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Investor Presentation

(ASX: FFF)

December 2022

Feeding the world with the world's best

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- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

All dollar values are in Australian dollars (A\$) unless other stated. The figures in this presentation are subject to rounding.

The information in this presentation remains subject to change without notice.

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

Company overview

Forbidden Foods Limited encompasses a portfolio of engaging food and snack brands offering premium products to health-conscious consumers.

The company has focused on enabling them to scale its brands to scale production, distribution and sales whilst striving to offer innovative products which can be sustainable procured, efficiently manufactured, and supplied to a global customer base.

CORPORATE OVERVIEW

Shares on issue:	103.40m
Market capitalisation (as at \$0.043 per share):	\$4.45m
Options on issue:*	8.75m
52 week high-low:	\$0.033 - \$0.220
Debt:	Nil
Cash at bank (as at 30 September 2022):	\$0.96m

*Does not include 2.46m Performance Rights approved by shareholders at the Company's AGM in November 2022 but not yet issued to the recipients.

A SUITE OF LEADING BRANDS



MAJOR SHAREHOLDERS

MKB Family Investments Pty Ltd	9.58%
Milani Family Investments Pty Ltd	9.12%
Tuwhera Te Rangi Ltd	6.65%
Mr Mark Butler & Mrs Lynda Rae Butler	4.83%
Top 20:	55.39%
Board & Management	18.93%

Board and Management



Anthony Rowlinson

Non-Executive Chair

Anthony has extensive international experience in senior executive roles in many leading FMCG companies including Simplot, Coca Cola, International Paper and Bristol Myers.

Anthony is currently the CEO of Fenn Foods and is the Managing Director of a consulting group specialising in M&A and launching Australian brands into the United States.



Katie Eshuys

Non-Executive Director

Katie is an experienced executive in the global food and beverage industry, specialising in scaling emerging brands and delivering global revenue growth.

Katie is currently the Chief Sales Officer at Los Angeles based That's It., Katie has expanded the brand across 7 countries and driven high revenue growth across the North American market.



Justin O'Sullivan

Non-Executive Director

Justin is an experienced international FMCG business manager with a demonstrated history of developing sophisticated sales and marketing strategies.

Justin is currently Head of Operations and a member of the Australian leadership team at Red Bull Australia.



Marcus Brown

Chief Executive Officer

Marcus co-founded Forbidden Foods in 2010 with Jarrod. Marcus previously worked at AON in the corporate risk management and international captive insurance teams at AON.

During his time as CEO, Marcus has developed a broad network of reliable supply chain partners and is responsible for ensuring the Company continues to meet its key strategic and growth objectives.



Jarrod Milani

Chief Operating Officer

Jarrod co-founded Forbidden Foods in 2010 with Marcus. Prior to co-founding Forbidden Foods, Jarrod worked at Coles in various marketing-related roles including trade planning, growth projects, eCommerce, and supplier engagement.

Jarrod plays a vital role in the development of brand proposition, strategy, and product ranges.



Sam Fraser

Chief Financial Officer

Sam joined Forbidden Foods as CFO in October 2020 after assisting with the Company's successful listing on the ASX.

Sam is a Chartered Accountant with extensive experienced advising a diverse range of emerging and established businesses whilst managing the financial and management reporting for several multinational listed companies.

Leading suite of brands underpins growth



- A healthy bar and snacking brand acquired in October 2021
- Range currently totals 31 SKUs
- Generating revenue through bricks and mortar and eCommerce sales
- Currently stocked in major Australian retail outlets including Coles, Woolworths and 7/11
- Major push into lucrative US market pending - first production run completed
- US distribution agreement established with KeHE and ranging secured in Associated, ShopRite and Fresh Thyme Markets - expected to range across 875 stores



- A range of family food products made from clean ingredients
- 20 SKUs including snack bars, children's shakes, baby puree and edible oils
- Aimed at busy families seeking high nutritional value for children with added convenience
- Currently sold through independent supermarkets and eCommerce channels locally and internationally
- Ongoing collaborations with partner groups to develop new, innovative products
- Major retail focus for 2023 - expected to underpin additional group revenue growth



- An innovative plant-based food range providing access to a major market opportunity
- Ingredients are driven by evidence-based science to increase nutritional value
- Other competitive advantages include not using common allergens such as wheat and soy
- eCommerce channels launched in Q4 FY22 to underpin revenue growth and increase brand awareness
- 4 SKUs include a chicken, pork and beef substitute and a burger mix offering
- Ranging discussions with key retail groups are well progressed

Blue Dinosaur unlocks a major US opportunity



Penetration in high growth market

Opportunity to take an established brand with a proven track record to capture a share of the projected US\$3.8Bn wellness bar market.¹

- US Wellness Bar Category sales up 13.9% year on year¹
- Wellness bars are penetrating 43% of US households and growing¹
- Wellness bar category has grown +5.9% to 54.5m buyers¹
- USA has 28x more supermarkets and grocery stores than Australia²

Unique competitive position with scalable business model

Sales networks and local manufacturing capabilities have already been established to minimise working capital and increase speed to market.

Imminent value catalysts

Significant pipeline sales opportunities already identified in US which will materially grow revenue – opportunities being pursued across traditional retail and eCommerce channels

Highly experienced board and management team

Renewed board with experience scaling global brands and penetrating US market.

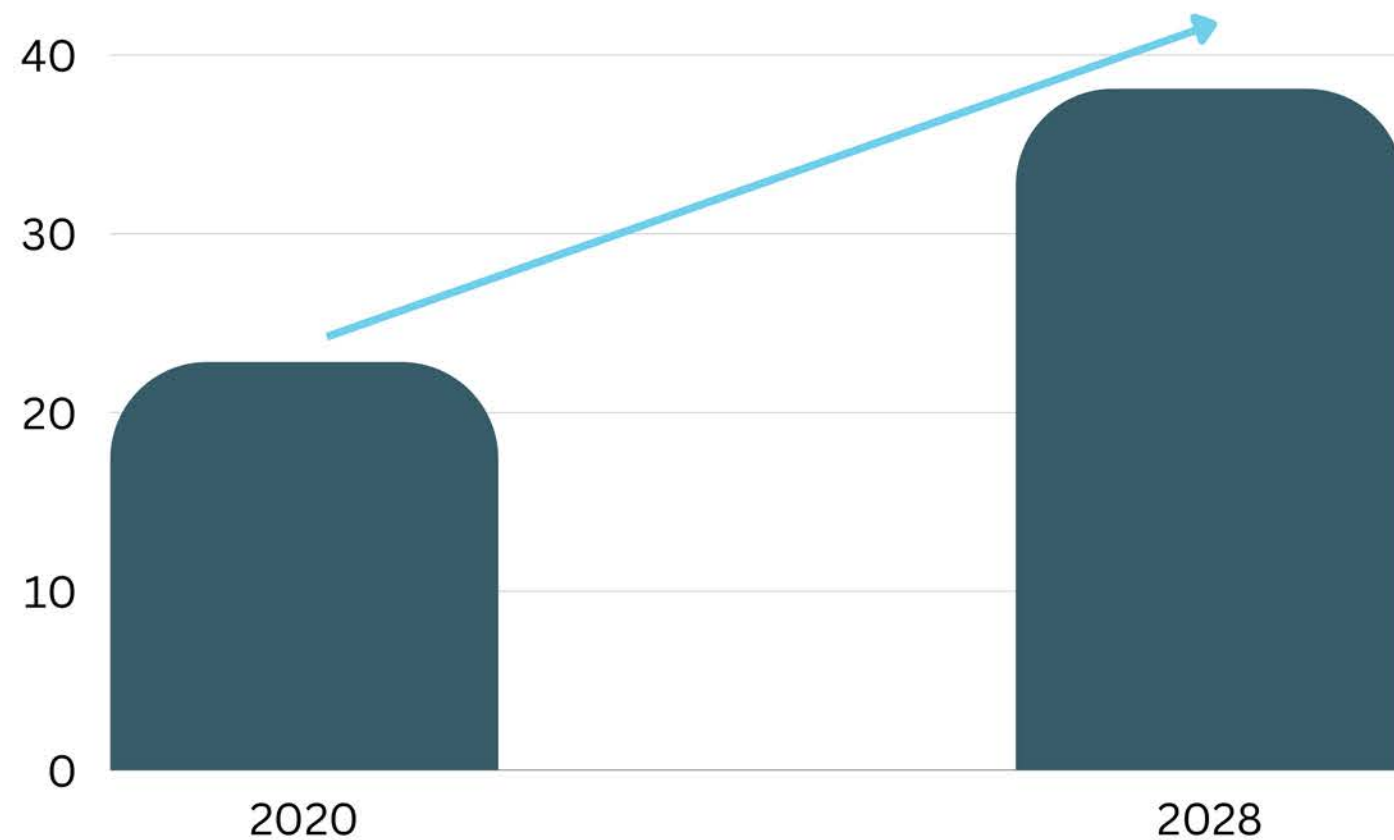
1. SPINS Wellness Bar Category - Total US Outlets ending 4th of September, 2022

2. IBIS 2022 - Supermarkets & Grocery Stores

Leveraging Blue Dinosaur to tap a major market

The Market:

The global snack bar market size was valued at US\$22.8Bn in 2020 and is projected to reach US\$38.1Bn by 2028, growing at a CAGR of 6.62% from 2021 to 2028.*



*Global Snack bar Market Size by Product Type, By Distribution Channel, By Geographical Scope and Forecast, Aug 2022, Verified Market Research

Recent transactions:

On 1 August 2022, Mondelez International completed its acquisition of Clif Bar & Co. for **US\$2.9Bn (~4x Revenue)**. The acquisition is expected to grow Mondelez's snack bar business from approximately US\$300m in sales to in excess of US\$1Bn in revenues.

Mondelez
International



In October 2017, Kellogg acquired RXBar for **US\$600m (~5x Revenue)** less than five years after the company was started. RXBar's net sales were expected to reach about US\$120m by the end of 2017.

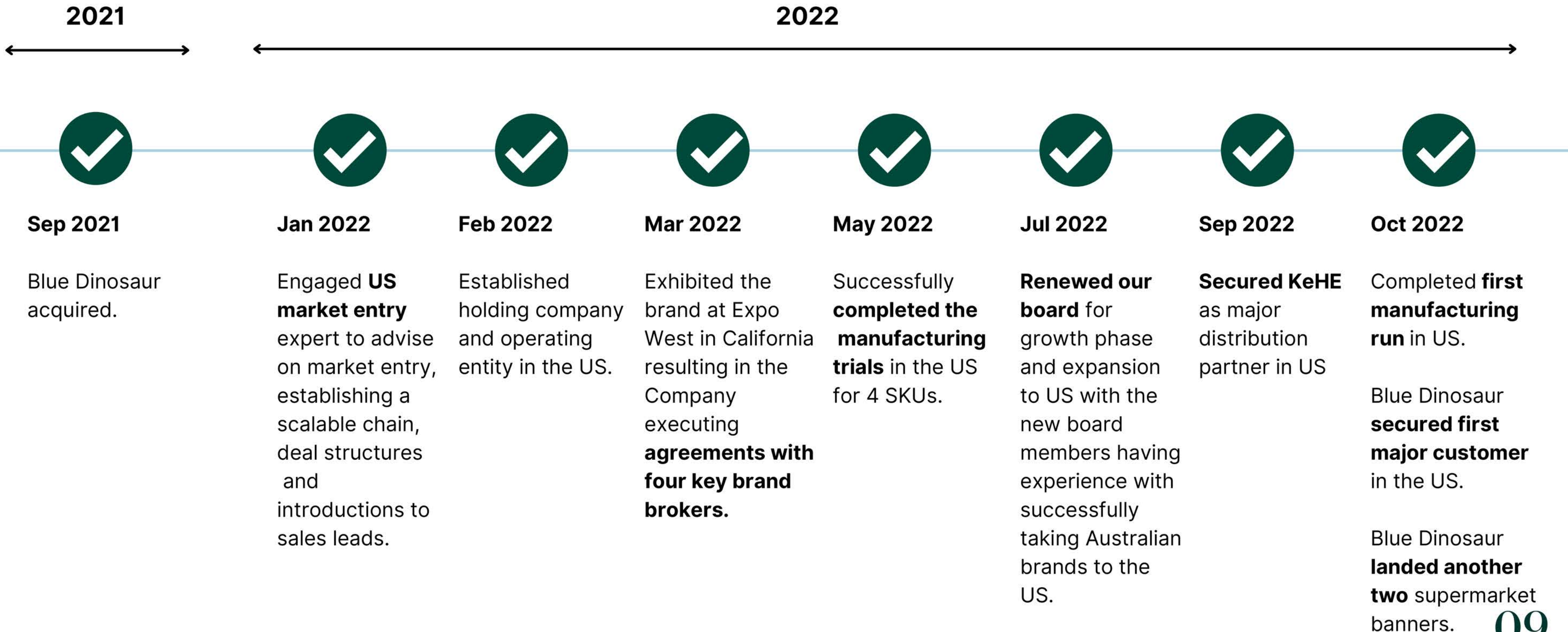
Kellogg's



Significant progress made in US expansion



- Forbidden Foods has made considerable in-roads into the lucrative North American market in recent months
- Multiple purchase orders from key retailers are expected to be received in coming weeks



Leveraging an immediate US sales pipeline



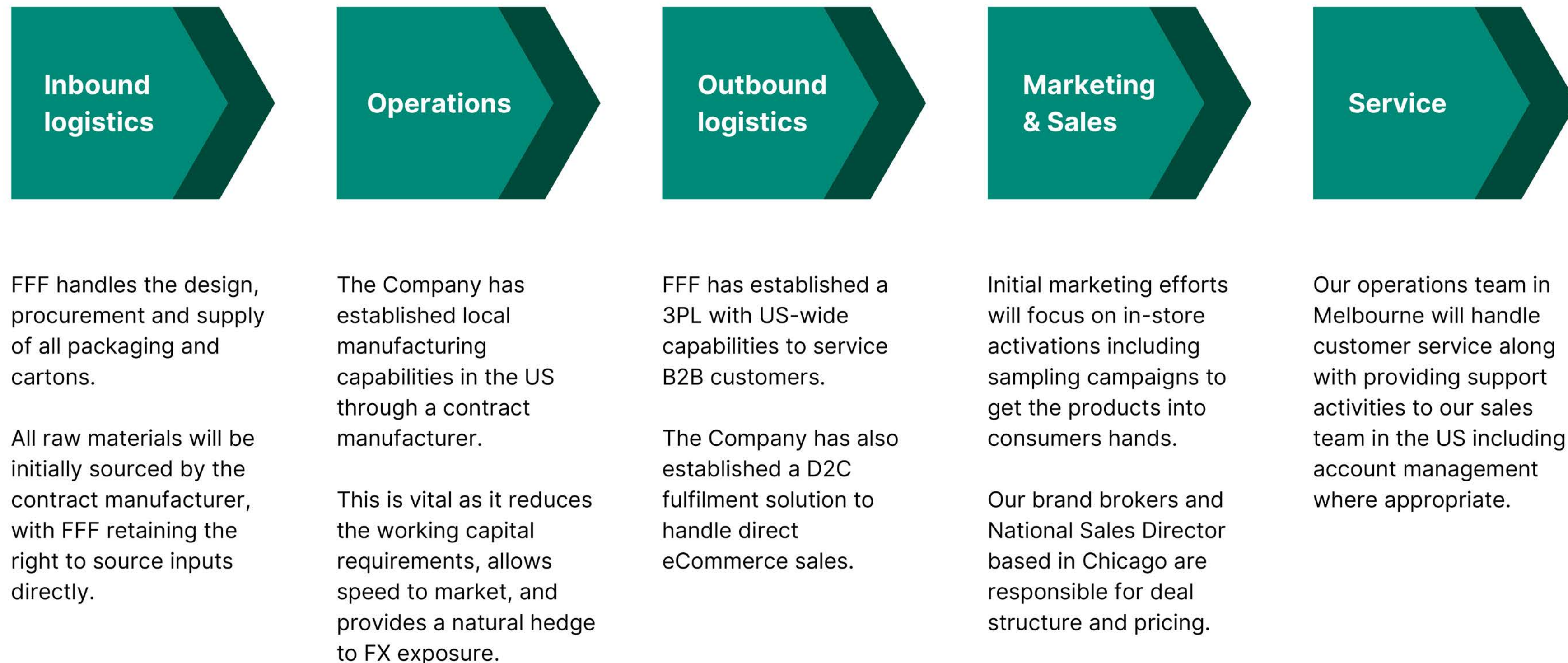
- After showcasing the brand at multiple trade shows, the company has rapidly built out a major retail sales pipeline in the US
- Ranging secured with three large US retails and distribution established via KeHE – first purchase orders pending
- Immediate sales pipeline includes ~10% of all US supermarkets and grocery stores, with other opportunities to be established over the medium term

	Upcoming submission (within 3 months)	Submission Made	In discussion	Ranging Agreed
Customer	  	  		  

The US value chain



Forbidden Foods has established a capital light, scalable business model.



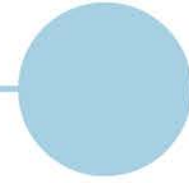
Multiple pending value catalysts in US



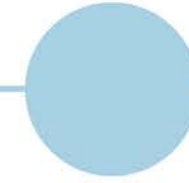
Amazon USA store now live with fulfilment to be handled directly by Amazon



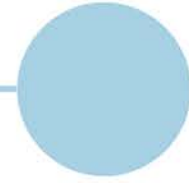
First purchase order received by Distributor



Multiple submissions have been completed which could materially increase revenue if successful



Ongoing customer submissions to be completed with national retail chains



Additional resources to be allocated to develop US market



Financial performance

Forbidden Foods has invested significantly across our three brands since IPO, successfully penetrating new markets and expanding the product offering.

The Company continues to invest in its brands, systems and processes to ensure scalability.

Non-core revenue from food service agreements to be exited in FY23, forecasted to be replaced by higher margin branded revenue.



A defined growth strategy will unlock major value in near term

1

FOCUS ON DRIVING HERO PRODUCTS

- Ensure consistent ranging of hero products
- Drive volume of best performing SKUs to maintain and further improve margins
- Tighten the range of lower performing SKUs

2

ACCELERATE GROWTH + PENETRATE NEW MARKETS

- Targeted investment in the brand and ambassadors
- Expand global sales reach through new and existing channels
- Leverage entrenched relationships with our partners

3

DRIVE EFFICIENCIES THROUGH SCALE + EXPAND PRODUCT OFFERING

- Centralise back-office support
- Focus on procurement and locally sourcing and manufacturing products
- Continual innovation in product development cycle

Capital Raise & Indicative Timetable



Capital raise overview

Offer Details	- A placement to sophisticated and institutional investors of approximately 30.42m shares to raise approximately \$1.08m (before costs) ('Placement'): - Tranche 1 - approximately \$918k (25.85m shares) under existing Listing Rule 7.1 (15.51m shares) and 7.1A (10.34m shares) placement capacity; and - Tranche 2 - approximately \$162k (4.57m shares) subject to shareholder approval at an EGM to be held in January 2023 ("EGM") - A 1:3 rights issue to eligible shareholders to issue up to 34.47m Shares to raise approximately \$1.22m subject to a prospectus ('Rights Offer'). - Subject to shareholder approval, the Company will also issue 1 free attaching option for every 2 shares subscribed for by eligible investors who participated in the Placement ('Placement Options') and eligible shareholders who subscribed under the Rights Offer ('Rights Offer Options').
Placement	The Placement is not underwritten.
Rights Offer	The Rights Offer is a pro rata non-renounceable rights issue to eligible shareholders, representing one Rights Issue Share for every three Shares held on the Record Date at an issue price of \$0.0355 per Rights Issue Share, together with one free Rights Issue Option for every two Rights Issue Shares subscribed for under the Rights Issue. The Rights Offer is not underwritten at this stage, but the Company may determine to have the Rights Offer underwritten.
Placement Options and Rights Offer Options	The Placement Options and the Rights Offer Options (the 'Options') will be issued on the same terms and are both subject to shareholder approval at the EGM. The Options will be exercisable at A\$0.080 each on or before 31 January 2025.
Ranking	Shares issued under the Placement and Rights Offer will rank equally in all respects with existing FFF ordinary shares.
Offer Price	All shares under the Placement and Rights Offer will be issued at a fixed price of \$0.0355 per share, representing a discount of approximately: 17.4% to the last traded price on Monday, 5 December 2022 of \$0.0430 24.0% to the 15-day VWAP up to and including Monday, 5 December 2022 of \$0.0467
Joint Lead Managers	BW Equities Pty Ltd and Viriathus Capital Pty Ltd are acting as joint brokers and bookrunners (each a 'Joint Lead Manager' and together the 'Joint Lead Managers')
Dividend policy	The Board does not intend to recommend, declare or pay a dividend in the next 12 months

Indicative timetable

Indicative timetable (subject to change)	
Trading halt	Tuesday, 6 December 2022
Announcement of results of Placement, announcement of Rights Issue, lodge Appendix 3B and lodgement of Prospectus with ASIC and ASX	Thursday, 8 December 2022
Ex-date for Rights Offer	Monday, 12 December 2022
Record Date	7.00pm, Tuesday, 13 December 2022
Settlement of tranche 1 of Placement	Wednesday, 14 December 2022
Issue of tranche 1 placement shares, lodged Appendix 2A	Thursday, 15 December 2022
Tranche 1 Placement shares commence trading on ASX, dispatch of Prospectus and Entitlement and Acceptance Form, dispatch of EGM Notice, Rights Offer opens (Opening Date)	Friday, 16 December 2022
EGM to approve issue of tranche 2 Placement shares, Placement Options, Rights Issue Options and Broker Options	10.00am, Wednesday, 18 January 2023
Rights Offer closes (Closing Date)	5.00pm, Friday, 27 January 2023
Announcement of results and shortfall (if any) under the Rights Offer, Rights Offer shares start trading on a deferred settlement basis	Monday, 30 January 2023
Issue and allotment of tranche 2 Placement shares, Placement Options, Rights Issue Shares and Right Offer Options, lodge Appendix 2A (Rights Offer Shares) and Appendix 3G (Placement Options and Rights Offer Options)	Before Noon, Tuesday, 31 January 2023
Dispatch of holding statements	Wednesday, 1 February 2023
Commencement of trading tranche 2 Placement shares and Rights Issue shares on normal settlement basis	Wednesday, 1 February 2023

Source of funds

Source of Funds*	AUD \$
Placement under 7.1 capacity	550,622
Placement under 7.1A capacity	367,081
Total	917,703

Use of funds

The proposed use of funds* includes:

- Deploying the capital to accelerate sales with key retailers and drive brand awareness of Blue Dinosaur in the United States, including through instore and online activation activities.
- Having recently established local manufacturing capabilities in the United States, the Company needs to build up its inventory holdings to fulfil future purchase orders.
- Payment of costs incurred in relation to the Offer.

*The source of funds and use of funds excludes any capital raised or costs incurred as a result of tranche 2 which is subject to shareholder approval at an EGM, or the acceptance of the Rights Issue or exercise of the Placement Options.

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Key risks

1. Business Risks

Reliance on third party raw materials and manufacturing suppliers

Forbidden Foods relies on the availability of supply of raw materials, including organic raw materials, to meet the current and expected growth in demand for its products. Forbidden Foods' business model relies on outsourcing key raw materials to third party suppliers.

In addition to some raw materials, Forbidden Foods also sources product packaging from countries in Asia and engages contract manufacturers in Australia to manufacture and pack its products.

Forbidden Foods may experience disruptions to its supply chain, for example as a result of a shortage of suitable organic-certified raw materials, a virus or disease outbreak (such as COVID-19), quality control or certification issues or a production outage. Any such disruption could have a material adverse impact on Forbidden Foods' ability to source suitable raw materials and manufacture its products to meet current and anticipated future consumer demand.

Foreign exchange risk

Forbidden Foods sources some raw materials and packaging from Asia and pays for it in United States dollars. The Company's manufacturing expenses are typically incurred in Australian dollars and the Company generates revenue in a range of currencies, including Australian dollars, United States Dollars and New Zealand Dollars. The Company's financial statements are presented in Australian dollars, and therefore the Company must translate its assets, liabilities, revenue and expenses into Australian dollars for external reporting purposes.

Reliance on sales channels & key customers

Forbidden Foods distributes its products to end consumers through various sales channels. The Company depends on continued access to its sales channels and its relationships with its current customers, many of which are not contracted. There can be no guarantee that the Company's relationships with key customers and channel partners will continue or, if they do continue, that they will purchase the same, similar or greater quantities of Forbidden Foods' products as they have historically.

Key customers without contracts

Forbidden Foods' performance and growth is dependent on maintaining its existing customers and securing new customers. In FY2022, a proportion of Forbidden Foods' revenue was generated from uncontracted customer relationships, using the Company's or the customer's standard terms and conditions and purchase orders and invoices. This is consistent with many suppliers in the Food and Beverage Industry.

The Company's supply arrangements typically have no minimum volume requirements and can be varied or terminated by the customer on short notice (or no notice) and without penalty. There is a risk that the Company will be unable to maintain its uncontracted customers, or secure new customers, on commercially viable terms. In addition, there is no certainty as to the volume, price and frequency of any future sales from uncontracted customers.

Key risks

1. Business Risks (continued)

Forbidden Foods operates in a competitive industry

The Food and Beverage Industry is highly competitive and many of the Company's competitors are significantly larger and have significantly more resources. There is no assurance that Forbidden Foods will be able to compete effectively with existing and new competitors in the future. Should any of Forbidden Foods' competitors participate more aggressively on price, product, innovation or other means, this could have a material adverse impact on Forbidden Foods' financial performance and prospects.

Customer concentration risk

Should the Company's trading relationship with any of its large customers change in an adverse way – for example as a result of competition, reduced demand for the Company's products or a product contamination issue – the Company's financial performance and prospects could be adversely affected.

Product concentration risk

Forbidden Foods' product mix and revenues are currently dependent on fruit/seed/grain-based products. Given the Company's product range, factors affecting the supply of, and demand for, the products could have a significant adverse impact on Forbidden Foods' financial performance and future prospects.

Changes in consumer trends and preferences

The Company is subject to changing consumer trends, demands, preferences and attitudes, including a shift in the beliefs, tastes and dietary habits of end consumers. There is a risk that consumer preferences for Forbidden Foods' products will change in an adverse way. Should there be a reduction in demand for Forbidden Foods' products, this could have a material adverse impact on the financial performance and future prospects of the Company.

Retail environment

There is a risk that an economic downturn could occur in Australia or overseas, which could cause the retail environment to deteriorate as consumers reduce their expenditure (generally) or reduce their disposable income expenditure on specific discretionary items. This could result in reduced turnover for Forbidden Foods.

Climate or environment events

As a seller of agricultural products, weather and climactic conditions directly affect the business operations of the Company. The quantity and quality of Forbidden Foods' products may be adversely affected by adverse weather or climactic conditions, including climate change. Any adverse change to weather or climactic conditions may impact the sustainability of produce, which are sourced through third party providers.

Key risks

2. General and other risks

Risks associated with an investment in shares

There are general risks associated with any investments in equity capital. Securities listed on a securities exchange, and in particular securities of companies with a relatively small capitalisation, have experienced volatile price and volume fluctuations that have often been unrelated to the operating performance of such companies. The trading price of Forbidden Foods shares may experience fluctuations with movements in equity capital markets in Australia and internationally, and may be influenced by a number of factors, some of which are specific to Forbidden Foods, and some of which may affect listed companies generally (and may be unrelated to Forbidden Foods' operating performance). This may result in the price of Forbidden Foods shares being more or less than the issue price of shares issued under the Placement or Rights Offer ("New Shares"). Generally applicable factors which may affect the market price of shares include: general movements in Australian and international securities markets; investor sentiment; Australian and international economic conditions and outlook; changes in interest rates and the rate of inflation; changes in government regulation and policies; announcement of new technologies; outbreaks of disease, pandemics or continuation of the same; and geo-political instability, including international hostilities and acts of terrorism. No assurances can be given that the New Shares will trade at or above their issue price under the Placement or Rights Offer. None of Forbidden Foods, its Board or any other person guarantees the market performance of the New Shares.

Litigation and disputes

From time to time, Forbidden Foods is involved in litigation and disputes. There is a risk that the resolution of litigation and disputes may result in provisions for such litigation and disputes being exceeded. There is also the risk that Forbidden Foods' reputation may suffer due to the profile of, and public scrutiny surrounding, any such litigation and disputes regardless of their outcome.

Changes in accounting policies

Changes in accounting policies arising from amended accounting standards may affect the reported earnings of Forbidden Foods and its financial position from time to time.

Tax changes

Future changes in taxation laws may affect taxation treatment of an investment in Forbidden Foods' shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, or Forbidden Foods' methods of calculation, may impact the tax liabilities of Forbidden Foods.

Domestic and global economic conditions

Adverse changes in economic conditions such as economic growth, interest rates, employment levels, consumer demand, consumer and business sentiment, market volatility, exchange rates, inflation, government policy, international economic conditions and employment rates amongst others are outside Forbidden Foods' control and have the potential to have an adverse impact on Forbidden Foods and its operations.

Dilution risk

The Placement and Rights Offer may result in dilution of the existing holdings of Forbidden Foods shareholders, in particular where shareholders do not participate in the Placement or Rights Offer.

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