

forbidden[®]

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July 30, 2021

Q4 FY21 Investor Update

www.forbiddenfoods.com.au



Our Business Proposition

Create healthy and nutritious products that **engage, delight and inspire** health-conscious consumers



Premium Australian food producer focused on global super-trends of health, baby and plant-based diets



100% Australian ingredients used to make healthy and nutritious food for young families



Local and Sustainable paddock to pouch philosophy



Strong focus on product and brand innovation to ensure we evolve with our millennial and young family demographic



Focus on E-commerce and modern retail methods to ensure premium margins for our premium products



Targeting growth into Asian baby food and early childhood markets

Our Brands

Forbidden Foods offers two key brands with broad appeal in fast growing global segments



Infant & Toddler Health & Nutrition

FUNCH®

FUNCH products help children love, enjoy and discover food, and empower parents to feel satisfied! Range includes Australian Made Baby Puree & Cereals and Family Snacking range of mixes.

www.FUNCH.com.au



Plant-Based Health Foods

sensory mill®

Sensory Mill provides the very best of plant-based foods – from exotic, weird and wonderful ingredients through to mixes and healthy beverages.

www.SensoryMill.com.au



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Quarterly Highlights

Record revenue

\$1.21m

Largest ever quarterly revenue result on the back of explosive growth in export markets, with record monthly revenue in June of \$524k

Major export agreements executed

\$6.37m

Of total targeted sales in two distribution agreements across China and Vietnam signed during the quarter.

Reduction in cash burn

58.1%

On the back of record receipts from customers, cash used in operating activities was \$541k in Q4 FY21, an improvement of 58.1% from Q3 FY21.

Digital channel revenue

11.2%

Sales via digital channels during quarter represented 11.2% of group revenue. This includes our owned e-commerce stores and CBEC stores and partners.

CBEC penetration

62.2%

The FUNCH® range of baby foods will now be accessible on four e-commerce platforms which capture 62.2% of the cross-border e-commerce sales in China

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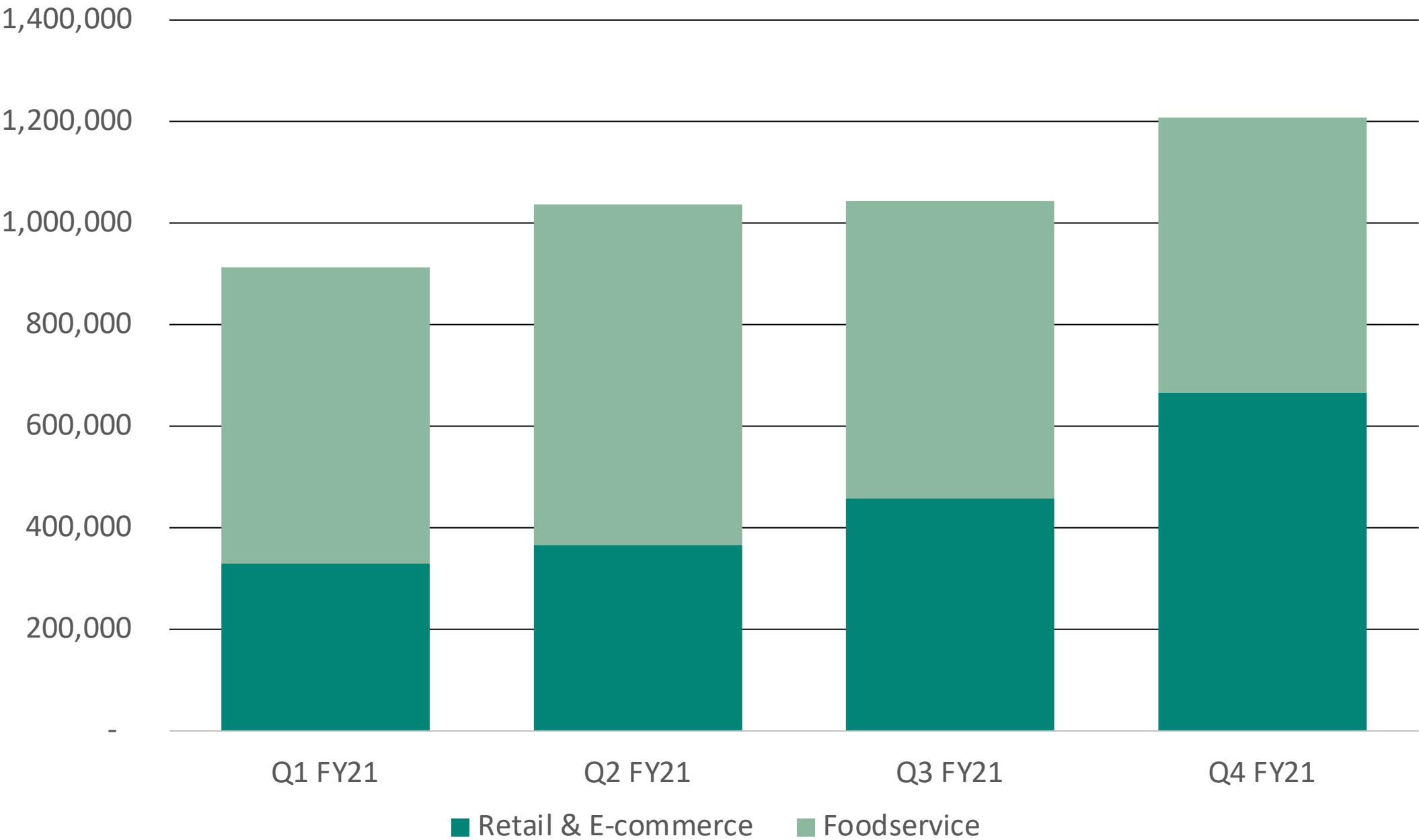
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Revenue By Quarter

Record Revenue

Consecutive quarter-on-quarter revenue growth, with revenue up 37.2% on pcp to \$1.21 million on the back of rapid growth in export markets.

Forbidden Foods continues to focus on strengthening the business by growing the accessibility to our brands both in-store and online, along with expanding our product ranges through existing sales channels.



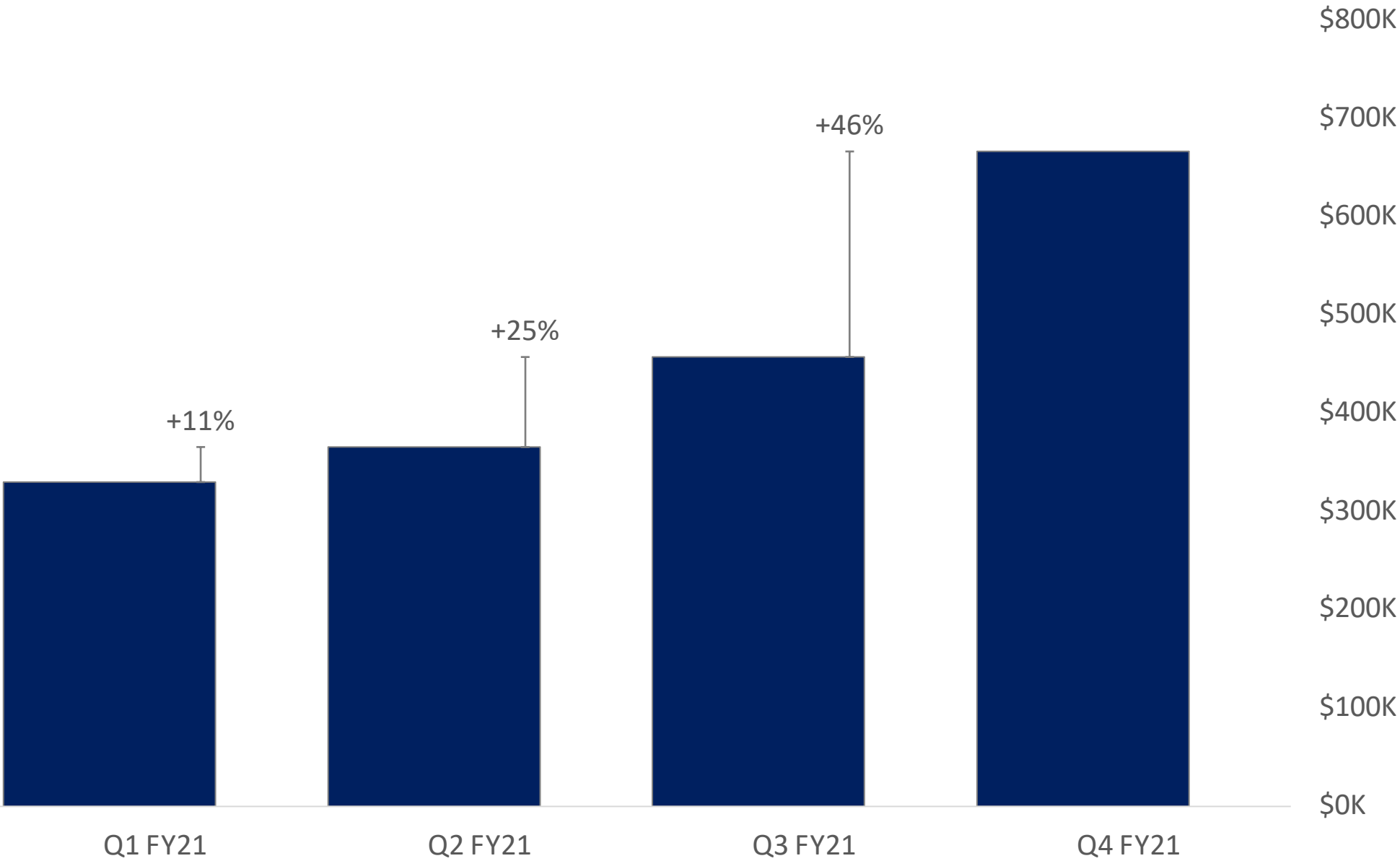
Revenue By Channel

Retail & E-commerce

Forbidden Foods continues substantial quarter-on-quarter growth in Q4 FY21.

Positive momentum continued with our e-commerce strategy, with high margin revenue from e-commerce representing 11.2% of group revenue in Q4 FY21.

Retail & E-commerce revenue



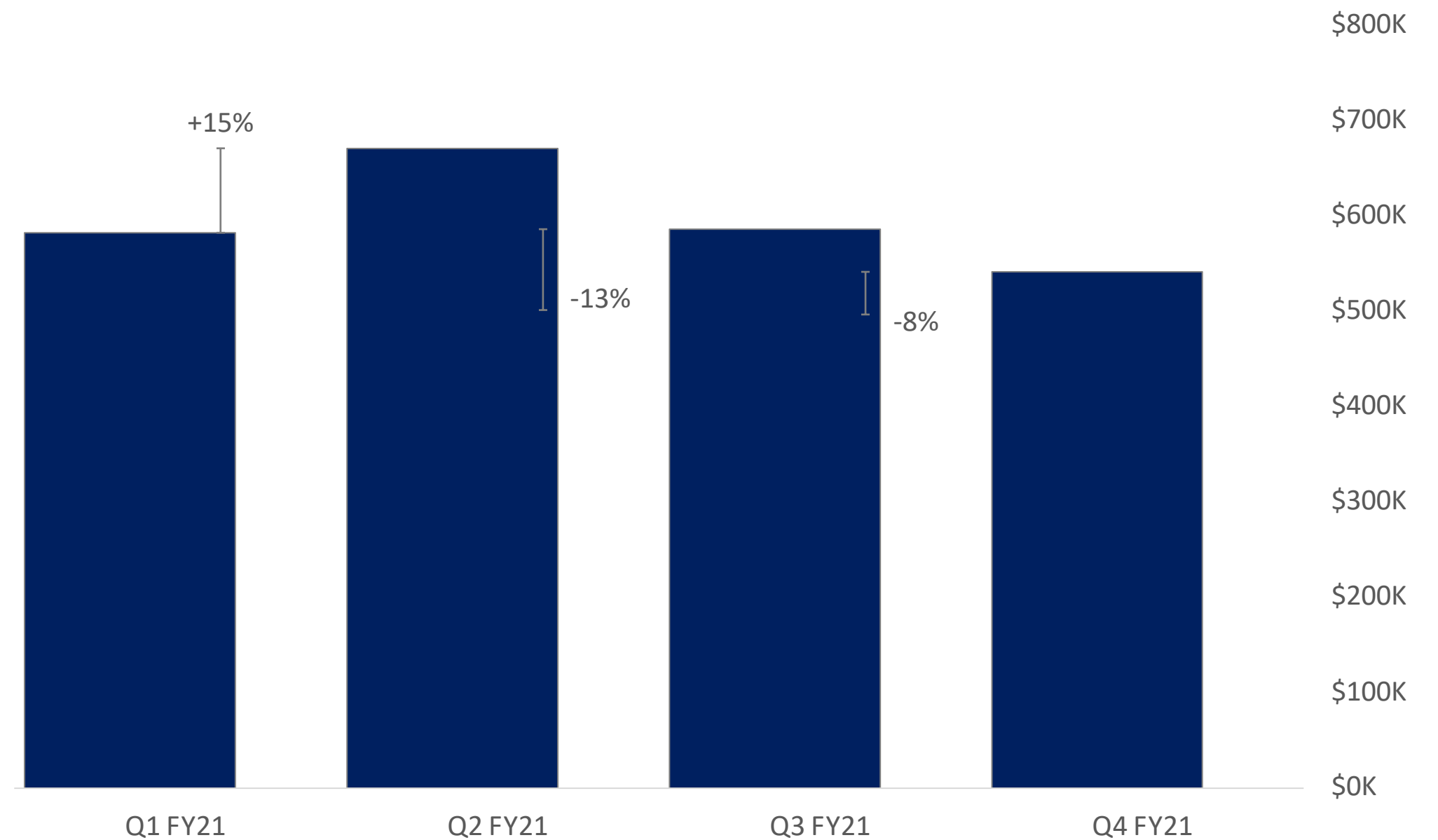
Revenue By Channel

Foodservice

The market in Australia and New Zealand continues to require a proactive and responsive approach to managing the COVID-19 pandemic.

Forbidden Foods continues to service the foodservice channel and is confident revenue growth will return as the frequency of COVID-19 lockdowns ease and more people begin to return to work.

Foodservice revenue



Feeding the world with the world's best

Our Key Strategies For FY21

01

Enter China & South-East Asia

02

Build a world-class E-commerce offering

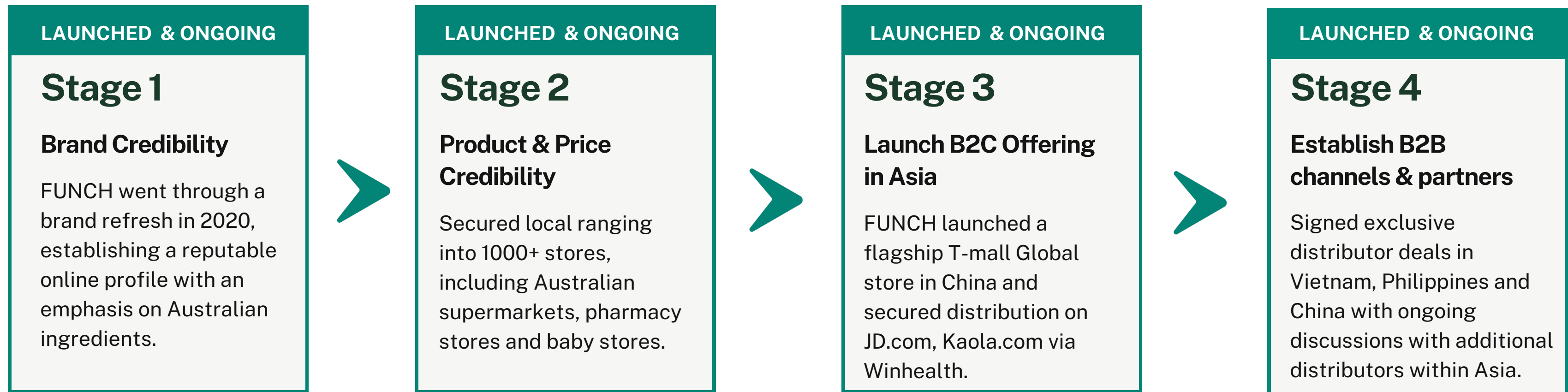
03

Deliver innovation that is going to excite

China & South-East Asia

Entry Strategy

Forbidden Foods has a clear strategy to successfully roll out its FUNCH brand in China & South-East Asia. The company has staged its market penetration strategy to ensure a smooth entry into the market while retaining its brand and product quality which assists in maintaining sustainable margins for the company.



Vietnam

Distribution Agreement

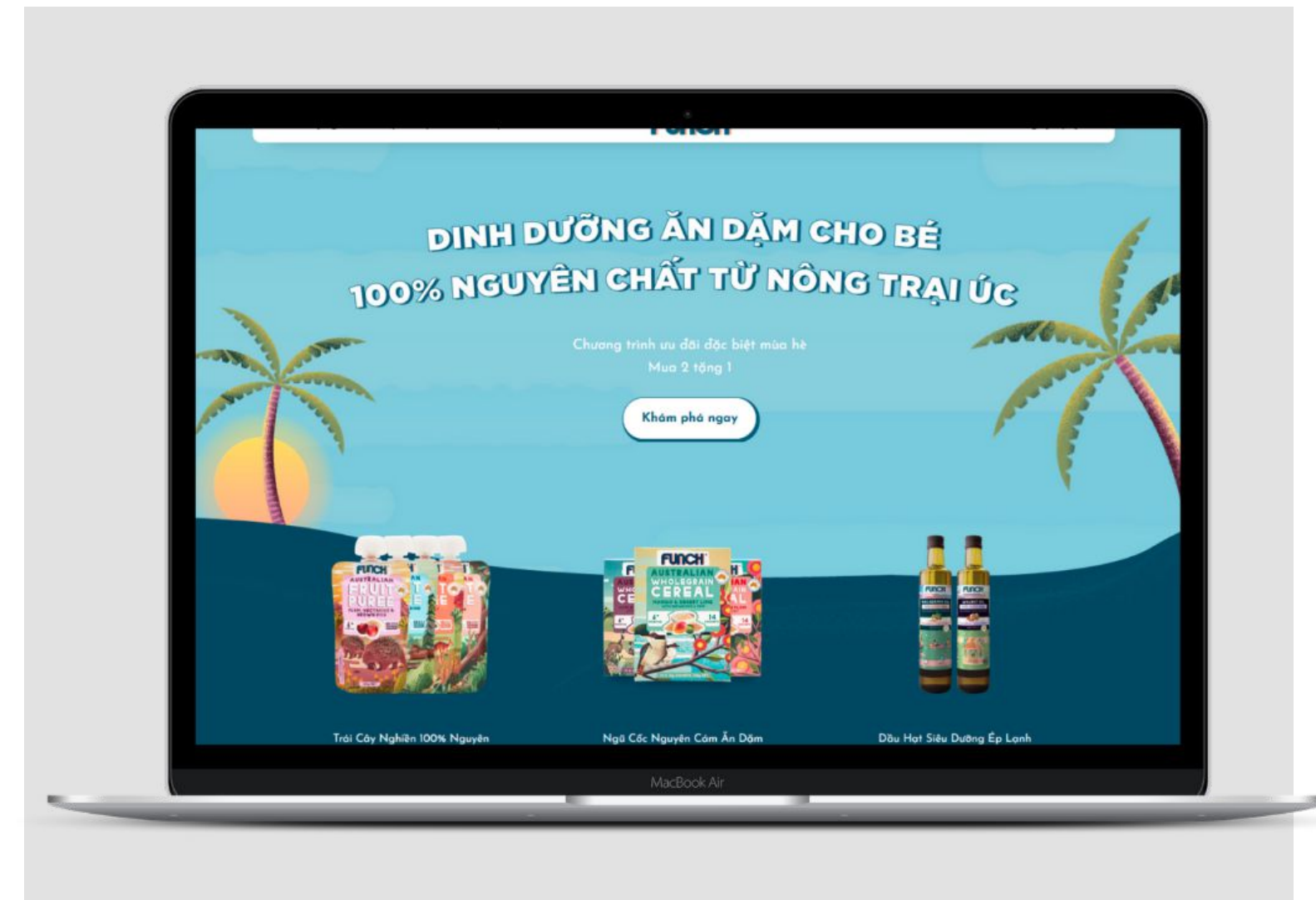
Highlight
STAGE 4

In June, Forbidden Foods announced an exclusive agreement with AusCom International to distribute its FUNCH® brand in Vietnam, targeting minimum sales of \$3.15 million over an initial three-year term.

AusCom International has a proven track record distributing leading brands in Vietnam, including Blackmores, Fonterra and a2 Milk Company.

The Vietnamese baby foods market is worth an estimated USD\$3.7 billion per annum and is expected to grow annually by 9.04% (CAGR 2021-2025)¹

Forbidden Foods has already fulfilled two purchase orders for AusCom.



Local Marketing Activity in Vietnam

- Local website launched: www.funch.com.vn
- Facebook page launched: www.facebook.com/FunchVietnam
 - 9926 Likes & 10408 follows
- Shopee Store Launched: www.shopee.vn/funchvietnam

Highlight
STAGE 4

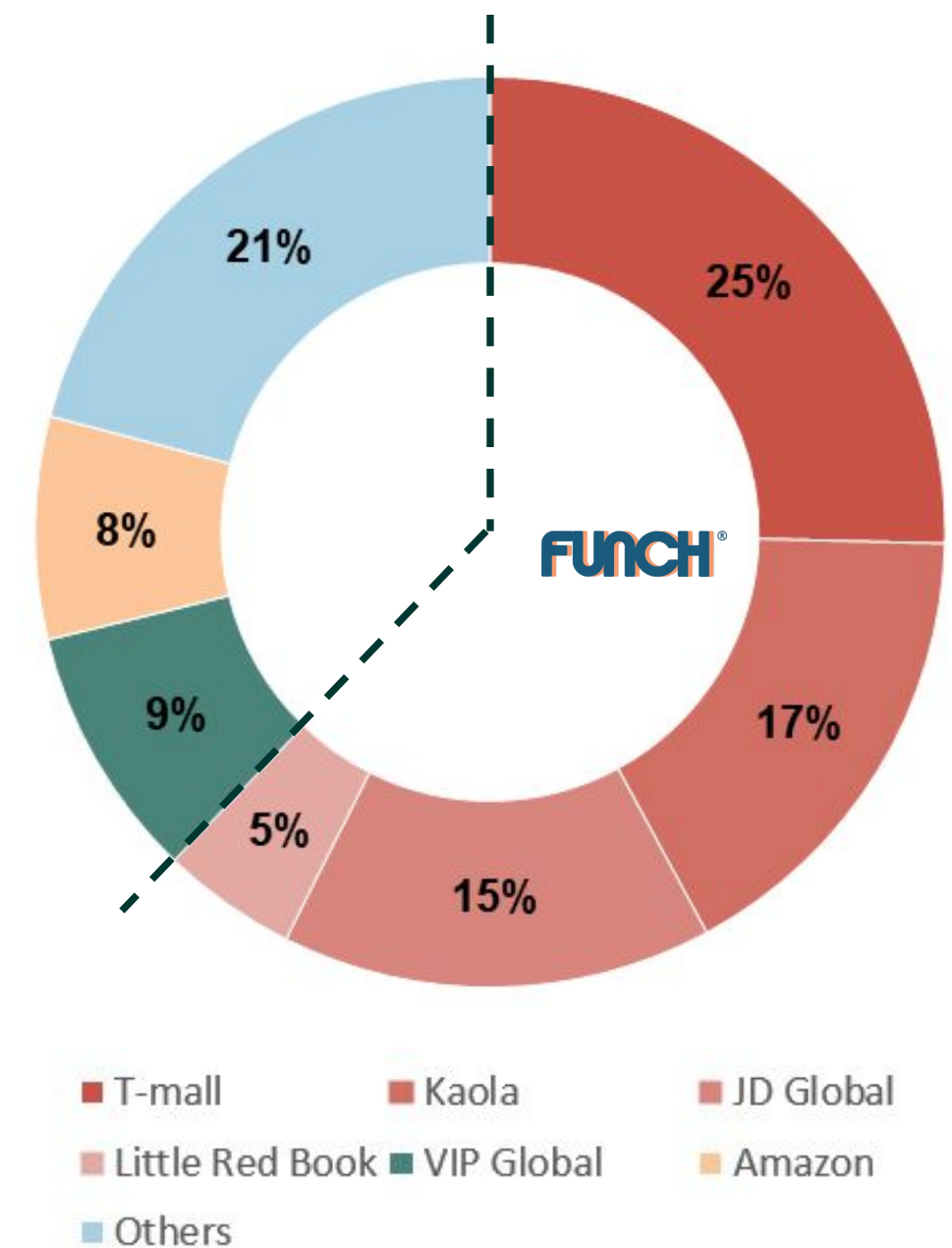
CBEC Asia Expansion

Forbidden Foods Ltd announced post quarter end it has entered into an exclusive distribution agreement with Hangzhou and Hong Kong based Winhealth Pharma to distribute its infant & toddler, health and nutrition brand FUNCH® on Kaola and JD.com.

Winhealth has placed its first purchase order for over \$90,000 of FUNCH® products which will be shipped to China, confirming the growing consumer demand for nutritious and natural baby food in the region.

The FUNCH® range of baby foods will now be accessible on T-mall Global, Kaola, JD Global and Little Red Book. These four e-commerce platforms capture 62.2% of the cross-border e-commerce sales in China.¹

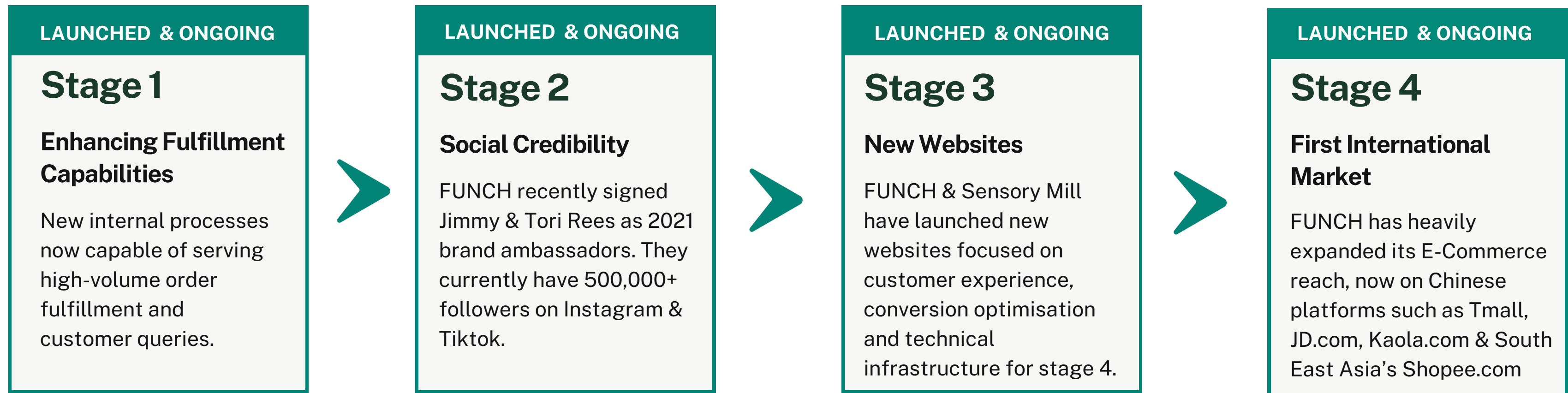
The targeted sales over the term of this two-year agreement are \$1.055 million in year one and \$2.16 million in year two. The targeted sales must be met or exceeded to maintain exclusivity in these channels.



1. "Cross-Border E-commerce Platforms Market Share" Source: iiMedia Research by ecommercechina.com

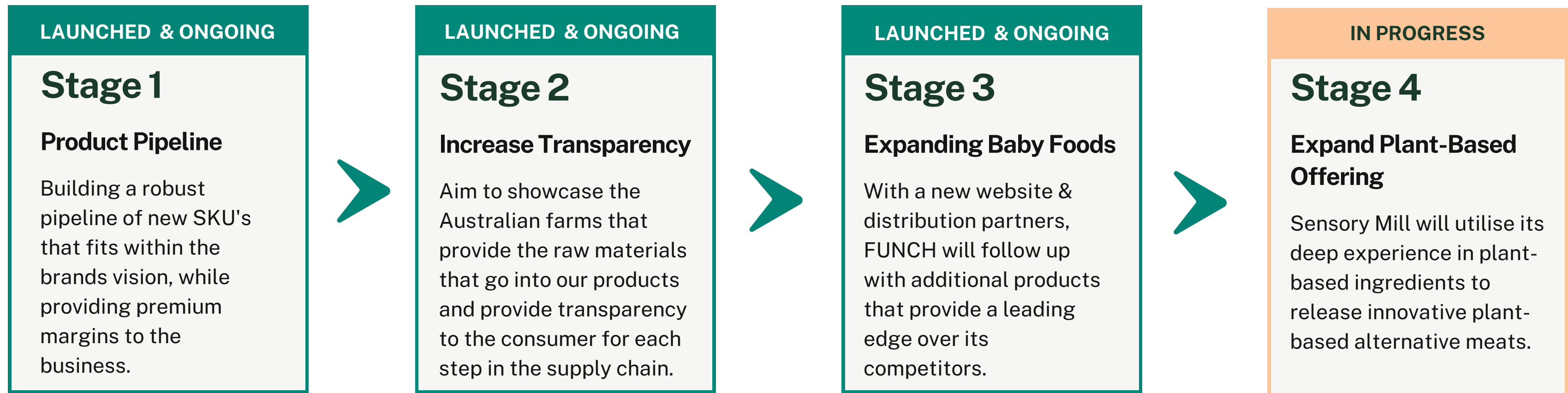
E-Commerce Strategy

Forbidden Foods values the importance of owning the relationship with its customer so it can offer a richer brand experience to increase loyalty and stickiness.



Innovation That Will Excite Strategy

Forbidden Foods is serious about quality and passionate about innovation. We consume the products we make and will continue to expand the range aiming to lead the category in premium innovations and premium margins.



Highlight
STAGE 3

New Product Release

Edible Baby Oils

FUNCH® has continued its focus on expanding its nutritious Australian infant & toddler, health and nutrition range of products with the successful development and launch of a new range of 100% Australian edible oils enhanced with DHA Omega-3 to enter the emerging baby food seasoning category.

These edible oil seasonings fortify infant and toddler meals with the essential nutrients needed during the crucial stages of early cognitive development. The products have been developed in conjunction with market research from Alibaba's Tmall Global store and consumer demand reports, reflecting the benefits of direct customer engagement via e-commerce channels. The reception has been highly positive with order demand outstripping initial supply which is encouraging.

Globally, the plant-based edible oil market is estimated to be worth over US\$96bn annually and is expected to grow at a CAGR of 3.5% as more consumers incorporate edible oils into their daily diet.¹



Highlight
STAGE 4

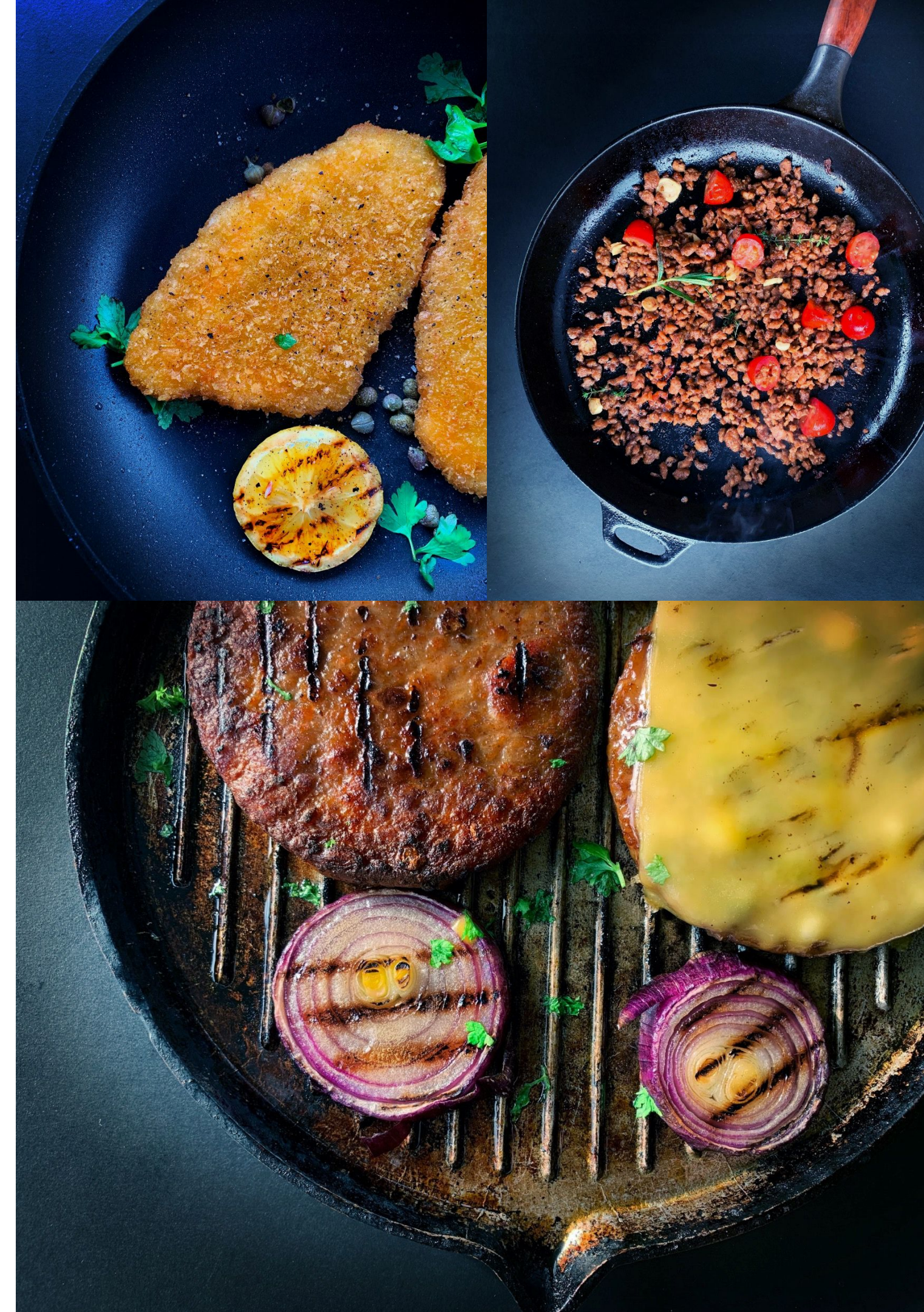
Upcoming Release Plant-based Meats

Forbidden Foods is currently in the final stages of developing a unique market first, health orientated plant-based meat range of products, targeted for release in Q2 FY22.

This range has been diligently formulated to cater for a variety of modern diets expected from millennial consumers such as nutrient density, low sugar, low salt, and non-allergen requirements.

The company aims to distribute this straightaway through its existing sales channels and for immediate export.

Accompanying the release of these products is an exciting brand refresh of Sensory Mill to ensure it continually evolves to establish itself as one of the key next generation plant-based and healthy meat alternative brands in the international market.



Disclaimer

This presentation dated 30 July 2021 provides additional comment on the Quarterly Report for the 3 months ended 30 June 2021 of Forbidden Foods Limited (the “Company” or “Forbidden Foods”) and accompanying information released to the market on the same date. As such, it should be read in conjunction with the explanations and views in those documents.

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This presentation has been approved for release by the Board of Forbidden Foods

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Thank You

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