

ASX Announcement

Forbidden Foods Limited ASX: FFF

7 November 2024

Strategic acquisition contributes to 44% sales growth in October with monthly sales topping \$360,000

Key Highlights

- *First full month of operations for the combined entity in October has delivered immediate cost savings, improved sales and strong outlook*
- *Group sales in October of \$360,000, a monthly increase of 44% from September and up 70% from the prior year comparative period (PCP)*
- *Online sales through Blue Dinosaur website up 93% in October on a Moving Annual Total (MAT) basis – Immediately cash generative with scope for further growth*
- *Oat Milk Goodness (OMG) products already integrated on the Blue Dinosaur website, alongside the official launch of OMG ecommerce sales channels expected to drive further ecommerce growth in November and beyond*
- *Respective teams in the combined entity have identified further operational efficiencies, comprising both immediate cost-saving initiatives and longer-term benefits from streamlined administrative processes*
- *Confirmation of key marketing campaigns, including partnership with the McGrath Foundation to broaden awareness of Blue Dinosaur across target markets*

Forbidden Foods Ltd (ASX: FFF) (“Forbidden Foods” or “the Company”) is pleased to provide the following operations update, highlighting the Company’s early momentum following the strategic acquisition of Oat Milk Goodness (OMG) (refer ASX Announcement 27 September 2024).

The first full month of operations as a combined entity delivered numerous benefits for the combined entity, with an initial round of cost savings complemented by strong monthly sales growth and several catalysts which are expected to further consolidate the trend in group sales into 2025 and beyond.

Group sales for the month of October totalled \$360,000, marking a 44% increase on the previous month and up more than 70% from the prior year comparative period. Sales momentum for the combined entity is expected to continue in the December quarter, with the Company positioned to benefit from the growing footprint of OMG’s beverage suite and the Blue Dinosaur healthy snack bar range across physical store networks (refer ASX Announcement 31 October 2024).

Concurrently, the combined entity has observed strong initial sales trends through targeted ecommerce channels. Online sales through the Blue Dinosaur website rose by 93% on a Moving Annual Total (MAT) basis to \$810,000 in October, building off of strong momentum in the September quarter when cash receipts from ecommerce rose by 123% on PCP (refer ASX Announcement 28 October 2024).

The Company expects ecommerce sales to further increase following the official launch of OMG’s ecommerce channels (refer ASX announcement: 31 October 2024) and the integration of OMG products onto the Blue Dinosaur website, following completion of the acquisition.

Ongoing sales momentum across the group will be complemented by the successful procurement by Forbidden Foods of strategic marketing partnerships which have the potential to significantly broaden product awareness.

Coinciding with the commencement of the 2023/24 Australian cricket season, including the Test Match series between Australia and India, Forbidden Foods will partner with the McGrath Foundation to align commercial sales of its Blue Dinosaur products with a joint fundraising program. Under the terms of the agreement, for every berry and coconut Blue Dinosaur bar sold Forbidden Foods will donate 10c to the McGrath Foundation's breast cancer treatment and awareness initiatives.



Image: Brand ambassador and Australian cricketer, Alex Carey

Operationally, the merged entity has also benefitted from the immediate implementation of several cost saving initiatives through streamlined administrative processes and reduced headcount. These changes are also expected to flow through to an improvement in group margins over the medium-term alongside the Company's improving sales profile.

Management commentary:

Forbidden Foods' Chief Executive Officer, Alex Aleksic said: *"The group's operational momentum in October highlights the synergies that have already been achieved by the merged entity following our strategic acquisition of Oat Milk Goodness. In particular, the 44% increase in monthly sales growth highlights the potential for increased scale in the near-term, given that it represented the first full month of combined operations with the team working hard behind the scenes to complete the business integration. Looking ahead, the Company has a targeted strategy to convert its momentum into a step-change in sales and profits, highlighted in the near-term by strategic marketing campaigns in the Australian summer period which will complement the upward trajectory in our key sales and distribution metrics."*

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For further information, please contact:

Alex Aleksic

Chief Executive Officer

alex.aleksic@forbiddenfoods.com.au

Henry Jordan

Six Degrees Investor Relations

henry.jordan@sdir.com.au

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.