

Forbidden Foods Limited ASX: FFF

ASX Announcement

31 August 2021

Major Distribution Agreement with Orange Group

Highlights

- *Forbidden Foods has entered into an exclusive general trade distribution agreement over an initial two-year term with China-based Orange Group.*
- *Orange Group will distribute the FUNCH[®] range of infant & toddler and health & nutrition products through its trading arm, Panda Trading, which currently services over 10,000 stores in Northern and Central China.*
- *Orange Group placed its first purchase order of FUNCH[®] products in June to trial the product with its local customers.*
- *On the back of successful entry and positive feedback Orange Group has placed its second order of FUNCH[®] products for over \$70,000 confirming the growing consumer demand for nutritious and natural baby food in the region.*

Forbidden Foods Ltd (ASX: FFF) ("Forbidden Foods" or "the Company") is pleased to announce that it has entered into an exclusive distribution agreement with Orange Group to distribute its infant & toddler, health & nutrition brand FUNCH[®] through-out China. The agreement is for an initial two-year term which represents a major milestone in Forbidden Foods' long-term growth strategy in Asia.

The agreement was developed by Orange Group and Forbidden Foods after sampling the FUNCH[®] products in China with Orange Group's key customers. Since then, Forbidden Foods has received two orders, with the latest order representing a full container of FUNCH[®] foods.

Orange Group is a Beijing based company, established in 2002, that has a successful track record of connecting FMCG brands with consumers by providing specialised sales, marketing, digital ecommerce, and distribution services. Orange Group works with a range of top global FMCG brands and retailers including Yili, Mengniu Dairy, Sanyuan, Coca Cola, Red Bull, COFCO, Junlebao, and BESTORE.

The FUNCH[®] range of products is now distributed through Orange Group's trading arm, Panda Trading, which was set up to procure and distribute high-quality brands in China and currently services over 10,000 stores in Northern and Central China. Orange Group will support the range with marketing, advertising, offline promotions, and digital activations throughout the term of the agreement.

With the China Baby Food & Beverages Industry anticipated to reach US\$52.3 billion by 2026 (at a CAGR of 9.65%). The demand for packaged baby food is experiencing rapid growth due to its advantages of storage, convenience and preparation time. The agreement with Orange Group ensures FUNCH[®] is positioned to capitalise on the growing Chinese demand for infant and toddler products.

Forbidden Foods Co-founder and Chief Operating Officer, Jarrod Milani said:

"We welcome Orange Group as our exclusive general trade distributor in China and are excited they share our vision for FUNCH. Orange Group's experience in FMCG and reach in Northern and Central China is significant and provides the optimal avenue to launch FUNCH into new markets in China."

"After trialling a smaller order in June which has since made its way onto shelves, we have now received a second purchase order from Orange Group, which includes our most recently launched lines of Australian made edible oils boosted with DHA omega-3; and we have had a number of collaborative discussions around additional products to launch with them over the course of this agreement."

"FUNCH continues to go from strength-to-strength and this contract solidifies our strategic entry into China and propels the FUNCH brand to the next level."

Orange Group CEO, Sally Wang said:

"We are excited to be working with Forbidden Foods to bring the FUNCH brand into China via our general trade network. The mother and baby food category continues to attract demand for high quality products and Orange Group is well placed to expand the distribution of FUNCH products offline into our already established network. Our vertically integrated sales, marketing and distribution capabilities are an asset that we will be using fully to make the brand sustainable."



Pictured: FUNCH® range in store August 2021, distributed by Orange Group.

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

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About Forbidden Foods Ltd

Forbidden Foods Ltd (ASX: FFF) is a multi-brand premium food, beverage and ingredients company focusing on the infant, toddler, health and plant-based markets. The Company was established in 2010 with a vision to provide the very best foods to meet growing consumer demand for clean, sustainable plant-based and health-oriented products. The business sells products via its two key brands – Sensory Mill and FUNCH[®] – direct to consumer, retailers and food service companies, fulfilled through its distribution partners and via e-commerce across its diverse national and international sales channels.

About Orange Group

Headquartered in Beijing, China; Orange Group (<https://www.orange.cn/>) established in 2002 has several major divisions including, Orange Advertising, Panda Trading, Social E-commerce, Ostar Advertising, D+M Digital Communication. From 2013 to 2015, it was rated as one of China top 10 innovative advertising agencies for three consecutive years, and in 2012, it was rated as one of China top 50 creative agencies. Orange Group's key clients include some of the top FMCG brands and retailers globally, they include but not limited to Yili, Mengniu, Sanyuan, Coca Cola, COFCO, Red Bull, Junlebao, and BESTORE.