

# Forbidden Foods Limited

ACN: 616 507 334

Appendix 4D & Interim Report – 31 December 2022

## Forbidden Foods Limited

ABN 82 616 507 334

Reporting period: For the half-year ended 31 December 2022

Previous period: For the half-year ended 31 December 2021

## Results for announcement to the market

Six months ended 31 December	Movement	%	\$
Revenue from ordinary activities	Down	21.8% to	2,531,751
Loss for the period attributable to the owners of Forbidden Foods Limited	Up	19.0% to	(2,212,154)
Total comprehensive loss for the period attributable to the owners of Forbidden Foods Limited	Up	19.0% to	(2,212,154)

The loss for the consolidated entity after providing for income tax amounted to \$2,212,154 (31 December 2021: \$1,859,460).

Please refer to the review of operations on page 3 of the accompanying half-year financial report for more information.

## Net tangible assets

	At 31 Dec 2022 Cents	At 30 Jun 2022 Cents
Net tangible asset backing per ordinary share	1.24	2.91

## Dividends

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

## Dividend reinvestment plans

Not applicable.

## Control gained or lost over entities

Not applicable.

## Details of associates and joint venture entities

Not applicable.

## Foreign entities

The results of subsidiaries have been compiled using International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

## Interim review

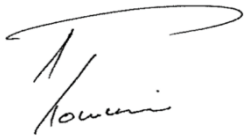
The interim financial report has been reviewed by the consolidated entity's independent auditor and the auditor's review report is included as part of the attached Interim Report.

## Attachments

The Interim Report of Forbidden Foods Limited for the half-year ended 31 December 2022 is attached.

## Signed

On behalf of the directors

A handwritten signature in black ink, appearing to read 'A. Rowlinson', with a large, sweeping horizontal stroke above the name.

Anthony Rowlinson  
Director

28 February 2023  
Melbourne

---

*Feeding the world with the world's best*

---

# Contents

Directors' report	3
Auditor's independence declaration	6
Consolidated statement of profit or loss and other comprehensive income	7
Consolidated statement of financial position	8
Consolidated statement of changes in equity	9
Consolidated statement of cash flows	10
Notes to the financial statements	11
Directors' declaration	18
Independent auditor's review report to the members of Forbidden Foods Limited	19
Corporate directory	20



---

# Directors' report

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 2022.

## 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:

- Anthony Rowlinson (appointed on 1 July 2022)
- Justin O'Sullivan (appointed on 1 July 2022, resigned on 27 January 2023)
- Katie Eshuys (appointed on 1 July 2022)
- Marcus Brown
- Jarrod Milani
- Mark Hardgrave (resigned on 1 July 2022)
- Colleen Lockwood (resigned on 1 July 2022)

## Principal activities

The principal activities of the consolidated entity during the financial half-year consisted of operating a multi-brand premium food company focusing on the health & wellness plant-based and infant & toddler 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 2022.

## Review of operations

During the half-year ended 31 December 2022 ('1H FY23') the consolidated entity focused on pursuing improved margins, the expansion of Blue Dinosaur® in the United States and exiting from low margin non-strategic revenue.

Key achievements:

- Blue Dinosaur Bites ranged into 350 Coles supermarkets in favourable 'Grab & Go' section, a highly complementary plant-based bar and snacking company with strong brand awareness and distribution into the health food market (see ASX release on 11 July 2022).
- First major US Distribution Agreement signed with KeHE, one of the largest and most respected pure-play grocery and natural distributors in the United States (see ASX release on 19 September 2022).
- Blue Dinosaur Range accepted into several US retail banners with the first production of Blue Dinosaur bars in the US completed (see ASX release on 3 October 2022 & 14 October 2022).
- Flagship Amazon US store launched to drive Blue Dinosaur® eCommerce sales (see ASX release on 3 November 2022)
- Successfully completed a \$1.08m placement to new and existing institutional and sophisticated investors (see ASX release 8 December 2022).
- Forbidden Foods exited Foodservice early (see ASX release on 23 December 2022).

The consolidated entity experienced a decrease in revenue of 21.8% in 1H FY23 mainly driven by the planned reduction in foodservice revenue which was down by 49.6% from \$1.89m in the period ended 31 December 2021 ('1H FY22') to \$0.95m in 1H FY23. The decision to exit the foodservice channel was driven by the working capital intensive nature of servicing the channel, and the increased freight costs which made servicing the channel untenable, and other operational complexities which resulted in inefficiencies. The exit allows the consolidated entity to focus resources, including the working capital freed up by exiting the channel, into pursuing the opportunity for Blue Dinosaur® in the United States.

---

# Directors' report

## Continued

The consolidated entity acquired Blue Dinosaur® on 30 September 2021, therefore the statutory results for 1H FY22 only included three months of trading activity for the newly acquired brand. On a pro forma basis, Blue Dinosaur® achieved revenue growth of 5.6% in 1H FY23 with revenue of \$1.37m. A decision was made to refine the range of products offered to consumers to achieve operational efficiencies, reduce working capital tied up in slow moving products, and drive the volume of the core range of products with our manufacturers. The consolidated entity anticipates revenue to achieve faster growth over the next twelve months as sales in the United States build momentum.

Both FUNCH® and Sensory Mill® revenues were lower in 1H FY23 compared to 1H FY22 as the consolidated entity reduced its focus on the brands in China & Southeast Asia. Rolling lockdowns in China and political tensions hampered dealings with customers with the market growth prospects softening. The consolidated entity has achieved significant milestones in setting up our brands in this region including specific registrations allowing the brands to do business in China, however the short-term capital restraints of the consolidated entity have required resources to be allocated where they are anticipated to have the largest impact on creating value.

The consolidated entity continued to invest in expanding Blue Dinosaur® in the United States in 1H FY23, however efforts in Australia were focused on pivoting to rectify and achieve operational cost savings across the business which included backend system upgrades, reduction in headcount and exiting lease commitments. The consolidated entity is focused on building a sustainable operating model which can support the growth of our portfolio of brands.

## Significant changes in the state of affairs

On 8 December 2022, the consolidated entity announced it had secured firm commitments to raise \$1.08m (before costs) through the issue of approximately 30.42m new fully paid ordinary shares at an issue price of \$0.0355 per share (the 'Placement'). The consolidated entity also advised it would undertake a 1:3 rights issue to eligible shareholders to issue up to 34.47m new fully paid ordinary shares subject to a prospectus ('Rights Offer').

The Placement was completed in two-tranches, with tranche 1 raising approximately \$918k resulting in the issue of 25.85m ordinary shares under Listing Rule 7.1 and 7.1A placement capacity and tranche 2 raising \$162k which received shareholder approval at an extraordinary general meeting on 18 January 2023. Subsequent to 31 December 2022, the company withdrew the rights issue (see Subsequent Events).

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

On 18 January 2023, the company held an extraordinary general meeting in relation to the placement and related options. All items included in the Notice of Meeting (see ASX release on 20 December 2022) were passed at the meeting.

On 24 January 2023, the company determined to extend the closing date for its non-renounceable pro rata rights issue ('Rights Issue') until Friday, 24 February 2023. The Rights Issue closed with the company receiving valid applications under the Rights Issue for 606,794 Rights Issue Shares (and accordingly 303,383 (following rounding) Rights Issue Options), raising a total of \$21,238.09. Due to the low number of applications under the Rights Issue, the Company was not able to comply with the spread requirements under the ASX Listing Rules that need to be satisfied for the Rights Issue Options to be quoted and it has become apparent that the Rights Issue Options will not be able to be admitted to quotation on ASX within the 3 month period required under the Corporations Act. Accordingly, the company decided to withdraw the Rights Issue and the other offers under the Prospectus and repay the application proceeds to all of the applicants under the Rights Issue (see ASX release on 28 February 2023).

On 27 January 2023, the company advised that due to increasing time constraints with his full-time role outside of Forbidden Foods, Mr Justin O'Sullivan tendered his resignation as a Non-Executive Director, effective 27 January 2023.

## Rounding of amounts

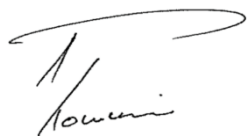
The consolidated entity is an entity of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investment Commission, relating to the 'rounding off'. Amounts in this report have been rounded to the nearest dollar in accordance with that instrument, unless otherwise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



Anthony Rowlinson  
Director

28 February 2023  
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 2022, 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, 28 February 2023

Kaitlynn Brady  
Partner

# Consolidated statement of profit or loss and other comprehensive income

Half-year ended 31 December

	Note	2022 \$	2021 \$
<b>Revenue</b>	3	2,531,751	3,237,992
Other income	4	72,599	2,613
<b>Expenses</b>			
Cost of goods sold		1,760,285	1,979,078
Selling expenses		39,313	-
Employee benefits expense	5	1,063,153	1,028,786
Freight out and distribution expense		451,478	540,330
Depreciation and amortisation expense	5	94,405	93,647
Marketing and promotion costs		597,179	666,100
Occupancy costs		37,561	45,230
Professional services		243,238	399,556
Corporate expenses		75,680	92,246
Finance costs	5	23,858	8,405
Other expenses		430,354	246,686
<b>Loss before income tax expense</b>		<b>(2,212,154)</b>	<b>(1,859,460)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half year</b>		<b>(2,212,154)</b>	<b>(1,859,460)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		-	(2,012)
<b>Total comprehensive loss for the half year</b>		<b>(2,212,154)</b>	<b>(1,861,472)</b>
<b>Loss per share</b>			
Basic (cents per share)	6	(2.09)	(2.10)
Diluted (cents per share)	6	(2.09)	(2.10)

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

As at

	Note	31 Dec 2022 \$	30 Jun 2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		964,670	2,297,588
Trade and other receivables		658,154	768,490
Inventories		984,836	1,475,032
Other assets		69,294	60,196
<b>Total current assets</b>		<b>2,676,954</b>	<b>4,601,306</b>
<b>Non-current assets</b>			
Property, plant and equipment		71,990	91,172
Intangible assets	7	3,111,500	3,109,991
Right-of-use assets	8	-	50,912
Other assets		-	10,831
<b>Total non-current assets</b>		<b>3,183,490</b>	<b>3,262,906</b>
<b>Total assets</b>		<b>5,860,444</b>	<b>7,864,212</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		890,787	1,365,553
Employee benefits		230,566	308,166
Lease liabilities	9	-	66,818
<b>Total current liabilities</b>		<b>1,121,353</b>	<b>1,740,537</b>
<b>Non-current liabilities</b>			
Employee benefits		27,412	15,783
<b>Total non-current liabilities</b>		<b>27,412</b>	<b>15,783</b>
<b>Total liabilities</b>		<b>1,148,765</b>	<b>1,756,320</b>
<b>Net assets/(liabilities)</b>		<b>4,711,679</b>	<b>6,107,892</b>
<b>Equity</b>			
Issued capital	10	16,103,342	15,346,088
Reserves	11	759,097	700,410
Retained losses		(12,150,760)	(9,938,606)
<b>Total equity</b>		<b>4,711,679</b>	<b>6,107,892</b>

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

Consolidated	Issued capital \$	Reserves \$	Retained losses \$	Total equity \$
<b>Balance at 1 July 2022</b>	<b>15,346,088</b>	<b>700,410</b>	<b>(9,938,606)</b>	<b>6,107,892</b>
Loss for the period	-	-	(2,212,154)	(2,212,154)
Other comprehensive loss	-	(1,248)	-	(1,248)
Total comprehensive income/(loss)	-	(1,248)	(2,212,154)	(2,213,402)
<i>Transactions with owners:</i>				
Contributions of equity, net of transaction costs	757,254	-	-	757,254
Share-based payments	-	59,935	-	59,935
<b>Balance at 31 December 2022</b>	<b>16,103,342</b>	<b>759,097</b>	<b>(12,150,760)</b>	<b>4,711,679</b>

Consolidated	Issued capital \$	Reserves \$	Retained losses \$	Total equity \$
<b>Balance at 1 July 2021</b>	<b>8,731,675</b>	<b>582,815</b>	<b>(6,257,318)</b>	<b>3,057,172</b>
Loss for the period	-	-	(1,859,460)	(1,859,460)
Other comprehensive income	-	(2,012)	-	(2,012)
Total comprehensive income/(loss)	-	(2,012)	(1,859,460)	(1,861,472)
<i>Transactions with owners:</i>				
Contributions of equity, net of transaction costs	5,414,413	-	-	5,414,413
Issue of shares to the vendor as part consideration for the Blue Dinosaur acquisition	1,200,000	-	-	1,200,000
Share-based payments	-	56,387	-	56,387
<b>Balance at 31 December 2021</b>	<b>15,346,088</b>	<b>637,190</b>	<b>(8,116,778)</b>	<b>7,866,500</b>

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

# Consolidated statement of cash flows

For the half-year ended 31 December

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		2,660,460	3,141,219
Payments to suppliers and employees		(4,790,830)	(4,712,226)
Interest paid		1,383	100
Other income		73,204	-
<b>Net cash used in operating activities</b>		<b>(2,055,783)</b>	<b>(1,570,907)</b>
<b>Cash flows from investing activities</b>			
Payments for intangibles	7	(28,209)	(35,137)
Payments for property, plant and equipment		-	(54,814)
Payments for acquisition, net of cash acquired		-	(1,797,257)
Proceeds from disposal of property, plant and equipment		400	2,600
Other investing cashflows		-	(96,641)
<b>Net cash used in investing activities</b>		<b>(27,809)</b>	<b>(1,981,249)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	10	917,703	5,816,499
Capital raising costs		(87,327)	(401,086)
Finance costs		(23,299)	-
Repayment of lease liabilities		(56,334)	(65,432)
<b>Net cash from financing activities</b>		<b>750,743</b>	<b>5,349,981</b>
Net (decrease)/increase in cash and cash equivalents		(1,332,849)	1,797,825
Cash and cash equivalents at the beginning of the financial year		2,297,588	1,149,060
Effects of exchange rate changes on cash and cash equivalents		(69)	(187)
Cash and cash equivalents at the end of the financial year		964,670	2,946,698

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

---

# Notes to the financial statements

For the half-year ended 31 December 2022

## Note 1. Basis of accounting

### (a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 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 2022 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.

The consolidated financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The consolidated entity recorded a net loss for the half-year ended 31 December 2022 of \$2,212,154 (31 December 2021: \$1,976,660), and operating cash outflows of \$2,055,783 (31 December 2021: \$1,570,907) with a net asset position at 31 December 2022 of \$4,711,679 (30 June 2022: \$6,107,892).

In assessing the consolidated entity as a going concern, the directors have considered the following:

- The performance of the consolidated entity for the half-year ended 31 December 2022 including:
  - one-off capital raising costs in relation to the placement and rights offer;
  - non-cash items including depreciation and amortisation and share-based payments;
- At 31 December 2022 there were \$1.06m in unused financing facilities available to the consolidated entity; and
- The expected performance of the consolidated entity for the twelve months from the date of this report.

The directors regularly monitor the consolidated entity's cash position on an ongoing basis and the consolidated entity has been able to raise capital and funding as and when required, including completing a placement during the half year ended 31 December 2022, with tranche 2 of the placement to settle in March 2023.

The consolidated entity has the capacity, if necessary, to defer discretionary expenditure including reducing headcount and advertising expenditure in the current cash flow forecast period to take steps to moderate the cash outflows of the business as needed. The directors acknowledge this assessment incorporates several assumptions and judgements and have concluded the range of possible outcomes considered in arriving at this view support the consolidated entity's ability to continue as a going concern as at the date of this report.

In the event the above assumptions and forecasts are not achieved as contemplated, there is a material uncertainty that the consolidated entity will be able to continue as a going concern which may require the consolidated entity to realise assets at amounts different to those recorded in the consolidated statement of financial position and settle its liabilities other than in the ordinary course of operations and make provision for other costs which may arise as a result of cessation or curtailment of normal business operations.

### (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 2022, unless otherwise stated.

# Notes to the financial statements

## Continued

### (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 2022 have been applied to these interim financial statements, unless otherwise stated.

## Note 2. Operating segments

The consolidated entity has only one operating segment, being the provision of goods to customers in the food and beverage industry operating within retail, food service, food manufacturing and quick service restaurants. 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

Six months ended 31 December	2022 \$	2021 \$
<b>Revenue from contracts with customers</b>		
Sale of goods	2,531,751	3,237,992
<b>Total revenue</b>	<b>2,531,751</b>	<b>3,237,992</b>

Disaggregation of revenue from contracts with customers is as follows:

Six months ended 31 December	2022 \$	2021 \$
<b>Geographical regions</b>		
Australia and New Zealand	2,500,226	2,917,926
China and South-East Asia	-	294,824
United States	31,525	25,242
<b>Total revenue</b>	<b>2,531,751</b>	<b>3,237,992</b>

## Note 4. Other income

Six months ended 31 December	2022 \$	2021 \$
Government grants	73,200	-
Profit/(loss) on disposal of property, plant and equipment	(1,989)	2,500
Other income	1,388	113
<b>Total other income</b>	<b>72,599</b>	<b>2,613</b>



## Note 5. Expenses

Six months ended 31 December	2022 \$	2021 \$
Loss before income tax includes the following specific items:		
<b>Employee benefits expense</b>		
Salaries and wages	825,619	759,809
Superannuation	96,193	79,942
Share-based payments	59,935	56,388
Non-executive director fees	46,674	54,545
Other employee related expenses	34,732	78,102
<b>Total employee benefits expense</b>	<b>1,063,153</b>	<b>1,028,786</b>
<b>Depreciation and amortisation expense</b>		
Depreciation of right-of-use assets	50,912	62,400
Depreciation of plant and equipment	16,793	13,839
Amortisation of intangible assets	26,700	17,408
<b>Total depreciation and amortisation expense</b>	<b>94,405</b>	<b>93,647</b>
<b>Finance costs</b>		
Debtor finance fees	9,376	-
Interest on lease liabilities	559	8,405
Trade finance fees	13,654	-
Other interest	269	-
<b>Total finance costs</b>	<b>23,858</b>	<b>8,405</b>

# Notes to the financial statements

Continued

## 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	2022 \$	2021 \$
Net loss attributable to the owners of Forbidden Foods Limited	(2,212,154)	(1,859,460)
	<b>(2,212,154)</b>	<b>(1,859,460)</b>

	2022 No.	2021 No.
Weighted average number of ordinary shares for calculating basic and diluted loss per share	105,650,995	88,343,905
<b>Weighted average number of ordinary shares for calculating basic and diluted loss per share</b>	<b>105,650,995</b>	<b>88,343,905</b>

Six months ended 31 December	2022 Cents	2021 Cents
Basic loss per share	(2.09)	(2.10)
Diluted loss per share	(2.09)	(2.10)

## Note 7. Intangibles

	At 31 Dec 2022 \$	At 30 Jun 2022 \$
Goodwill	2,926,217	2,926,217
Trademarks	140,850	131,756
Website	44,433	52,018
<b>Total intangibles</b>	<b>3,111,500</b>	<b>3,109,991</b>

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

	Goodwill \$	Trademarks \$	Website \$	Total \$
Balance at 1 July 2022	2,926,217	131,756	52,018	3,109,991
Additions	-	28,209	-	28,209
Amortisation expense	-	(19,115)	(7,585)	(26,700)
<b>Balance at 31 December 2022</b>	<b>2,926,217</b>	<b>140,850</b>	<b>44,433</b>	<b>3,111,500</b>

## Note 8. Right-of-use assets

	At 31 Dec 2022 \$	At 30 Jun 2022 \$
Right-of-use assets	-	50,912
<b>Total right-of-use assets</b>	<b>-</b>	<b>50,912</b>

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

	Right-of-use assets \$
Balance at 1 July 2022	50,912
Additions	-
Depreciation	(50,912)
<b>Balance at 31 December 2022</b>	<b>-</b>

## Note 9. Lease liabilities

	At 31 Dec 2022 \$	At 30 Jun 2022 \$
Lease liabilities	-	66,818
<b>Total lease liabilities</b>	<b>-</b>	<b>66,818</b>

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

	Lease liabilities \$
Balance at 1 July 2022	66,818
Additions	-
Accretion of interest	559
Payments	(67,377)
<b>Balance at 31 December 2022</b>	<b>-</b>

# Notes to the financial statements

Continued

## Note 10. Issued capital

	At 31 Dec 2022 \$	At 30 Jun 2022 \$
Ordinary shares – fully paid	16,103,342	15,346,088
<b>Total issued capital</b>	<b>16,103,342</b>	<b>15,346,088</b>

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

	Number of shares	Share capital \$
Fully paid ordinary shares		
<b>Balance at 30 June 2022</b>	<b>103,403,102</b>	<b>15,346,088</b>
Issue of ordinary shares – Placement Tranche 1	25,850,775	917,703
Share issue costs	-	(160,449)
<b>Balance at 31 December 2022</b>	<b>129,253,877</b>	<b>16,103,342</b>

## Note 11. Reserves

	At 31 Dec 2022 \$	At 30 Jun 2022 \$
Foreign currency translation reserve	4,681	5,959
Share-based payments reserve	754,416	694,481
<b>Total reserves</b>	<b>759,097</b>	<b>700,410</b>

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

	Foreign currency \$	Share-based payments \$	Total \$
Balance at 1 July 2022	5,929	694,481	700,410
Foreign currency translation	(1,248)	-	(1,248)
Share-based payments – non-executive directors	-	319	319
Share-based payments – key management personnel	-	59,616	59,616
<b>Balance at 31 December 2022</b>	<b>4,681</b>	<b>754,416</b>	<b>759,097</b>

---

## Note 13. Contingent liabilities

The consolidated entity had no contingent liabilities at 31 December 2022 (30 June 2022: nil).

## Note 14. Subsequent events

On 18 January 2023, the company held an extraordinary general meeting in relation to the placement and related options. All items included in the Notice of Meeting (see ASX release on 20 December 2022) were passed at the meeting.

On 24 January 2023, the company determined to extend the closing date for its non-renounceable pro rata rights issue ('Rights Issue') until Friday, 24 February 2023. The Rights Issue closed with the company receiving valid applications under the Rights Issue for 606,794 Rights Issue Shares (and accordingly 303,383 (following rounding) Rights Issue Options), raising a total of \$21,238.09. Due to the low number of applications under the Rights Issue, the Company was not able to comply with the spread requirements under the ASX Listing Rules that need to be satisfied for the Rights Issue Options to be quoted and it has become apparent that the Rights Issue Options will not be able to be admitted to quotation on ASX within the 3 month period required under the Corporations Act. Accordingly, the company decided to withdraw the Rights Issue and the other offers under the Prospectus and repay the application proceeds to all of the applicants under the Rights Issue (see ASX release on 28 February 2023).

On 27 January 2023, the company advised that due to increasing time constraints with his full-time role outside of Forbidden Foods, Mr Justin O'Sullivan tendered his resignation as a Non-Executive Director, effective 27 January 2023.

---

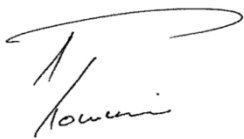
# Directors' declaration

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 2022 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

A handwritten signature in black ink, appearing to read 'A Rowlinson', with a large, sweeping horizontal stroke above the name.

Anthony Rowlinson  
Director

28 February 2023

# Independent auditor's review report



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

### 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 2022, 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 2022 and of its consolidated financial 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*.

### Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report, which comments on conditions, other matters and assumptions set forth therein indicating that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. Our conclusion is not modified in respect of this matter.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### 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 for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter 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 2022 and its consolidated financial performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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, 28 February 2023

Kaitlynn Brady  
Partner

20

PKF Melbourne Audit & Assurance Pty Ltd ABN 75 600 749 184  
Level 12, 440 Collins Street, Melbourne, Victoria 3000  
T: +61 3 9679 2222 F: +61 3 9679 2288 [www.pkf.com.au](http://www.pkf.com.au)

Liability limited by a scheme approved under Professional Standards Legislation

PKF Melbourne Audit & Assurance Pty Ltd is a member firm of the PKF International Limited family of separately owned firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

---

# Corporate directory

## Principal place of business

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

## Directors

Anthony Rowlinson (Independent Non-Executive Chair)  
Katie Eshuys (Non-Executive Director)  
Marcus Brown (CEO and Managing Director)  
Jarrod Milani (COO and Executive Director)

## Chief Financial Officer

Sam Fraser

## Company Secretary

Lucy Rowe

## Auditor

**PKF Melbourne Audit & Assurance Pty Ltd**

Level 12, 440 Collins Street  
Melbourne VIC 3000

## Registry

**Automic Pty Ltd**

Level 5, 126 Phillip Street  
Sydney NSW 2000  
Telephone: 1300 288 664

## Investor inquiries and correspondence

**Forbidden Foods Limited**

PO Box 3095  
Burnley North VIC 3121

Telephone: 1300 778 061  
Website: [www.forbiddenfoods.com.au](http://www.forbiddenfoods.com.au)  
Email: [info@forbiddenfoods.com.au](mailto:info@forbiddenfoods.com.au)

## Stock exchange listing

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



---

forbiððen.<sup>®</sup>  
• FOODS •