

Forbidden Foods Limited

ACN: 616 507 334

Appendix 4D & Interim Report - Half-Year Ended 31 December 2024

Forbidden Foods Limited

ABN 82 616 507 334

Reporting period: For the half-year ended 31 December 2024

Previous period: For the half-year ended 31 December 2023

Results for announcement to the market

Six months ended 31 December 2024	Movement	%	\$
Revenue from ordinary activities	Up	18.5% to	\$1,733,741
Loss for the period attributable to the owners of Forbidden Foods Limited	Down	17.1% to	(\$899,687)
Total comprehensive loss for the period attributable to the owners of Forbidden Foods Limited	Down	17.1% to	(\$899,687)

The loss for the consolidated entity after providing for income tax amounted to \$899,687 (31 December 2023: \$1,084,851).

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 2024 Cents	At 30 Jun 2024 Cents
Net tangible asset backing per ordinary share	(0.10)	(0.28)

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

Forbidden Foods Limited acquired 100% of the issued capital of Good Oats Pty Ltd, which is trading under Oat Milk Goodness ('OMG'), on 26 September 2024.

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 2024 is attached.

Signed

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Albert Cheok', with a stylized flourish underneath.

Albert Cheok
Chair

28 February 2025
Melbourne

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FORBIDDEN FOODS LIMITED
31 DECEMBER 2024



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 2024.

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:

Alex Aleksic
Katie Eshuys (resigned 31 October 2024)
Marcus Brown (resigned 27 September 2024)
Albert Cheok
Nathan Quailey
Daniel Rootes (appointed 27 September 2024)

Principal activities

The principal activities of the consolidated entity during the financial half-year consisted of operating a premium food and milk beverage company, focusing on the health & wellness markets.

Review of operations

During the half-year ended 31 December 2024 ('H1 FY2025') the consolidated entity focused on an initial capital raise to support the turnaround strategy, e-commerce sales and investing in strategic marketing initiatives.

Key achievements:

- Completion of all script deal to acquire non-dairy business, Oat Milk Goodness ('OMG').
- Successful raising of \$0.65 million in August 2024 in connection with the OMG acquisition.
- Revenue up 18.5% in H1 FY2025 v prior corresponding period, underpinned by strong momentum for the combined entity in the December quarter following completion of the OMG acquisition.
- December quarter net sales of \$1.17 million, up 104% from the previous quarter and up 77% from Q2 FY2024, best quarterly sales result since new management joined the Company in July 2023 and implemented a strategic restructure.
- Sales in November 2024 also marked the highest monthly sales total since the restructure, which was initially focused on cost reduction initiatives and the scaled expansion of high-margin growth channels.
- Cost savings in H1 FY2025 due to material reduction in employee benefits expenses and corporate service expenses which are expected to contribute to stronger margin growth from continuing operations as revenue increases.
- Further costs savings generated from the OMG acquisition, led by the streamlining of warehousing and logistics operations across the brand portfolio.
- Official launch of new OMG product, Coffee 'ProATein', with ranging secured in 456 Woolworths outlets across Australia.
- Additional new products under development and scheduled for launch in H2 FY2025, increasing the offering under the group's multi-brand strategy and continuing to promote brand awareness for the Blue Dinosaur product range.
- Sponsorship agreement with the Melbourne Mavericks Netball team, where Forbidden Food Limited's main brand, Blue Dinosaur, will be featured on the players' warm up tops for the duration of the season, commencing in April 2025.

The normalised result of the Group is as follows, after deducting acquisition expenses as a result of the acquisition of Oat Milk Goodness:

	Statutory H1FY2025 \$	Normalisations \$	Normalised H1FY2025 \$
Sales	1,733,741	-	1,733,741
Cost of goods sold	(984,213)	-	(984,213)
Gross Profit	749,528	-	749,528
Other Income	31,562	-	31,562
Employee benefits expenses	(454,785)	-	(454,785)
Warehousing and distribution expenses	(260,884)	-	(260,884)
Marketing and advertising expenses	(277,219)	-	(277,219)
Professional services expenses	(137,256)	-	(137,256)
Depreciation and amortisation expenses	(7,686)	-	(7,686)
Finance expenses	(46,558)	-	(46,558)
Other expenses	(496,389)	193,016	(303,373)
Overhead expenses	(1,680,777)	193,016	(1,487,761)
Loss for the half-year ended 31 December 2024	(899,687)	193,016	(706,671)

Significant changes in the state of affairs

Marcus Brown resigned on 27 September 2024 in his capacity as Executive Director and CEO of North America. Katie Eshuys resigned on 31 October 2024 in her capacity as a Non-Executive Director. Daniel Rootes was appointed to the board on 27 September 2024 as a Non-Executive Director.

On 26 September 2024, Forbidden Foods Limited acquired 100% of the issued capital of Good Oats Pty Ltd, trading as Oat Milk Goodness ('OMG'). The consideration was completed via script for 285,000,000 million shares at \$0.012 cents per share.

As part of this transaction, the consolidated entity raised \$0.65 million, issuing 54,166,667 million new fully paid ordinary shares ("Shares") in the Company at \$0.012 cents per share.

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 H1 FY2025.

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 '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

A handwritten signature in black ink that reads "Albert Cheok". The signature is written in a cursive, flowing style.

Albert Cheok
Chair

28 February 2025
Melbourne

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Forbidden Foods Limited and its controlled entities for the half year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A blue ink signature, likely of a representative of RSM Australia Partners.**RSM AUSTRALIA PARTNERS**A blue ink signature, likely of B Y Chan.**B Y CHAN**

Partner

Dated: 28 February 2025

Melbourne, Victoria

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Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2024

	Note	2024 \$	2023 \$
Revenue	3	1,733,741	1,463,048
Other income	4	31,562	74,495
Expenses			
Cost of goods sold		984,213	850,675
Selling expenses		26,669	19,256
Employee benefits expense	5	454,784	640,935
Freight out and distribution expense		260,884	146,536
Depreciation and amortisation expense	5	7,686	7,322
Information technology expenses		56,877	100,447
Marketing and promotion costs		277,219	260,135
Product development expenses		36,344	23,652
Occupancy expenses		26,547	14,369
Professional services expenses		137,256	313,583
Travel and transportation expenses		28,324	50,935
Corporate expenses		100,141	135,371
Finance expenses	5	46,558	27,721
Acquisition expenses		193,016	-
Other expenses		28,472	31,457
Loss before income tax expense for the half-year		(899,687)	(1,084,851)
Income tax expense		-	-
Loss after income tax expense for the half-year		(899,687)	(1,084,851)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		269	(5,197)
Total comprehensive loss for the half-year		(899,418)	(1,090,048)
Loss per share			
Basic (cents per share)	6	(0.22)	(0.61)
Diluted (cents per share)	6	(0.22)	(0.61)

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

For the half-year ended 31 December 2024

	Note	31 Dec 2024 \$	30 Jun 2024 \$
Assets			
Current assets			
Cash and cash equivalents		399,748	254,728
Trade and other receivables		350,648	353,912
Inventories		658,049	334,937
Other assets		62,431	61,911
Total current assets		1,470,876	1,005,488
Non-current assets			
Property, plant and equipment		22,590	-
Intangible assets	7	4,337,531	1,427,564
Total non-current assets		4,360,121	1,427,564
Total assets		5,830,997	2,433,052
Liabilities			
Current liabilities			
Trade and other payables		1,764,237	1,426,619
Income tax payable		80,867	102,204
Employee benefits		41,576	29,040
Total current liabilities		1,886,680	1,557,863
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		1,886,680	1,557,863
Net assets		3,944,317	875,189
Equity			
Issued capital	8	21,805,013	17,768,264
Reserves	9	5,202	73,136
Retained losses		(17,865,898)	(16,966,211)
Total equity		3,944,317	875,189

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 2024

Consolidated	Issued capital \$	Reserves \$	Retained losses \$	Total equity \$
Balance at 1 July 2024	17,768,264	73,136	(16,966,211)	875,189
Loss for the period	-	-	(899,687)	(899,687)
Other comprehensive loss	-	269	-	269
Total comprehensive income/(loss)	-	269	(899,687)	(899,418)
<i>Transactions with owners:</i>				
Contributions of equity, net of transaction costs	4,036,749	-	-	4,036,749
Share-based payments settled in cash	-	(68,203)	-	(68,203)
Balance at 31 December 2024	21,805,013	5,202	(17,865,898)	3,944,317

Consolidated	Issued capital \$	Reserves \$	Retained losses \$	Total equity \$
Balance at 1 July 2023	16,428,304	840,903	(15,494,452)	1,774,755
Loss for the period	-	-	(1,084,851)	(1,084,851)
Other comprehensive loss	-	(5,197)	-	(5,197)
Total comprehensive income/(loss)	-	(5,197)	(1,084,851)	(1,090,048)
<i>Transactions with owners:</i>				
Contributions of equity, net of transaction costs	949,709	-	-	949,709
Transfer of Share based payment reserve to retained earnings	-	(854,246)	854,246	-
Share-based payments	-	34,615	-	34,615
Balance at 31 December 2023	17,378,013	16,075	(15,725,057)	1,669,031

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 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,020,043	1,237,271
Payments to suppliers and employees (inclusive of GST)		(2,470,566)	(2,287,622)
Interest paid		-	2,886
Income Taxes refunded/(paid)		(21,337)	32,050
Other income		30,924	73,200
Net cash used in operating activities		(440,936)	(942,215)
Cash flows from investing activities			
Payments for intangibles		(1,257)	(7,368)
Proceeds from disposal of intangible assets		-	20,409
Payment for business combination	10	(193,016)	-
Net proceeds received on acquisition	10	210,038	-
Net cash from/(used in) investing activities		15,765	13,041
Cash flows from financing activities			
Proceeds from issue of shares	8	755,000	1,058,600
Capital raising costs	8	(138,251)	(84,526)
Finance costs	5	(46,558)	(27,721)
Net cash from financing activities		570,191	946,353
Net (decrease)/increase in cash and cash equivalents		145,020	17,179
Cash and cash equivalents at the beginning of the financial year		254,728	351,986
Effects of exchange rate changes on cash and cash equivalents		-	(516)
Cash and cash equivalents at the end of the half-year		399,748	368,649

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 2024

Note 1. Material accounting policy information

(a) Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 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 2024 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.

Going concern

The consolidated financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a net loss of \$899,687 and had net cash outflows of \$440,936 for the period ended 31 December 2024. As at that date, the consolidated entity had net current liabilities of \$415,804.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The consolidated entity had \$399,748 cash at bank at 31 December 2024;
- The consolidated entity has prepared cash flow forecasts that supports the ability of the consolidated entity to continue as a going concern; and
- The consolidated entity has demonstrated the ability to raise further capital over multiple years and the Directors are confident that a future capital raising, if necessary, would be successful. On 14 February 2025, the company issued 142,857,143 million new fully paid ordinary shares at an issue price of \$0.007 per Share, raising \$1.0 million in capital (refer to Note 13).

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

(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 2024, unless otherwise stated.

(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 2024 have been applied to these interim financial statements, unless otherwise stated.

Notes to the financial statements

Continued

(d) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the accounting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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-maker) 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	2024 \$	2023 \$
Revenue from contracts with customers		
Sale of goods	1,733,741	1,463,048
Total revenue	1,733,741	1,463,048

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken ownership of the goods, which is generally at the time of delivery, unless otherwise agreed.

Disaggregation of revenue from contracts with customers is as follows:

Six months ended 31 December	2024 \$	2023 \$
Geographical regions		
Australia and New Zealand	1,684,895	1,227,169
United States	45,590	193,669
United Arab Emirates	3,256	40,054
Europe	-	2,156
Total revenue	1,733,741	1,463,048

Note 4. Other income

Six months ended 31 December	2024 \$	2023 \$
Government grants	30,924	73,200
Profit/(loss) on disposal of property, plant and equipment	-	(1,591)
Other income	638	2,886
Total other income	31,562	74,495

Notes to the financial statements

Continued

Note 5. Expenses

Six months ended 31 December	2024 \$	2023 \$
Loss before income tax includes the following specific items:		
Employee benefits expense		
Salaries and wages	346,634	466,061
Superannuation	37,484	55,543
Share-based payments	-	34,615
Non-executive director fees	62,856	46,818
Other employee related expenses	7,810	37,898
Total employee benefits expense	454,784	640,935
Depreciation and amortisation expense		
Depreciation of plant and equipment	2,005	3,866
Amortisation of intangible assets	5,681	3,456
Total depreciation and amortisation expense	7,686	7,322
Finance costs		
Debtor finance fees	855	4,850
Trade finance fees	27,265	19,181
Other interest	18,438	3,690
Total finance costs	46,558	27,721

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	2024 \$	2023 \$
Net loss attributable to the owners of Forbidden Foods Limited	(899,687)	(1,084,851)
Net loss attributable to the owners of Forbidden Foods Limited	(899,687)	(1,084,851)

Six months ended 31 December	2024 No.	2023 No.
Weighted average number of ordinary shares for calculating basic and diluted loss per share	411,824,815	176,960,710
Weighted average number of ordinary shares for calculating basic and diluted loss per share	411,824,815	176,960,710

Six months ended 31 December	2024 Cents	2023 Cents
Basic loss per share	(0.22)	(0.61)
Diluted loss per share	(0.22)	(0.61)

Note 7. Intangibles

	At 31 Dec 2024 \$	At 30 Jun 2024 \$
Goodwill	4,301,158	1,386,767
Trademarks	36,373	40,797
Total intangibles	4,337,531	1,427,564

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

	Goodwill \$	Trademarks \$	Total \$
Balance at 1 July 2024	1,386,767	40,797	1,427,564
Additions through business combination (Note 10)	2,914,391	1,263	2,915,654
Amortisation expense	-	(5,687)	(5,687)
Balance at 31 December 2024	4,301,158	36,373	4,337,531

Notes to the financial statements

Continued

Note 8. Issued capital

	At 31 Dec 2024 \$	At 30 Jun 2024 \$
Ordinary shares – fully paid	21,805,013	17,768,264
Total issued capital	21,805,013	17,768,264

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

Fully paid ordinary shares	Number of shares	Share capital \$
Balance at 30 June 2024	227,223,467	17,768,264
Issue of ordinary shares – 21 August 2024	22,965,136	275,582
Issue of ordinary shares – 23 September 2024	5,833,334	105,000
Issue of ordinary shares – 24 September 2024	31,201,531	374,418
Issue of ordinary shares – 26 September 2024	285,000,000	3,420,000
Share issue costs	-	(138,251)
Balance at 31 December 2024	572,223,468	21,805,013

Note 9. Reserves

	At 31 Dec 2024 \$	At 30 Jun 2024 \$
Foreign currency translation reserve	5,202	4,933
Share-based payments reserve	-	68,203
Total reserves	5,202	73,136

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

	Foreign currency \$	Share-based payments \$	Total \$
Balance at 1 July 2024	4,933	68,203	73,136
Foreign currency translation	269	-	269
Share-based payments settled in cash	-	(68,203)	(68,203)
Balance at 31 December 2024	5,202	-	5,202

Notes to the financial statements

Continued

Note 10. Business combinations

On 26 September 2024, Forbidden Foods Limited acquired 100% of the issued capital of Good Oats Pty Ltd, trading as Oat Milk Goodness ('OMG').

The acquisition of OMG was completed via the issue of 285,000,000 million fully paid ordinary shares ("Shares") at \$0.012 cents per share.

OMG contributed revenues of \$407,311 and profit from ordinary activities of \$31,745 for the period ended 31 December 2024. If the acquisition occurred on 1 July 2024, the half-year revenue would have been \$729,563.

Details of the net assets acquired and the resulting goodwill are as follows:

	Total \$
Purchase consideration:	
- Equity	3,420,000
Assets acquired:	
- Cash and cash equivalents	210,038
- Trade receivables	137,052
- Inventories	169,446
- Plant and equipment	24,595
- Trade payables	(20,595)
- Employee benefits	(14,927)
Total net identifiable assets acquired and liabilities assumed	505,609
Goodwill	2,914,391
Cash used to acquire business:	
- Acquisition costs expensed to profit or loss	193,016
Cash used to acquire business	193,016

The acquisition accounting is provisional as at 31 December 2024.

Note 11. Contingent liabilities

The consolidated entity had no contingent liabilities at 31 December 2024 (30 June 2024: nil).

Note 12. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Notes to the financial statements

Continued

Note 13. Subsequent events

On 14 February 2025, the consolidated entity sought to raise a further \$1.0 million in capital. This was successfully completed 21 February 2025 and 142,857,143 fully paid ordinary shares were issued at \$0.007 cents per share.

No other matters or circumstances have arisen since 31 December 2024 that has materially affected or could materially affect the reported results from operations or financial positions for the period then ended.

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 2024 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



Albert Cheok
Chair

28 February 2025

RSM Australia Partners

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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 (collectively "the Group") which comprises the consolidated statement of financial position as at 31 December 2024, 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 material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

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*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Forbidden Foods Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates that the Group incurred a net loss of \$899,687 and had net cash outflows from operations of \$440,936 during the half year ended 31 December 2024, and, as of that date, the Group's had net current liabilities of \$415,804. As stated in Note 1, these events or conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of Forbidden Foods Limited 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.

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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. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us 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 financial position as at 31 December 2024 and its 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.

A handwritten signature in blue ink, appearing to be "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to be "BY CHAN".

B Y CHAN
Partner

Dated: 28 February 2025
Melbourne, Victoria

Corporate directory

Principal place of business

Level 2 UL40/1341 Dandenong Road
Chadstone VIC 3148

Directors

Albert Cheok (Non-Executive Chair)
Alex Aleksic (CEO & Managing Director)
Nathan Quailey (Non-Executive Director)
Daniel Rootes (Non-Executive Director)

Company Secretary

Bill Pavlovski

Auditor

[RSM Australia Partners](#)

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Registry

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Telephone: 1300 288 664

Investor Enquiries and correspondence

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Stock exchange listing

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

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