



Investor Presentation

FY2021 Preliminary Results

innov
ative
health
food

Important notices and disclaimer

This presentation dated 31 August 2021 provides additional comment on the Preliminary Final Report for the year 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.

This presentation is provided for general information purposes only. The information contained in this presentation is not intended to be relied upon as advice to investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should assess their own individual financial circumstances and consider talking to a financial adviser or consultant before making any investment decision.

This presentation is not a prospectus, investment statement or disclosure document, or an offer of shares for subscription, or sale, in any jurisdiction.

Certain statements in this presentation constitute forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements.

While all reasonable care has been taken in relation to the preparation of this presentation, none of the Company, its subsidiaries, or their respective directors, officers, employees, contractors or agents accepts responsibility for any loss or damage resulting from the use of or reliance on this presentation by any person.

Past performance is not indicative of future performance and no guarantee of future returns is implied or given.

Some of the information in this presentation is based on unaudited financial data which may be subject to change.

All values are expressed in Australian currency unless otherwise stated.

All intellectual property, proprietary and other rights and interests in this presentation are owned by the Company

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

Forbidden Foods

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



Focus on using quality Australian ingredients and use local supplier partnerships to make healthy and nutritious food for millennials and young families



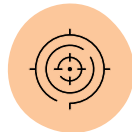
Local and sustainable ingredient sourcing and manufacturing philosophy



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



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



Targeting growth into key international markets across Asia, US and UK

A transformative year for Forbidden Foods



\$6.0m capital raised



Increased in-store and online penetration



E-commerce & cross-border e-commerce offerings



Major distribution agreements



Innovative NPD pipeline

Forbidden Foods successfully completed its IPO on the ASX in August 2020, whereby the company raised \$6.0m before costs.

Since the IPO, the company has continued to strengthen and grow its business by increasing the accessibility to our brands both in-store and online. The company has secured key strategic ranging opportunities throughout Australia, including FoodWorks, Baby Bunting and Pharmacy Alliance stores, further expanding the retail offering of our brands.

The company also achieved significant advancements in its global e-commerce offering with the completion of new websites for its brands, focussed on improving cart conversion rates and providing backend infrastructure for a large-scale global e-commerce offering. The company also launched cross-border e-commerce offerings including a flagship Tmall store to directly service consumers in China.

On the back of the launch of Tmall, the company has executed distribution agreements with partners in Vietnam and the Philippines and a cross-border e-commerce agreement in China, significantly diversifying Forbidden Foods geographical revenue streams and exposing the company's brands to immense addressable markets.

The company has continued to develop innovative products and continues to work with its trade partners to develop products to meet consumer demand, including the launch of a 100% Australian plant-based edible oil range targeting the emerging baby food seasoning category which was developed in conjunction with Alibaba.

Our Brands

A leading portfolio of 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

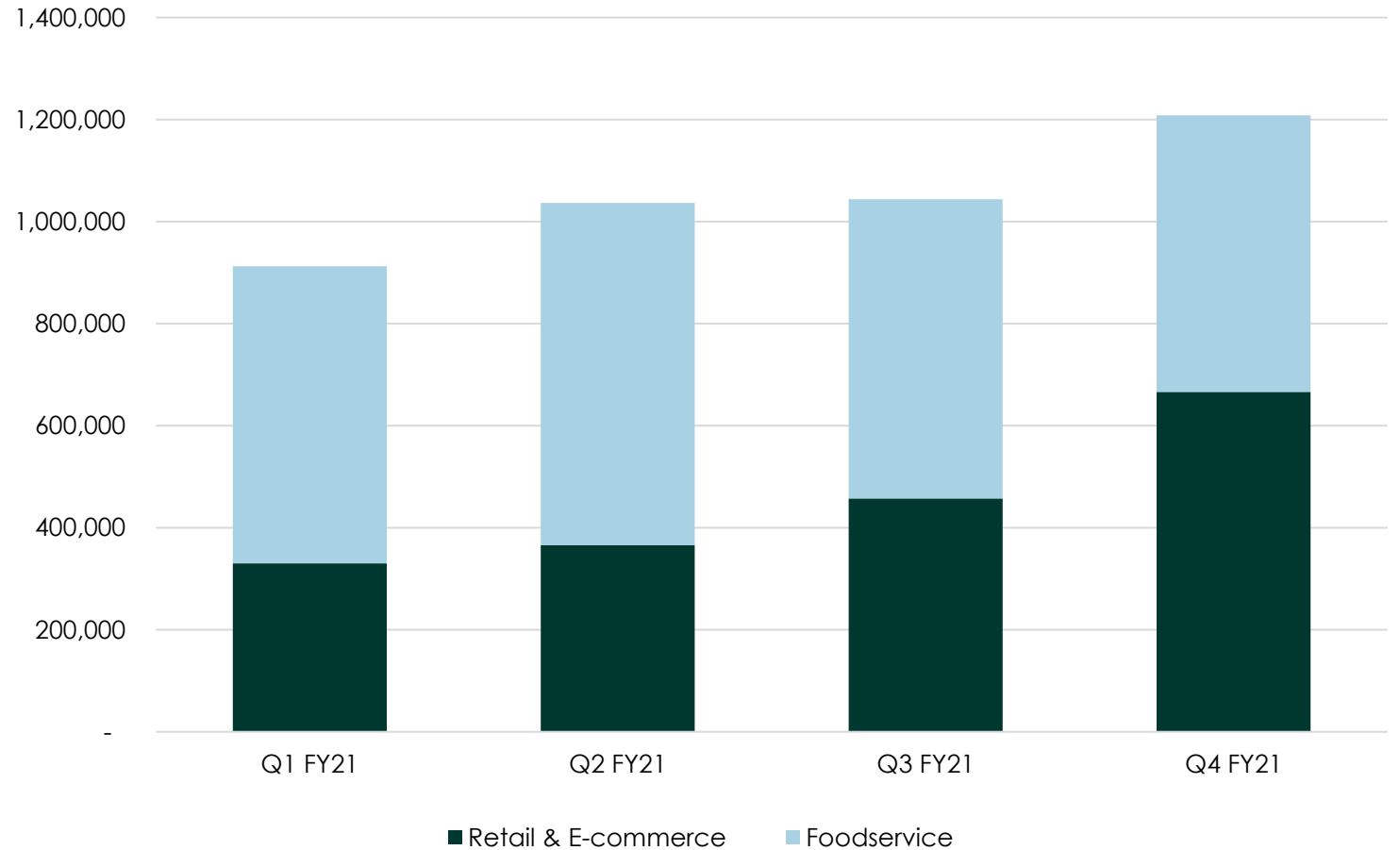


Revenue by quarter

Despite restrictions and lockdowns imposed throughout the year continuing to impact foodservice revenue in Australia and New Zealand, the company has continued to strengthen the business by growing the accessibility to our brands both in-store and online, along with expanding our product ranges through existing sales channels.

Domestically, the company has established a diversified retail sales channel including major supermarkets, independent grocers and health food stores.

Internationally, the company has penetrated multiple new markets and executed key distribution agreements. Forbidden Foods is only in the infancy of realising the benefits of the relationships established and already posted the largest quarterly revenue to date in Q4 FY21.



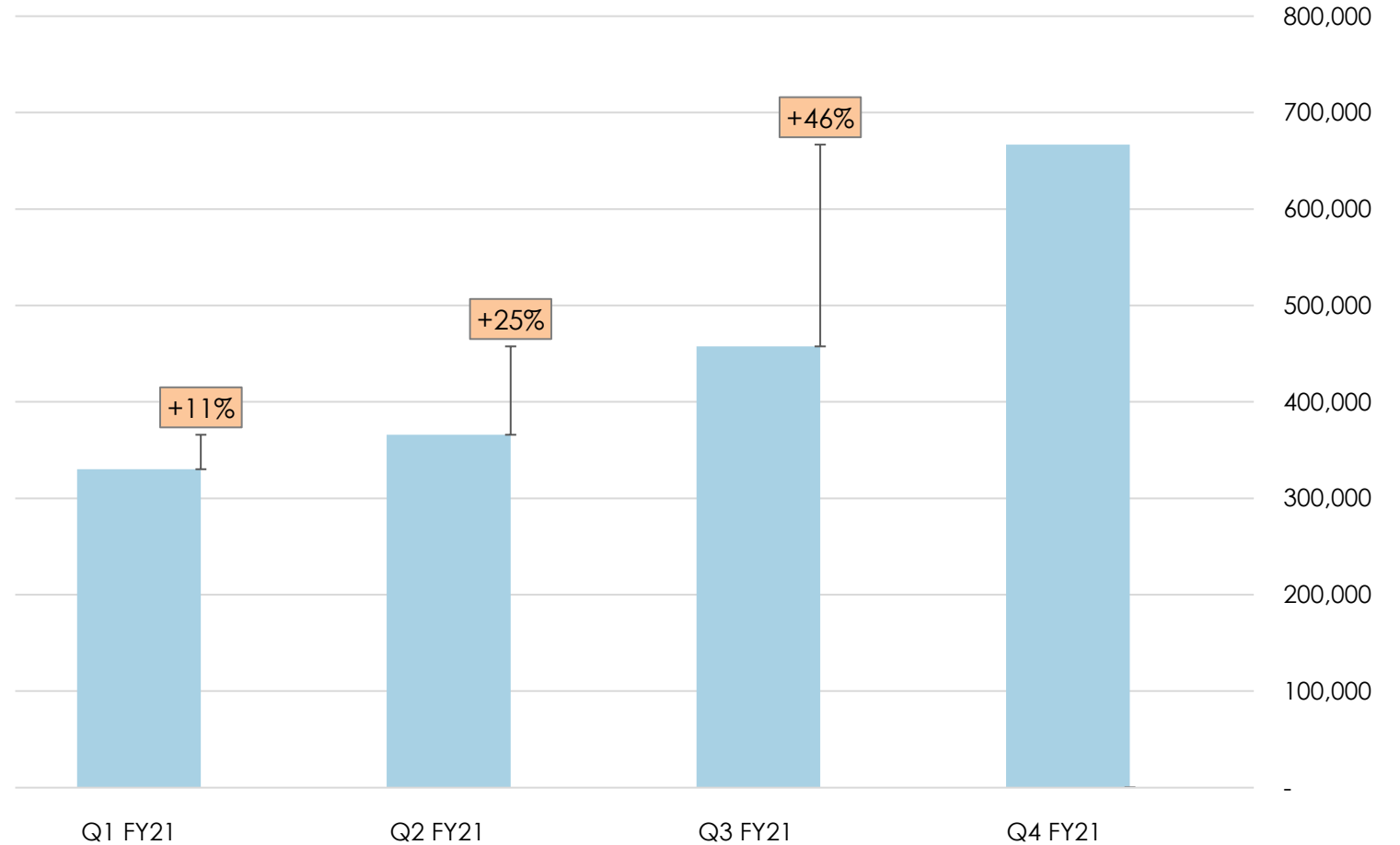
Growing e-commerce

Positive momentum continued from our e-commerce strategy, with high-margin revenue from this channel growing throughout the year to represent 11.2% of group revenue in Q4 FY21.

Forbidden Foods achieved substantial quarter-on-quarter growth in the e-commerce channel throughout the financial year, backed by the launch of new websites for FUNCH and Sensory Mill and the launch of Tmall in China.

Forbidden Foods has invested in its partnerships with our trade partners which enabled the company to cross sell onto platforms such as JD.com and Kaola.com.

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.



Strong financial position



Strong balance sheet with net assets of \$3.06m



\$1.15m in cash and cash equivalents



Inventory holdings of \$1.93m



Available debt finance of \$1.25m

On the back of the successful IPO, the company has retained a strong balance sheet with net assets of \$3.06m as at 30 June 2021 (2020: net liabilities of \$2,111,100).

Aiding the improved balance sheet position was the automatic conversion of convertible notes during the financial year, removing \$2.81m in current liabilities from the balance sheet recognised at 30 June 2020.

The company has deployed a significant portion of the funds raised through the IPO throughout the year in pursuing its strategic objectives which resulted in cash used in operating activities of \$3.70m (2020: \$1.13m), closing the financial year with \$1.15m in cash and cash equivalents (2020: \$0.1m).

The cash used in operations included a significant increase in the inventory holdings of the company to \$1.93m at 30 June 2021 (2020: \$1.05m), this ramp up is to ensure the company is able to fulfil the growing sales pipeline on the back of the company executing multiple material distribution agreements.

Subsequent to 30 June 2021, the company has secured debt facilities totalling \$1.25m with Moneytech, significantly increasing the funding available to scale the business. The debt facilities included a debtor finance facility and a trade finance facility of \$1.0m and \$0.25m respectively, complementing the net cash position of the business.

Outlook



Feeding the world with the world's best

Our Key Strategic Drivers

01

Leverage the Macro trends of health food and plant-based diets

Strong demand for quality Australia products that utilise best in class produce and provide healthy and nutritional options for millennials and young families

02

Deliver innovation that excites

We ensure our brands are fresh and exciting and are specifically designed for our target market

03

Build a world-class E-commerce offering

We are targeting a modern sales & distribution platform (e-commerce, non-traditional retail, etc) to ensure our product offering matches how our target market purchase their products

04

Expand our presence in international markets

Australia has a leading reputation in the overseas market for premium quality. Forbidden Foods will work with local partners in each target market to position its brands as strong food and lifestyle outlets for millennials and young families to connect with.

Delivering growth to drive returns



Product range

Build a robust pipeline of new SKU's that fits within the brands' vision



Plant Based Offering

Formulate innovative plant-based products including alternative meats



Continue e-commerce momentum

Enhance fulfillment capabilities, drive social credibility and increase basket size of our customers



Own our customer

Understand our customer so we can offer a rich brand experience and drive loyalty



Store rollout

Drive product and brand credibility by secured local ranging into 1000+ stores, including pharmacies and baby stores



Upside in Asia, US and UK

Expand our rollout into China, South-East Asia, US and UK with key relationships and partners



Drive our margin

Maintain our product margin via growing online sales, unique new product ranges and acquisitions



Deliver shareholder returns

Reinvest in product development to drive the growth and recognition of our brands in the rapidly growing health, baby food and plant-based sectors

Feeding the world with the world's best

forbidden.[®]
• FOODS •

Investor Enquiries

Marcus Brown

Chief Executive Officer

+61 425 635 322

marcus.brown@forbiddenfoods.com.au

www.forbiddenfoods.com.au