forbidden FOODS

Investor Presentation
(ASX: FFF)



June 2023

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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.

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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. Its major focus is on its leading brand Blue Dinosaur.

The company helps its brands scale production, distribution and sales whilst striving to offer innovative products which can be sustainably procured, efficiently manufactured, and supplied to a global customer base.

CORPORATE OVERVIEW

Shares on issue: *(approx.)*	133m
Market capitalisation (as at $0.026 per share): *(approx.)*	$3.5m
Options on issue:	33.54m
52 week high-low:	$0.130 - $0.014
Debt:	Nil
Cash at bank (as at 31 March 2023):	$0.62m

MAJOR SHAREHOLDERS

Tuwhera Te Rangi Ltd	10.58%
MKB Family Investments Pty Ltd	10.12%
Milani Family Investments Pty Ltd	7.29%
Mr Mark Butler & Mrs Lynda Rae Butler	3.79%
Top 20:	56.78%
Board & Management	20.47%

Our Leading Edge

Feeding the world with the world's best

forbidden FOODS



01

Forbidden Foods is an Australian publicly listed company

We believe in our brands and we will ensure they are adequately supported while scaling to continue growing and delivering value to our partners, this begins with US & Australian based account management with local trading entities in each market.

02

Australia's leading health food bar

We ensure our leading brands are fresh and exciting and are specifically designed for our target market, as proven in Australia with Blue Dinosaur.

03

Made in the USA & AUS

Established manufacturing in the US with two major distribution centers in Chicago and Utah supported by leading 3PL. Established relationships with multiple manufactures in Australia with 3PL in Sydney.

04

20 Years+ of Supply Experience

Forbidden Foods has supplied over 8000 retailers globally and over 10 years have never had a recall and is supported by a team with 20+ years of experience in supplying the US & Australian market.

05

Millennials & Gen Z marketing experts

Existing brands age with their consumers; Forbidden Foods and its portfolio of brands approaches the up-and-coming consumers in the medium they consume media.

Key Opportunities

01 - USA

Established US base with manufacturing and sales team to capitalise on the estimated $270bn Health & Wellness Market in the US along with Blue Dinosaur SKUs directly submitting into the $3.8bn wellness bar market.[1]

02 - AUSTRALIA

Major supplier in Australia, existing in the $2.2bn health snack market[2] with opportunity to extend current points of availability in major retail from an estimated 4,100 to 25,700

03 - LEADER MINDSET

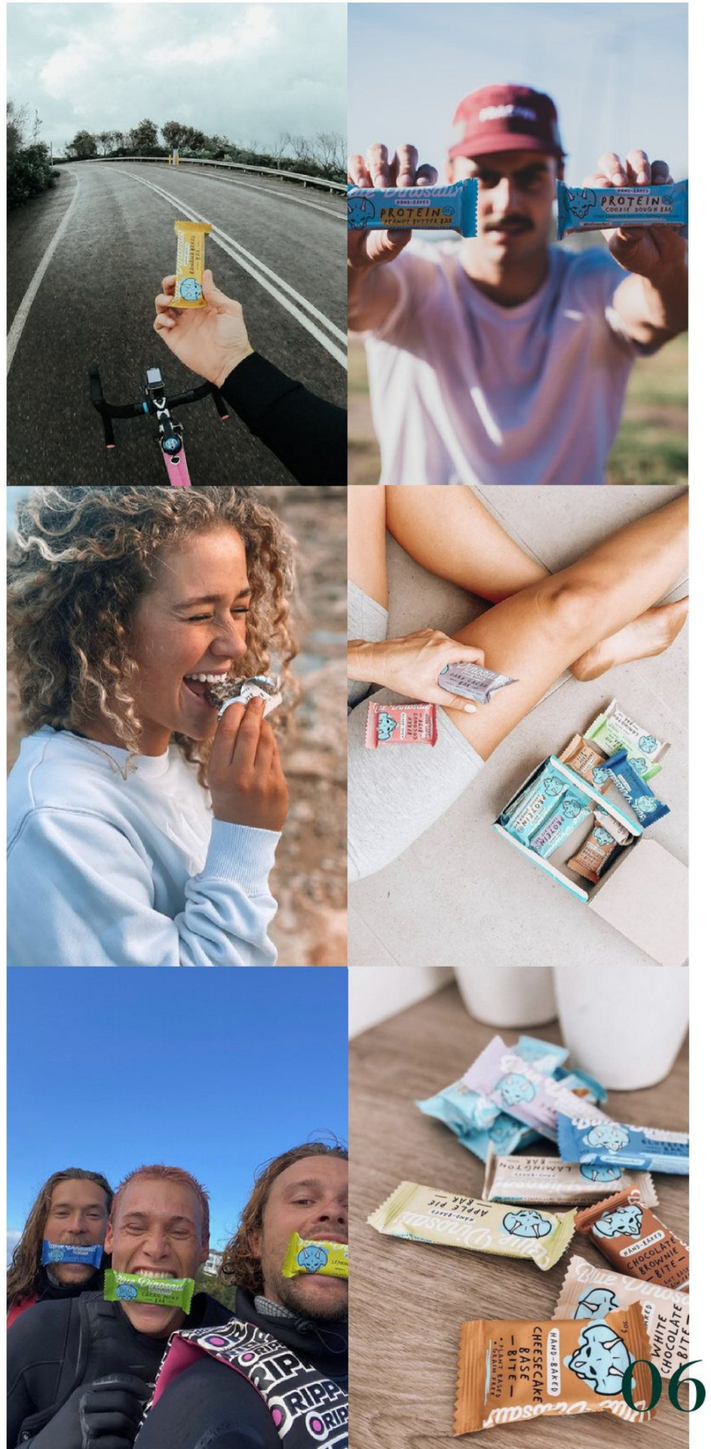
Setting the standard for Healthy Bars globally - with further investment into the quality of range and the brand position

04 - INNOVATION

Extensive new product pipeline into other Healthy Snacking opportunities & occasions, tapping into the Health & Wellness market

05 - FOCUSED

Consolidation of business and rationalisation of SKUs to focus on highest returning brands and SKUs for sustainability at scale.



1.. SPINS Expo West 2023 / SPINS Wellness Bar Category - Total US Outlets ending 4th of September, 2022
2. IBIS World - Health Snack Food Production In Australia - 2008 - 2029

Board and Management



Anthony Rowlinson

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 the Managing Director of a consulting group specialising in M&A and launching Australian brands into the United States.



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.



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.



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. Jarrod will move from Executive Director to Non-Executive Director on June 30, 2023.



Annie Mecklem

Group Financial Director

Annie joins Forbidden Foods responsible for overall financial responsibilities. Annie has extensive experience having worked for blue-chip organisations such as ANZ, CUB and completed her CA and articles with EY. Annie joins the company from Fenn Foods where Annie was Financial Head.



Rosanna Mugnolo

Sales Director - USA

Rosanna Mugnolo, based in Chicago, Illinois, was appointed US Sales Director in 2022 bringing 20+years' experience in managing fast growing brands, experience in go-to-market planning, implementation, trade planning, and sales broker management.

Our Journey

Since listing on the ASX in August 2020



Aug 2020
Forbidden Foods listed on ASX under FFF.ASX

Aug 2021
Established and expanded FUNCH thorughout China & South-East Asia

Aug 2021
Forbidden Foods secured working capital facilities

Sep 2021
Forbidden Foods acquires Blue Dinosaur

May 2022
Launch Sensory Mill range of ambient plant-based meats

Jul 2022
Renewed our board for growth phase and expansion to United States

Aug 2022
Secured KeHE as major distribution partner in United States

Oct 2022
Completed first manufacturing run in the United States

Oct 2022
Blue Dinosaur secured first major customer in United States

Feb 2023
Consolidated brand portfolio to focus efforts and resources behind hero brand Blue Dinosaur

Mar 2023
Streamlined business operations with implementation of new ERP system and organisational restructure reducing headcount by 40%

A defined growth strategy aims to unlock major value in near term

1

FOCUS ON DRIVING HERO BRAND BLUE DINOSAUR

- Communicate Blue Dinosaur's key point of difference with Gen-Z
- Ensure consistent ranging of our core range
- Drive volume of best performing SKUs to maintain and further improve margins
- Expand range to focus on functional benefits such as protein, occasion based consumption opportunities and nootropics



2

ACCELERATE GROWTH + PENETRATE US MARKETS

- Fast Track US roll out with goal to be ranged in over 24,000 stores
- Extend Ranging in Woolworths & Coles via new categories and new occasions.
- Expand distribution points in Australia and the US to the UK, South-East Asia and the Middle East
- Leverage entrenched relationships with our retail partners, brokers and distributors



3

DRIVE EFFICIENCES THROUGH SCALE + CONSOLIDATION

- Centralise back-office support globally for Finance, Procurement, Supply Chain & New Product Development
- Outsource certain tasks to keep costs low and controlled
- Scale with local manufacturing partners in Australia and USA





About Blue Dinosaur

Welcome to the stampede. Blue Dinosaur, apart from being an unforgettable name is much more than just hand-baked healthy snacks and protein bars – We don't fit neatly into this niche, it's been our intention from the get-go to do the opposite and stand out! We are here to disrupt the status quo of grab-n-go.

As a brand, success to us is inspiring the people we serve to not only fuel themselves with real food snacks, but also to create a consumer that is driven by a positive understanding and outlook on 'health', where fuelling your body can be a fun and well-informed decision, not one that is driven by fear, fads or insecurity.

We are on a journey towards better and it's our mission to become the rule, not the exception in what convenient healthy snacks can and should be.

OUR CORE CUSTOMER



"HEALTHY"
HARRIET



"FITNESS"
PHIL



"ATHLETE"
AMANDA



"GLUTEN FREE"
GABBY

Redefining the Healthy Snacking Market

CLEAN INGREDIENTS
AMAZING TASTE
GLUTEN FREE
DAIRY FREE
PRESERVATIVE FREE
NOTHING ARTIFICIAL
MADE LOCALLY

SNACK BARS

PROTEIN

BITES



PEANUT BUTTER

ENERGY BARS

ONLY GOOD STUFF INSIDE!

Building trust through taste and transparency

OUR SECRET IS SIMPLE INGREDIENTS



A TYPICAL BLUE DINOSAUR BAR



VS

A TYPICAL PROTEIN BAR

INGREDIENTS & NUTRITION

Serving Size	60 g (1 Bar)
Total Servings	1
Ingredients	Protein Blend 27% (Whey Protein Isolate (Milk), Hydrolysed Collagen, Calcium Caseinate 5.2% (Milk), Soy Protein Crisps (Isolated Soy Protein, Cocoa Powder, Tapioca Starch, Salt), Milk Protein Concentrate), Muscle Nation Cookies & Cream Custard 26% (Sweetener (Maltitol), Muscle Nation Cookies & Cream Custard Powder 32.4% (Milk Protein Concentrate 63% (Casein Protein 85%, Whey Protein), Choc Cookie Crumb 10% [Wheat Flour, Sugar, Coconut Oil, Icing Sugar (Sugar, Tapioca Starch), Salted Butter (Butter Oil (Milk), Water, Salt, Milk Powder, Emulsifiers (471, Soy Lecithin)), Cocoa Powder, Tapioca Syrup, Raising Agent (500), Flavour, Salt], Skim Milk Powder, Fibre (Inulin), Flavour, Medium-Chain-Triglyceride (MCT) Oil Milk Powder (Antioxidants (306, 307b), Thickener (Carboxymethylcellulose), Sweetener (Sucralose), Sodium Chloride), Humectant (Glycerol)), No Added Sugar Protein White Chocolate 20% (Sweetener (Maltitol), Cocoa Solids 33%, Soy Protein Isolate, Milk Solids 10%, Emulsifiers (Soy Lecithin, 476), Food Acid (Citric Acid)), Sweetener (Sorbitol), Fibre (Polydextrose), Humectant (Glycerol), Cocoa Powder, Sunflower Oil, Flavour, Salt, Natural Flavour, Emulsifier (Soy Lecithin), Antioxidant (307b).
Allergens	Contains Wheat (Gluten), Milk and Soy. Made on equipment which processes Peanuts, Tree Nuts & Sesame, therefore these allergens may be present.

Well-being Snacking Occasions

Blue Dinosaur is extending our offering within the well-being snacks occasions. Its leading SKU's include the lamington bar, banana bread bar, cinnamon scroll bar & cheese cake bar which are made with natural & simple ingredients.



PERMISSIBLE INDULGENCE

Indulgent Snacks with more permissible recipes, in smaller sizes or portion controlled

25%

of Well-being Snacks Occasions

- Portion Control
- Thins
- Baked not fried
- Reduced/no calories
- Added fruits/nuts/seeds
- High cocoa content

BETTER FOR YOU

Snacks that meet consumers unique dietary needs and are free from perceived negatives

23%

of Well-being Snacks Occasions

- Free-from, i.e., gluten, dairy, sugar
- Reduced/no added sugar, fat, sodium
- Vegan/vegetarian
- Food intolerances

AUTHENTIC, NATURAL & SIMPLE

Snacks that feel artisanal or homemade with short, clean ingredient lists

33%

of Well-being Snacks Occasions

- Local/sustainable
- Organic
- All Natural
- No Artificials
- Real Fruit & Vegetables



FUNCTIONAL NUTRITION

Snacks with fortification or inherently positive nutritional benefits to protect, rebalance, recharge

19%

of Well-being Snacks Occasions

- Protein/plant based
- Gut Health
- Nutritious grains
- Nutrients/vitamins
- Mental/emotional health
- Immunity Boosting
- Bioactives (CBD)

1.*Modelez International, Snacking Report 2022*

Australia - Business Overview

Blue Dinosaur is a leading healthy snacking brand that is capital-light and has dedicated resources to innovation, sales and marketing. It has outsourced manufacturing and supply chain which enables immediate and sustainable rapid growth.

The market size of the Health Snack Food Production in Australia is $2.2bn in 2023 and anticipated to grow at 1.1% during 2023.[1]

Current Sales Channels

Major Retail

Woolworths, coles

Independent Retail

IGA, Harris Farm Markets, Drakes

Petrol & Conv.

Metro, EG Group, WHSmith

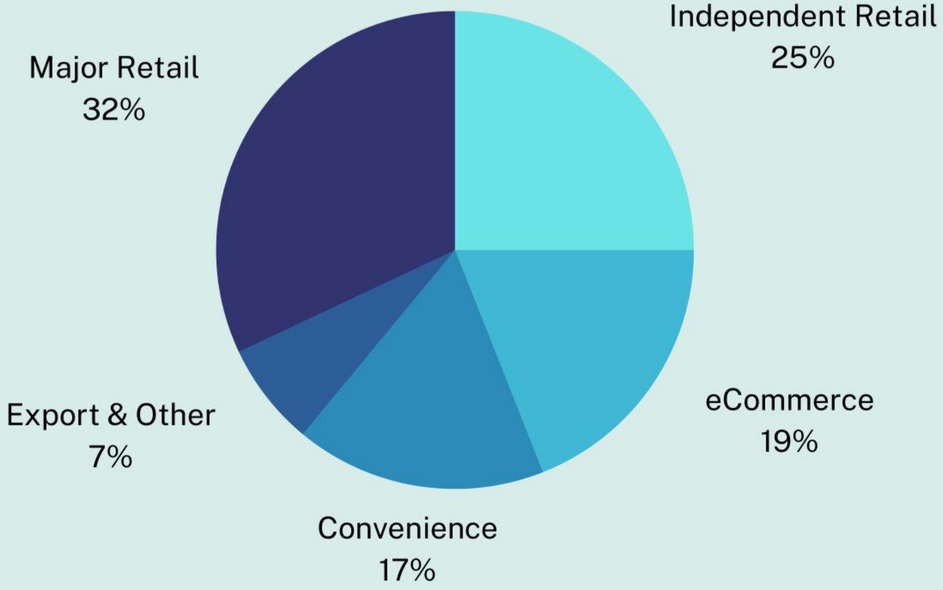
eCommerce

Blue Dinosaur, amazon, healthylife

Distribution/ Wholesale

Unique Health Products, Global By Nature, The Distributors, Brackenbury

Gross Revenue By Channel - CY2022



FY24 & 25 Expansion Plans in Australia

Major Retail — Woolworths

4 SKUs	3,200 POINTS OF AVAILABILITY	>>>	16 SKUs	12,800 POINTS OF AVAILABILITY

Through innovation, expanding existing ranges and entering new categories we aim to grow SKUs ranged by 4x

Major Retail — coles

3 SKUs	900 POINTS OF AVAILABILITY	>>>	18 SKUs	12,900 POINTS OF AVAILABILITY

Through innovation, entering new categories and wider store ranging, we aim to grow our points of availability by 14x

eCommerce

- Increase number of SKUs available online that complements existing range to improve average order value from $71.62 > $110
- Focus on first party customer data capture in SMS & Email
- Expand on loyalty and focus on re-engaging audience
- Focus on improving conversion rate, average order value and returning customer rate

	Conversion Rate	Average Order Value	Returning Customer Rate	Sessions	Email Subscribers	SMS Subscribers
CY2022	3.36%	$71.62	24%	152,609	8800+	900+
Target	4-5%	$110-$130	50%	500,000	50,000+	5000+

1. *IBIS World - Health Snack Food Production In Australia - 2008 - 2029*

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 year [1]
- Wellness bars are penetrating 43% of US households and growing[1]
- Wellness bar category has grown +5.9% to 54.5m buyers [1]
- USA has 28x more supermarkets and grocery stores than Australia[2]

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

Board and management team with US market experience

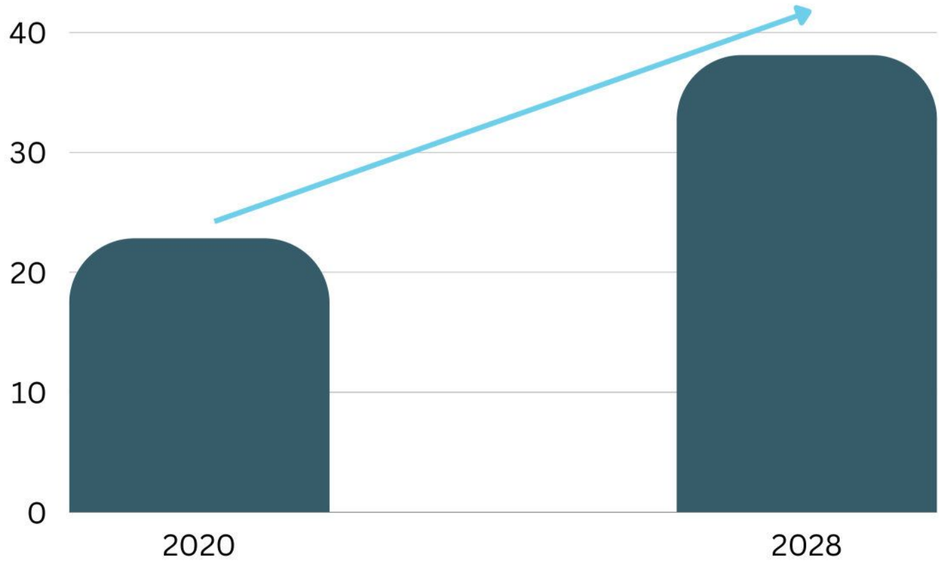
Board with experience scaling global brands and penetrating US market.

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.*



Examples of 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.

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.

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

Significant progress made in US expansion

- Forbidden Foods has made considerable in-roads into the lucrative North American market in recent months

2021 — **2022**

Sep 2021

Blue Dinosaur acquired.

Jan 2022

Engaged **US market entry** expert to advise on market entry, establishing a scalable chain, deal structures and introductions to sales leads.

Feb 2022

Established holding company and operating entity in the US.

Mar 2022

Exhibited the brand at Expo West in California resulting in the Company executing **agreements with four key brand brokers.**

May 2022

Successfully **completed the manufacturing trials** in the US for 4 SKUs.

Sep 2022

Secured KeHE as major distribution partner in US

Oct 2022

Completed **first manufacturing run** in US.

Blue Dinosaur **secured first major customer** in the US.

Blue Dinosaur **landed another two** supermarket banners.

Dec 2022 >

First KeHE orders received

Exhibited at KeHE summer show

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 a number of retailers and distribution established via KeHE with DC's now live with orders
- Sales pipeline below shows a strong engagement in market, with further new opportunities to be established over the medium term

	Upcoming submission	Submission Made	In discussion	Ranging Agreed
Customer	Jewel Osco Schnucks Costco Wholesale	H-E-B Whole Foods Market Wegmans	Walmart Kroger meijer Erewhon Gelson's Sprouts Farmers Market Publix	Fresh Thyme Market Vistar Central Market US Foods Associated Food Stores Tony's Fresh Market Pete's Market ShopRite Kum & Go

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



Capital Raise & Indicative Timetable



Capital raise overview

Offer Details	• A placement to sophisticated and institutional investors of approximately 15m shares to raise approximately $300k (before costs) ('**Placement**'): ◦ Approximately $300k (15m shares) under existing Listing Rule 7.1 (1.8m shares) and 7.1A (13.2m shares) placement capacity • Subject to shareholder approval, the Company will also issue 1 free attaching option for every share subscribed for by eligible investors who participated in the Placement ('**Placement Options**').
No Underwriting	The Placement is not underwritten.
Placement Options	The Placement Options will be issued subject to shareholder approval at an EGM. The Placement Options will be exercisable at $0.040 each on or before the date that is two years following the date of issue
Ranking	Shares issued under the Placement will rank equally in all respects with existing FFF ordinary shares.
Offer Price	All shares under the Placement will be issued at a fixed price of $0.02 per share, representing a discount of approximately: • 23% to the last traded price on Friday, 2 June 2023 of $0.026 • 18.5% to the 15-day VWAP up to and including Friday, 2 June 2023 of $0.0246
Lead Manager and Fees	EverBlu Capital Corporate is the lead manager and bookrunner. 6% on funds raised; 2.4m broker shares ("Broker Shares") and 6m broker options ("Broker Options") (subject to shareholder approval at EGM), Broker Shares to be escrowed for a period of 6 months from the date of shareholder approval. Broker Options will be excercisable at $0.040 each on or before the date that is two years following the date of issue
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)	
Announcement of results of Placement, lodge investor presentation, lodge Appendix 3B	Wednesday, 7 June 2023
Settlement of Placement	Friday, 9 June 2023
Issue and allotment of Placement Shares Lodge cleansing notice and Appendix 2A (Placement Shares)	Before noon, Tuesday, 13 June 2023
Placement Shares commence trading on ASX on a normal settlement basis	Wednesday, 14 June 2023
Dispatch of EGM Notice for shareholder approval of Placement Options, Broker Shares and Broker Options	Monday, 19 June 2023
EGM to approve issue of Placement Options, Broker Shares and Broker Options	10am, Wednesday, 19 July 2023
Issue and allotment of Placement Options and Broker Options (subject to shareholder approval at EGM); Lodge Appendix 3G (Placement Options and Broker Options)	Before Noon, Monday, 24 July 2023
Issue of Broker Shares (to be escrowed for six months from the date of shareholder approval); Lodgement of cleansing notice and Appendix 2A (Broker Shares)	One business day after the release of the Company's preliminary financial statements for FY23

^The above timetable is indicative only and subject to change. The quotation of Placement Shares and Placement Options is subject to ASX approval. Subject to the ASX Listing Rules and Corporations Act and other applicable laws, the Company reserves the right to vary these dates, without notice.

Source of funds

Source of Funds*	AUD $
Placement under 7.1 capacity (approx.)	36,000
Placement under 7.1A capacity (approx.)	264,000
Total	300,000

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 the 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 ("Placement 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 Placement Shares will trade at or above their issue price under the Placement. None of Forbidden Foods, its Board or any other person guarantees the market performance of the Placement 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 Shares and Placement Options issued under the offer will result in dilution of the existing holdings of Forbidden Foods' shareholders who do not participate in the Placement. Investors may also have their investment diluted by future capital raisings or issues of new equity securities by Forbidden Foods. Forbidden Foods may issue new equity securities in the future to finance working capital, acquisitions or pay down debt which may, under certain circumstances, dilute the value of a shareholder's interest in Forbidden Foods.


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