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APPENDIX 4D

Half-year report

1. COMPANY DETAILS

Name of entity:	Forbidden Foods Limited
ACN:	616 507 334
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Six months ended 31 December	Movement	%	\$
Revenue from ordinary activities	Down	9.1% to	1,949,754
Loss for the period attributable to the owners of Forbidden Foods Limited	Up	220.4% to	(1,730,734)
Total comprehensive loss for the period attributable to the owners of Forbidden Foods Limited	Up	219.9% to	(1,729,991)

Comments

The loss for the consolidated entity after providing for income tax amounted to \$1,730,734 (31 December 2019: \$540,249). Please refer to the review of operations on page 1 of the accompanying half-year financial report for more information.

3. NET TANGIBLE ASSETS

	At 31 Dec 2020	At 30 Jun 2020
	CENTS	CENTS
Net tangible asset backing per ordinary share	6.18	(5.49)

4. DIVIDENDS

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

5. DIVIDEND REINVESTMENT PLANS

Not applicable.

6. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Not applicable.

7. FOREIGN ENTITIES

The results of the New Zealand subsidiary, Forbidden Foods (New Zealand) Limited, have been compiled using International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

8. INTERIM REVIEW

The interim financial report has been reviewed by the consolidated entity's independent auditor and the auditor's review report is included as part of the attached Interim Report.

9. ATTACHMENTS

The Interim Report of Forbidden Foods Limited for the half-year ended 31 December 2020 is attached.

10. SIGNED

On behalf of the directors

A handwritten signature in black ink that reads "Mark Hardgrave". The signature is written in a cursive, flowing style.

Mark Hardgrave
Director

25 February 2021
Melbourne



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INTERIM REPORT

31 DECEMBER 2020

Forbidden Foods Limited
ACN 616 507 334

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DIRECTORS' REPORT

31 December 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Forbidden Foods Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

DIRECTORS

The following persons were directors of Forbidden Foods Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mark Hardgrave
Marcus Brown
Jarrad Milani
Colleen Lockwood

PRINCIPAL ACTIVITIES

The principal continuing activities of the consolidated entity during the financial half-year consisted of operating a multi-brand premium food, beverage and ingredients company focusing on the baby food, wellness and organic markets, with diverse national and international sales channels.

No significant changes in the nature of the consolidated entity's activities occurred during the half-year ended 31 December 2020.

REVIEW OF OPERATIONS

Financial performance

The consolidated entity achieved revenue of \$1,949,754 (31 December 2019: \$2,144,352) and a loss after providing for income tax of \$1,730,734 (31 December 2019: \$540,249). The overall position includes certain transactions that are non-cash or outside of the normal operations of the consolidated entity totalling \$726,634 (31 December 2019: \$85,511), including:

- interest on convertible notes of \$13,153 (31 December 2019: \$3,253);
- unwinding of discount on convertible notes \$227,904 (31 December 2019: \$82,258);
- costs incurred completing the Initial Public Offer of \$439,526 (31 December 2019: nil); and
- share-based payments of \$46,051 (31 December 2019: nil) relating to options issued during the period.

The loss reflects the consolidated entity's increased level of investment in new product development and activities to promote brand awareness to increase its existing market penetration, increase its online presence and broaden its international focus.

The impact of the COVID-19 pandemic is ongoing, with the consolidated entity experiencing intermittent impacts on the demand from food service channels as restaurant trading is restricted which has had a direct impact on short term revenue.

Key operational achievements

During the period, the consolidated entity continued to implement its core strategy of targeting retail buyers with existing and new lines of its organic food products, healthy snacks and baby foods, and to target wholesale channels such as industrial food service and food manufacturing customers to buy its healthy food products in bulk.

Key operations achievements for the consolidated entity for the financial half-year included:

- Successful ASX listing on 31 August 2020 after raising \$6 million (before costs) via an Initial Public Offering with strong support from Australian and international investors.
- Secured ranging with FoodWorks/AUR stores nationally for the FUNCH Baby Food range, FUNCH Health Snack Mixes, Sensory Mill Plant-Based Flours and Sensory Mill Organic Apple Cider Vinegar, with the rollout to be launched from January 2021.
- Secured national distribution with Baby Bunting for the consolidated entity's new FUNCH Baby Fruit Puree range and Infant Wholegrain Cereal range, with the rollout to be launched from January 2021.
- Secured ranging with 700 Pharmacy Alliance partners nationally, including 164 Alliance Pharmacy branded stores, for the consolidated entity's new FUNCH Baby Food range from February 2021.

DIRECTORS' REPORT

Financial position

The consolidated entity had \$3,100,256 in cash and cash equivalents (30 June 2020: \$136,308) and \$2,045,902 in inventories (30 June 2020: \$1,052,265) at the end of the financial half-year.

The increased inventory position represents the upfront investment to meet the anticipated increased sales demand in the second half of the financial year.

The net assets of the consolidated entity increased by \$6,836,483 to \$4,725,383 (30 June 2020: net liabilities of \$2,111,100). The increase during the period was a result of the successful Initial Public Offering which raised \$6,000,000 (before costs) and triggered the automatic conversion of the outstanding convertible notes a liability of \$3,049,055 into ordinary shares.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

A share consolidation occurred on 13 July 2020 which resulted in the reduction of the company's issued capital from 40,000,000 ordinary shares into 26,448,630 ordinary shares at a ratio of 0.66121575 to 1.

On 31 August 2020, the company commenced trading as a listed company on the Australian Securities Exchange (ASX) having completed an Initial Public Offering which raised \$6,000,000 (before costs). The business expects to utilise half of the proceeds raised through sales, marketing and brand development activities with the balance to cover administration costs, expenses of the offer and other working capital requirements.

In the opinion of the directors, other than the matters identified in this report, there were no other significant changes in the state of affairs of the consolidated entity that occurred during the financial half-year.

SUBSEQUENT EVENTS

Management have assessed the financial impacts of COVID-19 on the judgements, estimates, and assumptions used, and determined there were no material adverse impacts on the interim financial statements. The impact of the COVID-19 pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to evolve and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine and any economic stimulus that may be provided. As events continue to evolve and additional information becomes available, the consolidated entity's judgements, estimates, and assumptions may change in future periods.

No other matters or circumstances have arisen since 31 December 2020 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

ROUNDING OF AMOUNTS

The consolidated entity is an entity of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investment Commission, relating to the 'rounding off'. Amounts in this report have been rounded to the nearest dollar in accordance with that instrument, unless otherwise stated.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mark Hardgrave
Director

25 February 2021
Melbourne

AUDITOR'S INDEPENDENCE DECLARATION



Auditor's Independence Declaration to the Directors of Forbidden Foods Limited

In relation to our review of the financial report of Forbidden Foods Limited for the half-year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (b) no contraventions of any applicable code of professional conduct.

This declaration is made in respect of Forbidden Foods Limited and the entities it controlled during the financial period.

PKF
Melbourne, 25 February 2021

Kenneth Weldin
Partner

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 31 December

		2020	2019
	NOTE	\$	\$
Continuing operations			
Revenue	3	1,949,754	2,144,352
Cost of sales		(1,305,893)	(1,395,257)
Gross margin		643,861	749,095
Other income	4	170,257	11,728
Employee benefits expense	5	(678,687)	(240,050)
Freight out and distribution expense		(320,075)	(282,426)
Depreciation and amortisation expense	5	(52,910)	(50,148)
Marketing and promotion costs		(329,822)	(103,261)
Occupancy costs		(28,025)	(13,925)
Other expenses		(411,247)	(280,183)
Finance costs	5	(724,086)	(331,079)
Loss before tax		(1,730,734)	(540,249)
Income tax expense		-	-
Loss for the period		(1,730,734)	(540,249)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	11	743	(546)
Total comprehensive loss		(1,729,991)	(540,795)
Loss per share - continuing operations			
Basic (cents per share)	6	(2.90)	(317,793.53)
Diluted (cents per share)	6	(2.90)	(317,793.53)

The above consolidated statement of profit or loss and comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 Dec 2020	At 30 Jun 2020
	NOTE	\$	\$
Assets			
<i>Current assets</i>			
Cash and cash equivalents		3,100,256	136,308
Trade and other receivables		825,005	694,414
Inventories		2,045,902	1,052,265
Income tax refundable		-	4,434
Other		102,771	281,967
Total current assets		6,073,934	2,169,388
<i>Non-current assets</i>			
Property, plant and equipment		50,011	15,587
Intangibles	7	101,173	53,137
Right-of-use assets	8	489,799	31,656
Total non-current assets		640,983	100,380
Total assets		6,714,917	2,269,768
Liabilities			
<i>Current liabilities</i>			
Trade and other payables		1,369,221	1,425,019
Borrowings		-	1,906,434
Derivative financial instruments		-	901,564
Employee benefits		80,035	100,675
Lease liabilities	9	113,504	32,091
Total current liabilities		1,562,760	4,365,783
<i>Non-current liabilities</i>			
Employee benefits		40,054	15,085
Lease liabilities	9	386,720	-
Total non-current liabilities		426,774	15,085
Total liabilities		1,989,534	4,380,868
Net assets/(liabilities)		4,725,383	(2,111,100)
Equity			
Issued capital	10	8,731,675	586,451
Reserves	11	525,840	103,847
Retained losses		(4,532,132)	(2,801,398)
Total equity		4,725,383	(2,111,100)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2020

Consolidated	Issued capital	Reserves	Retained losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2020	586,451	103,847	(2,801,398)	(2,111,100)
Loss for the period	-	-	(1,730,734)	(1,730,734)
Other comprehensive income	-	743	-	743
Total comprehensive income/(loss)	-	743	(1,730,734)	(1,729,991)
<i>Transactions with owners:</i>				
Contributions of equity, net of transaction costs	8,145,224	-	-	8,145,224
Share-based payments	-	421,250	-	421,250
Balance at 31 December 2020	8,731,675	525,840	(4,532,132)	4,725,383

Consolidated	Issued capital	Reserves	Retained losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2019	586,451	(742)	(448,098)	137,611
Loss for the period	-	-	(540,249)	(540,249)
Other comprehensive loss	-	(546)	-	(546)
Total comprehensive loss	-	(546)	(540,249)	(540,795)
Balance at 31 December 2019	586,451	(1,288)	(988,347)	(403,184)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 31 December

	2020	2019
	\$	\$
Cash flows from operating activities		
Receipts from customers	1,919,652	1,862,874
Payments to suppliers and employees	(3,969,099)	(2,972,923)
Interest paid	(1,141)	-
Income taxes	4,434	-
Other income	170,257	-
Net cash used in operating activities	(1,875,897)	(1,110,049)
Cash flows from investing activities		
Payments for intangibles	(55,472)	(9,397)
Payments for property, plant and equipment	(38,817)	(10,107)
Net cash used in investing activities	(94,289)	(19,504)
Cash flows from financing activities		
Proceeds from issue of shares	6,000,200	-
Proceeds from issue of convertible notes	-	1,539,000
Proceeds from funds received in advance	-	455,000
Finance costs	(42,115)	(245,568)
Capital raising costs	(992,712)	-
Repayment of borrowings	-	(152,352)
Repayment of lease liabilities	(31,337)	(41,357)
Net cash from financing activities	4,934,036	1,554,723
Net increase in cash and cash equivalents	2,963,850	425,170
Cash and cash equivalents at the beginning of the financial year	136,308	14,671
Effects of exchange rate changes on cash and cash equivalents	98	772
Cash and cash equivalents at the end of the financial year	3,100,256	440,613

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 1. BASIS OF ACCOUNTING

(a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(b) Changes in accounting policies and disclosures

The interim financial statements have been prepared using the same accounting policies and methods of computation as, and should be read with, the financial statements and related notes included in the consolidated entity's annual report for the year ended 30 June 2020.

(c) Critical accounting estimates

The same significant judgements, estimates, and assumptions included in the notes to the financial statements in the consolidated entity's annual report for the year ended 30 June 2020 have been applied to these interim financial statements.

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) a pandemic, that continues to spread globally. The consolidated entity has considered the impact of COVID-19 on the judgements, estimates, and assumptions used, and determined there were no material adverse impacts on the interim financial statements. As events continue to evolve and additional information becomes available, the consolidated entity's judgements, estimates, and assumptions may change in future periods.

NOTE 2. OPERATING SEGMENTS

The consolidated entity has only one operating segment, being a multi-brand provider of premium food, beverage and ingredients in the wellness and organic channels, with diverse national and international sales channels. This operating segment has been determined based on how the consolidated entity's management team (the chief operating decision-makers) reviews financial performance. Therefore, as the results are the same as the consolidated entity they have not been repeated.

NOTE 3. REVENUE

Revenue from contracts with customers

Six months ended 31 December	2020	2019
	\$	\$
Sale of goods	1,949,754	2,144,352
Total revenue	1,949,754	2,144,352

Disaggregation of revenue by geographic location

Six months ended 31 December	2020	2019
	\$	\$
Australia	1,893,821	2,056,575
New Zealand	55,933	87,777
Total revenue	1,949,754	2,144,352

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. OTHER INCOME

Six months ended 31 December	2020	2019
	\$	\$
Cash flow boost payment	50,000	-
Rent received	-	11,728
Research and development tax incentive	115,090	-
Other income	5,167	-
Total other income	170,257	11,728

NOTE 5. EXPENSES

Employee benefits expense

Six months ended 31 December	2020	2019
	\$	\$
Salaries and wages	510,306	206,104
Superannuation	54,075	19,774
Share-based payments	46,051	-
Non-executive director fees	48,706	6,088
Other employee related expenses	19,549	8,084
Total employee benefits expense	678,687	240,050

Depreciation and amortisation expenses

Six months ended 31 December	2020	2019
	\$	\$
Depreciation of right-of-use assets	41,081	42,405
Depreciation of plant and equipment	4,393	2,363
Amortisation of intangible assets	7,436	5,380
Total depreciation and amortisation expense	52,910	50,148

Finance costs

Six months ended 31 December	2020	2019
	\$	\$
Cost of issuing convertible notes	-	170,434
Debtor finance fees	25,995	32,473
Interest on convertible notes	13,153	3,253
Interest on lease liabilities	246	3,113
Listing costs	439,526	-
Trade finance fees	16,120	39,548
Unwinding of discount on convertible notes	227,904	82,258
Other interest	1,142	-
Total finance costs	724,086	331,079

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LOSS PER SHARE

The consolidated entity presents basic and diluted loss per share (LPS) data for its ordinary shares.

Basic LPS is calculated by dividing the net loss attributable to the owners of Forbidden Foods Limited by the weighted average number of ordinary shares on issue during the period.

Diluted LPS is determined by adjusting the net loss attributable to the owners and the weighted average number of ordinary shares on issue for the effects of all potential dilution to ordinary shares. Instruments are only treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase the loss per share.

Six months ended 31 December	2020	2019
Net loss attributable to the owners of Forbidden Foods Limited (\$)	(1,730,734)	(540,249)
Weighted average number of ordinary shares for calculating basic and diluted EPS	59,705,490	170
Basic loss per share (cents)	(2.90)	(317,793.53)
Diluted loss per share (cents)	(2.90)	(317,793.53)

NOTE 7. INTANGIBLES

	At 31 Dec 2020	At 30 Jun 2020
	\$	\$
Trademarks	54,330	40,604
Website	46,843	12,533
Closing intangibles	101,173	53,137

Movements in each class of intangible during the period are set out below:

Six months ended 31 December 2020	Trademarks	Website	Total
	\$	\$	\$
Balance at 1 July 2020	40,604	12,533	53,137
Additions	19,562	35,910	55,472
Amortisation expense	(5,836)	(1,600)	(7,436)
Balance at 31 December 2020	54,330	46,843	101,173

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. RIGHT-OF-USE ASSETS

	At 31 Dec 2020	At 30 Jun 2020
	\$	\$
Right-of-use assets	489,799	31,656
Closing right-of-use assets	489,799	31,656

Set out below are the carrying amounts of the right-of-use assets recognised and the movements during the period:

	\$
Balance at 1 July 2020	31,656
Additions	499,224
Depreciation expense	(41,081)
Balance at 31 December 2020	489,799

NOTE 9. LEASE LIABILITIES

	At 31 Dec 2020	At 30 Jun 2020
	\$	\$
Current		
Lease liabilities	113,504	32,091
Non-current		
Lease liabilities	386,720	-
	500,224	32,091

Set out below are the carrying amounts of the lease liabilities recognised and the movements during the period:

	\$
Balance at 1 July 2020	32,091
Leases entered into during the period	499,224
Principal repayments	(31,091)
Balance at 31 December 2020	500,224

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. ISSUED CAPITAL

	At 31 Dec 2020	At 30 Jun 2020
	\$	\$
Ordinary shares – fully paid	8,731,675	586,451
Closing issued capital	8,731,675	586,451

Movements in ordinary share capital during the period are set out below:

	Number of shares	Share capital
		\$
Fully paid ordinary shares		
Balance at 30 June 2020	40,000,000	586,451
<i>Movements in the period:</i>		
Share consolidation	(13,551,370)	-
Conversion of convertible notes	15,245,291	3,049,055
Issue of ordinary shares – initial public offering	30,000,000	6,000,000
Issue of ordinary shares – cleansing offer	1,000	200
Issue of ordinary shares – advisers	3,306,078	661,216
Share issue costs	-	(1,565,247)
	35,000,999	8,145,224
Balance at 31 December 2020	75,000,999	8,731,675

NOTE 11. RESERVES

	At 31 Dec 2020	At 30 Jun 2020
	\$	\$
Foreign currency reserve	522	(221)
Share-based payments reserve	525,318	104,068
Closing reserves	525,840	103,847

Movements in each class of reserve during the period are set out below:

	Foreign currency	Share-based payments	Total
	\$	\$	\$
Balance at 1 July 2020	(221)	104,068	103,847
Foreign currency translation	743	-	743
Share-based payments – advisers	-	375,200	375,200
Share-based payments – non-executive directors	-	36,653	36,653
Share-based payments – key management personnel	-	9,397	9,397
Balance at 31 December 2020	522	525,318	525,840

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. SHARE-BASED PAYMENTS

(a) Options granted during the period

Six months ended 31 December 2020	Number of options	Weighted average exercise price
		\$
Balance at 1 July 2020	1,500,000	0.30
Granted during the period	7,250,000	0.34
Exercise during the period	-	-
Forfeited/expired during the period	-	-
Balance at 31 December 2020	8,750,000	0.34

(b) Fair value of options granted

GRANT DATE	EXPIRY DATE	NUMBER OF OPTIONS GRANTED	SHARE PRICE AT GRANT DATE	EXERCISE PRICE \$	RISK-FREE RATE	VOLATILITY	FAIR VALUE AT GRANT
31 Aug 2020	31 Aug 2023	4,000,000	0.365	0.30	0.835%	88.2%	375,200
01 Dec 2020	01 Dec 2023	3,250,000	0.290	0.40	0.124%	68.4%	338,325

NOTE 13. CONTINGENT LIABILITIES

The consolidated entity had no contingent liabilities at 31 December 2020 (30 June 2020: nil).

NOTE 14. SUBSEQUENT EVENTS

The impact of the COVID-19 pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to evolve and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine and any economic stimulus that may be provided. As events continue to evolve and additional information becomes available, the consolidated entity's judgements, estimates, and assumptions may change in future periods.

No other matters or circumstances have arisen since 31 December 2020 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Report*, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mark Hardgrave
Director

25 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT



Independent Auditor's Review Report to the Members of Forbidden Foods Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Forbidden Foods Limited (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Forbidden Foods Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors' of the Company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF
Melbourne, 25 February 2021

Kenneth Weldin
Partner

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CORPORATE DIRECTORY

DIRECTORS

Mark Hardgrave (Independent, Non-Executive Director and Chairperson)
Marcus Brown (CEO and Managing Director)
Jarrod Milani (COO and Executive Director)
Colleen Lockwood (Independent, Non-Executive Director)

CHIEF FINANCIAL OFFICER

Sam Fraser

COMPANY SECRETARY

Adam Soffer

PRINCIPAL PLACE OF BUSINESS

13/277-289 Middleborough Road
Box Hill South VIC 3128

AUDITOR

PKF Melbourne
Level 12, 440 Collins Street
Melbourne VIC 3000

REGISTRY

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

Telephone: 1300 288 654

STOCK EXCHANGE LISTING

Forbidden Foods Limited securities are listed on the Australian Securities Exchange (ASX)

INVESTOR INQUIRIES AND CORRESPONDENCE

Forbidden Foods Limited
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Website: www.forbiddenfoods.com.au

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