

Forbidden Foods Limited ASX: FFF

ASX Announcement

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Forbidden Foods launches innovative range of plant-based meats

Forbidden Foods Ltd (ASX: FFF) ("Forbidden Foods" or "the Company") has launched an innovative, long shelf-life range of functional plant-based meats targeting consumers who actively pursue more convenient ways to improve their diet through its Sensory Mill[®] brand.

Key Highlights

- *Forbidden Foods' innovative, long shelf-life range of functional plant-based meats, launched under the Sensory Mill[®] brand, provides a unique range with significant advantages over other plant-based meats including:*
 - *Made entirely from plants, and without GMOs, soy, wheat, or gluten.*
 - *Allows customers to substitute meat in all their normal cooking recipes, rather than just being a pre-made meat substitute product, providing the consumer a flexible and enjoyable cooking experience.*
 - *Produced to be a dry, rehydratable product which can be stored in an ambient environment on shelves and in pantries for up to 24 months, rather than the fridge, delivering far greater distribution network options via e-commerce, supermarkets, and non-perishable exports.*
- *The range includes a plant-based minced pork, beef and chicken offering and a plant-based burger mix.*
- *Plant-based meats are a rapidly growing sector of the broader food market aimed at addressing the world's increased demand for protein foods from a shrinking farming ecosystem.*
- *The plant-based food market is currently estimated at US\$7.4 billion globally and is expected to grow at a 15 per cent CAGR over the next 5 years.¹*
- *Sensory Mill[®] plant-based meats are initially available through Forbidden Foods' ecommerce store with a roll out program to Australian and international grocery retailers and supermarkets commencing imminently.*

Forbidden Foods' Chief Executive Officer, Marcus Brown said: *"The launch of this range of plant-based meats is a significant milestone for Forbidden Foods as it takes its next step in tapping into one of the next significant global food trends. With an initial launch via our digital channels, we are also securing further distribution through our existing grocery, supermarket, and export networks.*

¹ The Insight Partners, Plant Based Meat Product Market Size, 18th May 2022

“The plant-based meat market continues to grow amongst consumers, particularly the Millennial and Gen-Z demographics. This revolutionary and unique range of plant-based meats allows consumers to enjoy all the culinary versatility of traditional meats in their normal cooking recipes. It is also easier to store than most competitors’ products as it doesn’t need to be kept in refrigeration and has the added nutritional and environmental benefits of our modern, vegan-friendly ingredients.

“We are continuing to develop further product offerings under the Forbidden Foods Sensory Mill[®] brand to provide our customers with quality products that meet their health and lifestyle requirements.”

Sensory Mill[®] plant-based meats

All products in the Sensory Mill[®] plant-based meats range are gluten free, soy free and GMO free. The carefully crafted range of meat-free alternatives is a nutritionally balanced offering for those concerned about their health and that of the planet. Featuring sustainable sources of protein - textured pea protein and fava bean protein, Sensory Mill[®] has created a range that is environmentally conscious and challenges competitors in the ambient plant-based meats sector.

The new Sensory Mill[®] range has been 12 months in development, possessing premium ingredients that provide a scientific and sustainable edge. While balancing flavours when mimicking that of traditional meats has challenges, the priority was to ensure the products were superior in their nutrition profile – with 20g protein per serve and rich in iron, the plant-based meats (chicken, pork, beef) are a functional and nutritionally balanced meat-free alternative. The Sensory Mill[®] Burger Mix with a combination of fava and chickpea flour is high in fibre and protein and offers a sophisticated flavour profile from seeds, spices, and vegetable powders.



Plant-based meats – the rapidly growing food thematic

The plant-based food industry is projected to be one hundred times larger by 2050 generating global sales of US\$1.4 trillion, with an inevitable shift underway as several influences collide, including the push for more sustainability in agriculture, lower carbon emissions, and ambitions to cut obesity in richer nations.

The plant-based meat products market was approximately US\$5.3 billion in 2021, and it is expected to grow at a CAGR of 15.3 per cent between 2021-2028.²

² The Insight Partners, Plant Based Meat Product Market Size, 18th May 2022

Benefits of ambient plant-based meats

- **Efficient supply chain** – A great benefit of ambient products is they do not require refrigerated storage or refrigerated transportation, significantly reducing the cost of holding and distributing products. This allows us to create products using premium ingredients, whilst ensuring margin is protected and in-market price point is competitive.
- **Extended shelf-life** – The ambient product range has been minimally processed and designed to have a significantly longer shelf-life than non-ambient competitors. We developed a dry product which requires consumers to add water and oil to rehydrate to make the final product. By keeping the product in a dry form, this avoids an environment where the product is moist, allowing bacteria to reproduce.

For example, key competitors state their products will keep for up to 10 days thawed and unopened, compared to our range which can be manufactured and stored in a cool, dry place, for up to two years. The extended shelf-life significantly reduces the risk of products expiring or spoilage occurring, further protecting our supply chain.

Our Go to Market Strategy

The Go to Market strategy comprises four parts:

- **Direct-to-consumer (DTC)** – Forbidden Foods has immediately launched the range through its own ecommerce platforms. After successfully testing the product with Australian consumers over the past month, it was ideal for Forbidden Foods to continue to grow our DTC channel within the business. As seen with our other brands, having the ability to engage directly with customers is key.
- **Supermarkets** – We are negotiating with strategic partners to range our products to help build volume and extend the distribution points of our products whilst ensuring our margins are protected. The focus for the first 12 months will be securing distribution points within Australia.
- **Export** – As with Forbidden Foods' other brands, we will immediately offer and secure distributors in China and Southeast Asia who can support the brand with targeted offline distribution opportunities in their respective regions. Distributors will purchase directly from our Australian warehouse.
- **International footprint** – With the North American plant-based meat products market expected to register the fastest CAGR from 2021-2028, the last step in our go to market strategy will be entering the immense North American market. Forbidden Foods is currently establishing the Blue Dinosaur[®] brand in the North American market and will use this as a road map to replicate the expansion with Sensory Mill[®].

Delivering sustainable food for healthy, environmentally focussed consumers

The launch of Sensory Mill[®] into the plant-based market is pivotal for the brand to capitalise on the increasing trend in the global food production and supply system towards more sustainable plant-based diets. A plant-based diet produces 90 per cent lower carbon emissions than current average diets. The early shift to plant-based products aligns strongly with the Company's goals as ethical and sustainable food producers, as the sector faces increasing scrutiny from investors, regulators, and consumers over environmental, social and governance issues.

Further New product development

The NPD pipeline for Sensory Mill[®] includes other highly anticipated novel and unique health products to be launched in FY23, which will help capture new customers and expand Sensory Mill[®] into new categories.

This ASX announcement has been approved for release by the Board of Directors of Forbidden Foods Ltd.

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