

Forbidden Foods Limited ASX: FFF

ASX Announcement

22 November 2023

## Strategic distribution agreement for Blue Dinosaur products in the MENA region

### Key Highlights

- *Strategic distributorship agreement with Raw Distribution Trading LLC – a multinational distribution company with an established footprint across the United Arab Emirates (UAE) along with the broader MENA region*
- *Terms of the agreement stipulate that Raw Distribution will have access to the Company's leading range of Blue Dinosaur products for a three-year period, with exclusivity periods tied to minimum sales targets*
- *Raw Distribution was founded in 2016 and has a strong track record across the MENA region*
- *First purchase order secured in accordance with agreement with initial product shipment to be delivered in coming weeks – unlocks additional revenue stream which will be realised this quarter*
- *Agreement highlights strong execution of FFF's strategy to expand its global distribution footprint for beyond its core markets in Australia and the US to new jurisdictions, including New Zealand and the MENA region*
- *Ongoing international expansion continues to derisk the Company's reliance on large retail groups through diversification in channel mix internationally*
- *MENA region represents a potentially lucrative market for Blue Dinosaur products, with well-defined consumer trends in healthy eating expected to underpin consistent growth over the medium term*

Forbidden Foods Ltd (ASX: FFF) ("Forbidden Foods" or "the Company") is pleased to advise that it has secured an exclusive distributorship agreement with Raw Distribution Trading LLC ("Raw Distribution") ([www.rawdglobal.com](http://www.rawdglobal.com)), allowing for Raw Distribution to market, distribute and sell the Company's Blue Dinosaur product range across the Gulf Cooperation Council ("GCC") region, with a primary focus on the United Arab Emirates. The agreement has allowances for Raw Distribution to non-exclusively distribute Blue Dinosaur in the Middle East and North Africa region ("MENA").

Raw Distribution was launched in 2016 to cater for the emerging health and lifestyle market in the MENA region. The group works with a number of partners in the region and internationally to bring a wide range of ethically sourced, certified organic, plant-based products containing no synthetic additives, vitamins and/or minerals to market. The group has an established distribution footprint and extensive relationships throughout Jordan, Saudi Arabia, Kuwait, the UAE, Oman, Bahrain and Egypt.

Under the terms of the agreement, Raw Distribution will have access to all Blue Dinosaur products on an exclusive basis for three years. The agreement stipulates a number of minimum sales targets to retain exclusivity from the second year, ranging from A\$150,000 to A\$250,000, with an option for a fourth year based on minimum sales volumes of A\$350,000.

It is anticipated that the agreement with Raw Distribution will unlock access to another lucrative market outside of the Company's existing operations in the US and Australia. The snack bar market in the UAE is expected to grow from US\$1.4Bn in value in 2023 to US\$1.83Bn by 2028<sup>1</sup>.

In accordance with the terms of the agreement, the Company has secured its first order from Raw Distribution and expects to ship product shortly. The initial order marks the commencement of the Forbidden Foods's relationship with Raw Distribution and maiden entry into the MENA region. The Company expects to realise revenue from the relationship this quarter, which will also further diversify risk around the Company's existing channel mix with large retail groups in Australia.

Forbidden Foods will leverage Raw Distribution's established networks across the UAE and broader surrounding areas to drive sales growth and will provide additional updates as sales growth materialises.

Additional material details of the contract include:

- Three year term with an option to extend for an additional year based on the aforementioned sales targets
- Exclusivity in the GCC region and non-exclusivity in the MENA region
- Termination clause; contract may be terminated if either party commits a material breach, if Raw Distribution fails to meet the aforementioned sales targets or if Raw Distribution fails to pay any amount owing to Forbidden Foods within 70 days of the date of a written request by FFF to make payment.

## Management commentary:

**Forbidden Foods' Chief Executive Officer, Alex Aleksic said:** *"We are pleased to secure this distribution agreement, which followed a positive period of engagement between the parties and sets the Company up with a competitive entry point into the UAE and the broader MENA region."*

*"As part of our targeted strategy to expand the global addressable market for Blue Dinosaur products, we identified a number of positive attributes which made the Gulf states a strategic priority, highlighted by an affluent consumer class and emerging consumer preferences for health & wellness products. In that context, this agreement provides the Company with a strong platform for growth, working with a trusted partner with well-established distribution networks across the UAE and other key MENA jurisdictions including Saudi Arabia, Kuwait and Bahrain."*

*"With the first purchase order already secured, this development marks the next step in our partnership approach to expanded distribution, and we look forward to providing more updates on distribution and product ranging across all of our core target markets globally heading into CY2024."*

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

ENDS

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## About Forbidden Foods Ltd

Forbidden Foods Ltd (ASX: FFF) is a health & wellness food company. The Company was established with a vision to provide engaging brands that provide the very best foods to meet consumer demand for clean, sustainable and healthy products. The core brand in the portfolio is Blue Dinosaur<sup>®</sup> which is sold in Australia & USA.

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<sup>1</sup> <https://www.mordorintelligence.com/industry-reports/uae-snack-bar-market>