

 forbidden foods

ASX Announcement

Forbidden Foods Limited ASX: FFF

24 April 2025

Q3 FY25 Quarterly Activities Report: Consolidation of rapid trend growth following successful integration of Oat Milk Goodness

Key Highlights

- Consolidation of post-transaction growth in group revenues and cash receipts, with net sales of \$1.1m (consistent with previous quarter and up by 171% from the prior year comparative period (PCP))
- Revenue momentum underpinned by monthly net sales of +\$500,000 in March 2025, marking the highest monthly net sales total since new management took over the business in June 2023
- Cash receipts from customers of \$1.166m, up from \$1.158m in the December quarter and a gain of 115% on the prior year comparative period
- Group revenues underpinned by a broader product range and an expanded distribution footprint following the Company's successful transition to a multi-brand FMCG platform following the OMG acquisition
- Sales profile complemented by continued strong growth through ecommerce channels and a follow-up purchase order from major retailer Costco Australia ('Costco') valued at \$133,000, marking the third Costco order for Blue Dinosaur products since January 2024 and the largest order to-date
- Strategic inventory build-out to meet increased demand, which is expected to flow through to additional growth in cash receipts from a lower base of cash operating costs in the June quarter
- Operational momentum supported by strategic share placement to raise \$1m before costs via the issue of 142,857,143 new fully paid ordinary shares at \$0.007 per share, which attracted strong support from a network of sophisticated and institutional investors
- Company to be renamed OMG Group Limited (OMG.ASX), subject to shareholder approval at an Extraordinary General Meeting on 20 May 2025
- Appointment of senior FMCG executive Mr Tim Freeburn as a Non-Executive Director, with Mr Daniel Rootes assuming the role of interim Non-Executive Chairman following the resignation of Mr Albert Cheok

Forbidden Foods Ltd (ASX: FFF) ("Forbidden Foods" or "the Company") is pleased to provide the following overview of activities undertaken during the three-month period ended 31 March 2025 (the "quarter").

Management commentary:

Forbidden Foods' Chief Executive Officer, Alex Aleksic said: "The March quarter was highlighted by the achievement of several key operational milestones, including our second straight quarter of net sales above \$1m and the implementation of key initiatives to improve inventory management which leaves us well positioned to drive additional margin growth in the quarters ahead. The strategic inventory build was assisted by the successful completion of our strategic share placement, which positions the business with added flexibility to take advantage of growing sales momentum across our key product channels. As we expand our multi-brand presence in the Australian market, we look forward to providing further updates on our stated strategy to grow revenues from a lower cost base and accelerate the pathway to cash-flow break-even."

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Operational Review:

Third product ranging agreement with Costco consolidates market footprint with major retailers

Operational highlights during the quarter included confirmation of an additional product ranging agreement for Blue Dinosaur products with multinational retailer Costco – the third order since January 2024 and the largest order to-date.

The Costco order was valued at \$133,000 and reflects strong recent demand for the Blue Dinosaur ‘Bites’ range, which previously sold out across Costco stores. For the third PO, Forbidden Foods will supply the recently launched multi-pack edition of its Bites range, with new flavour profiles and updated product packaging.

A global retail conglomerate with a market capitalisation of over US\$400bn, Costco is a market leader in the discounted bulk-buy retail segment which is well-aligned with the new multi-pack edition of the Bites range. The company operates 16 different locations throughout Australia and New Zealand – providing scope for Forbidden Foods to expand its addressable market across different Costco stores.

Consolidation of group sales momentum

The Costco order highlighted the growing traction for Forbidden Foods products through both physical store networks and online channels. Group revenues were also underpinned by continued growth in online sales of Blue Dinosaur products increasing by 145% on PCP through the first two months of the quarter (refer ASX Announcement 3 March 2025).

The Company subsequently generated net sales in March of \$512,000, a record monthly high since the management team took over the business and implemented a cost-focused restructure in June 2023. Net sales for the quarter totalled \$1.1m, consistent with the three-month period ended 31 December 2024 which was the first full quarter of trade following the strategic acquisition of Oat Milk Goodness.

In turn, group revenues in the December quarter more than doubled from September, highlighting the expanded sales profile of the combined entity. Pleasingly, the three months ended 31 March marked the second straight quarter where net sales exceeded \$1m, consolidating the Company’s sales footprint and leaving it on track to post annual post-acquisition sales of over \$4m. Concurrently, Forbidden Foods generated consistent sales growth with a \$41,000 reduction in staff costs, and continues to position the business to drive ongoing sales from a lower cost case.

Financial and corporate overview:

Pathway to cashflow break-even:

The group’s strong operational progress was complemented in the period by the successful completion of a strategic share placement, which had strong support from a network of sophisticated and institutional investors.

The Placement raised \$1m through the issue of 142,857,143 new fully paid ordinary shares at an issue price of \$0.007 per Share, and included a commitment from Non-Executive Director, Mr Daniel Rootes, to subscribe for approximately \$21,000 of new shares under the Placement, subject to shareholder approval.

Proceeds from the Placement were deployed to fund a strategic inventory build to meet growing demand for key SKUs, positioning the Company to drive additional margin growth in the quarters ahead.

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Company to be renamed OMG Group limited

As announced on April 17, the Company intends to re-name and re-brand to OMG Group Limited, subject to shareholder approval at an EGM. Subsequently, the Company intends to trade under the symbols OMG and OMGO, to better reflect the strategic direction of the business in the Better For You food and beverage sector.

Appointment of Non-Executive Director and Board changes

During the quarter, Forbidden Foods announced the appointment of Mr Tim Freeburn as a Non-Executive Director, effective from 1 April 2025. Mr Freeburn currently serves as Managing Director of Sesión Tequila, a multi award-winning Australian tequila brand which he co-founded in 2016 with high-profile entrepreneur, Jennifer Hawkins. His appointment significantly strengthens the composition of the Board with senior executive experience in the FMCG sector.

Concurrently, the Company advised that Non-Executive Chairman, Mr Albert Cheok, and Non-Executive Director, Mr Nathan Quailey, have tendered their resignations, effective 1 April 2025. The resignations were agreed jointly between the Company and the outgoing Directors, both of whom hold several other roles. Non-Executive Director Mr Daniel Rootes has assumed the role of Interim Non-Executive Chairman while the Board advances its executive search initiatives.

ASX additional information:

In accordance with ASX Listing Rule 4.7C.3, Forbidden Foods advises that an amount of \$325,000 was paid to executive and non-executive directors in payment of their directors' fees, salaries, and post-employment benefits. 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® which is sold in Australia & USA.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

FORBIDDEN FOODS LIMITED (ASX: FFF)

ABN

82 616 507 334

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,166	3,073
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,109)	(2,770)
(c) advertising and marketing	(244)	(503)
(d) leased assets	-	-
(e) staff costs	(246)	(706)
(f) administration and corporate costs	(41)	(181)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(33)	(79)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	31
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(507)	(1,134)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	(194)	(194)
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	238	238
2.6	Net cash from / (used in) investing activities	44	44

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,084	1,734
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(107)	(221)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (opening cash balance from Good Oats Pty Ltd received on completion of acquisition)	(238)	-
3.10	Net cash from / (used in) financing activities	739	1,513

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	401	254
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(507)	(1,134)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	44	44
4.4	Net cash from / (used in) financing activities (item 3.10 above)	739	1,513
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	677	677

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	677	401
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	677	401

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	325
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000																									
7.1	Loan facilities	1,250	247																									
7.2	Credit standby arrangements	-	-																									
7.3	Other (please specify)																											
7.4	Total financing facilities	1,250	247																									
7.5	Unused financing facilities available at quarter end		1,003																									
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.																											
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Facility</th> <th style="width: 15%;">Facility limit \$A'000</th> <th style="width: 15%;">Amount drawn \$A'000</th> <th style="width: 20%;">Interest rate</th> <th style="width: 20%;">Secured</th> </tr> </thead> <tbody> <tr> <td>Moneytech:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Debtor finance</td> <td style="text-align: center;">1,000</td> <td style="text-align: center;">8</td> <td style="text-align: center;">10.41% p.a.</td> <td style="text-align: center;">Yes</td> </tr> <tr> <td>Trade finance</td> <td style="text-align: center;">250</td> <td style="text-align: center;">239</td> <td style="text-align: center;">11.61% p.a.</td> <td style="text-align: center;">Yes</td> </tr> <tr> <td>Totals</td> <td style="text-align: center;">1,250</td> <td style="text-align: center;">247</td> <td></td> <td></td> </tr> </tbody> </table>	Facility	Facility limit \$A'000	Amount drawn \$A'000	Interest rate	Secured	Moneytech:					Debtor finance	1,000	8	10.41% p.a.	Yes	Trade finance	250	239	11.61% p.a.	Yes	Totals	1,250	247				
Facility	Facility limit \$A'000	Amount drawn \$A'000	Interest rate	Secured																								
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Debtor finance	1,000	8	10.41% p.a.	Yes																								
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Totals	1,250	247																										

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(507)
8.2	Cash and cash equivalents at quarter end (item 4.6)	677
8.3	Unused finance facilities available at quarter end (item 7.5)	1,003
8.4	Total available funding (item 8.2 + item 8.3)	1,680
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.31
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 April 2025

Authorised by: The Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.