement

25<sup>th</sup> May 2020

# Hot Chili \$5 Million Placement Issue of shares and cleansing notice

Hot Chili Limited (ASX Code: HCH) (“Hot Chili” or the “Company”) announced on 18 May 2020 that it had successfully arranged a \$5 million private placement to sophisticated and professional investors (the “Placement”) within the meaning of sections 708(8), (10) and (11) of the Corporations Act.

Further to this capital raising announcement, Hot Chili is pleased to announce that it has issued the 333,333,334 Placement shares.

The shares were issued at AUD\$0.015 each raising \$5 million before costs. Placement participants will also be entitled to one free-attached unlisted option exercisable at 2.5 cent each and expiring on 20<sup>th</sup> May 2022 for every two shares issued under the Placement, subject to shareholder approval of the issue of the options for the purposes of listing rule 7.1. The Company will convene a general meeting seeking shareholder approval of the issue of Placement options, anticipated to be late-June 2020.

Veritas Securities acted as lead manager to the Placement, which was overbid and closed within a day following strong demand from institutional and high net worth investors in Australia.

None of the investors were related parties of the Company. In allocating the Placement shares there was no objective to allocate pro-rata to existing shareholders of the Company, as the principal objectives of the Placement were to raise additional capital without the requirement to issue a prospectus to the investors and to increase the institutional shareholder base of the Company.

Existing shareholders have the opportunity to participate in the overall \$8.9 million capital raising via a parallel \$3.9 million non-renounceable entitlements offer of new shares, on a 3 for 20 basis, under the same terms and price as the \$5 million Placement.

An Appendix 2A with the details of the issue accompanies this notice.

The Company gives the following cleansing notice under section 708A(5)(e) of the Corporations Act 2001(Cth) (Corporations Act) that:

1. The Shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act.
2. As at the date of this notice, the Company has complied with:
  - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
  - (b) section 674 of the Corporations Act.
3. As at the date of this notice, there is no information to be disclosed which is “excluded information”, as defined in sections 708A(7) or 708A(8) of the Corporations Act.

**Hot Chili Limited**

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**This announcement is authorised by the Board of Directors for release to ASX.**

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