



BESTON GLOBAL FOOD COMPANY

Presentation by Dr Roger Sexton AM
Chairman, Beston Global Food Company Limited

Investor Presentation - July 2017

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World food production will need to double by 2050 to feed the global population, with demand for higher quality foods increasing inline with growth in middle class

- We are in one of the strongest periods of demand for Australian agricultural products from China and elsewhere (A \$200 billion industry where 60% of production currently is “staple commodities”) .
- Consumption of dairy continues to grow while investment into Australian dairy industry is not keeping pace with emerging demand.
- ChAFTA reduction in tariffs are showing signs that markets are restructuring
- A global increase in investment into reducing food waste and anti-fraud of food products
- Digital online technology and logistics is creating disruption in consumer markets – and especially in food.

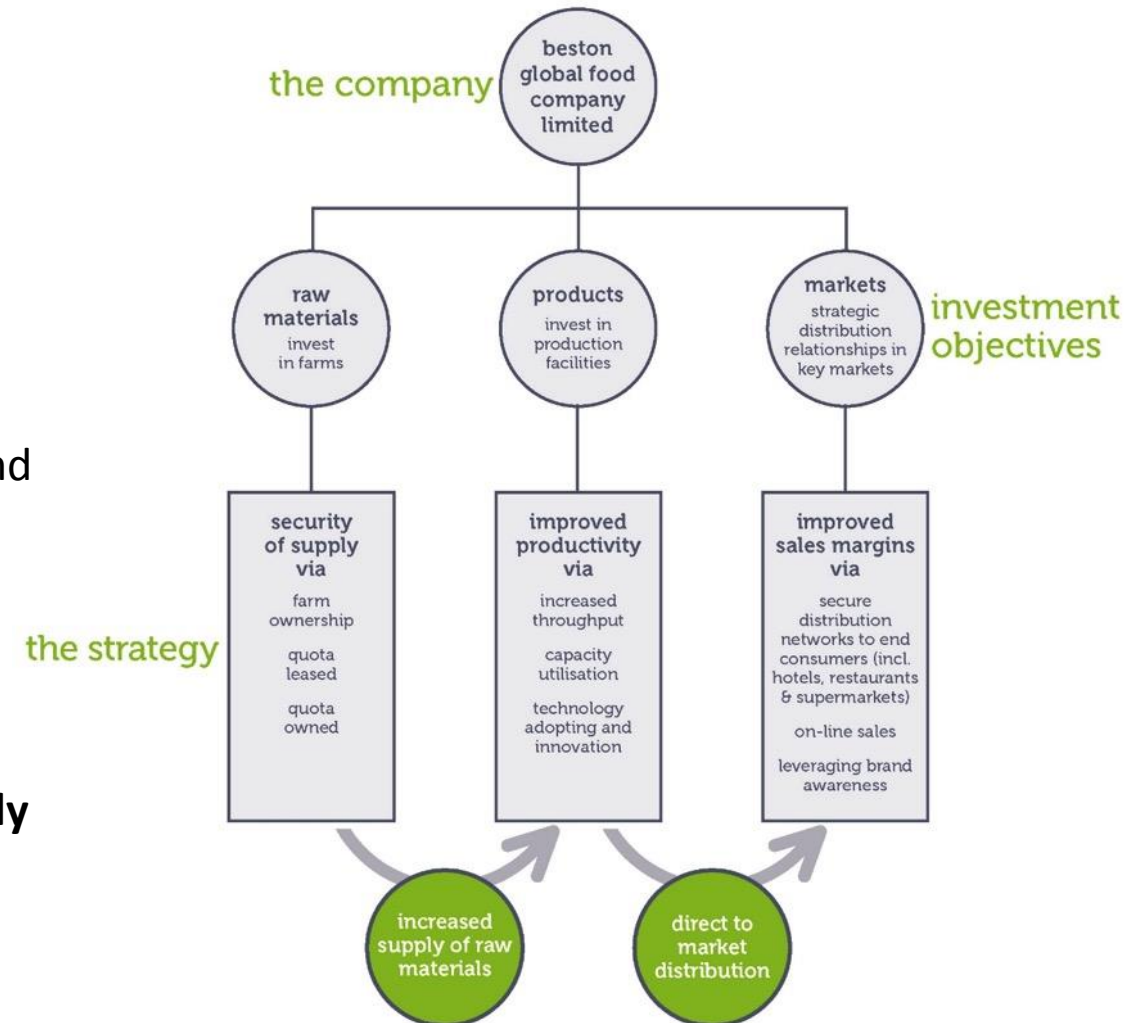
*Taking healthy eating to the world's
growing communities with Australia's
best food*



3. Our Business Model

Our business model is unique we believe, at least in Australia, in having a closed loop supply chain which has:

- Our **own sources of raw materials** (via ownership of farms, fishing licences, lobster pot licences, water rights and other productive real property).
- Our **own factories** for value-adding to these raw materials and manufacture custom made food products.
- Our **own marketing and distribution** outlets in key target markets in Asia.
- A technology “overlay” which leverages our **Integrated Supply Chain** and creates a unique “AgTech” business.



4. Building our Brands

- Our core objective for BFC is to focus on the **manufacturing and distribution of high-quality premium food & beverage products.**
- Since September 2015, we have been building a portfolio of safe, healthy and nutritious food products with **premium, trusted brands** for the Australian and export markets
- We have created intrinsic economic value by buying opportunistically (with benefits passed to shareholders) and value-adding across our asset portfolio to create “non-commoditised” food and beverage products.
- We have created a **House of Brands** and **won numerous quality awards**

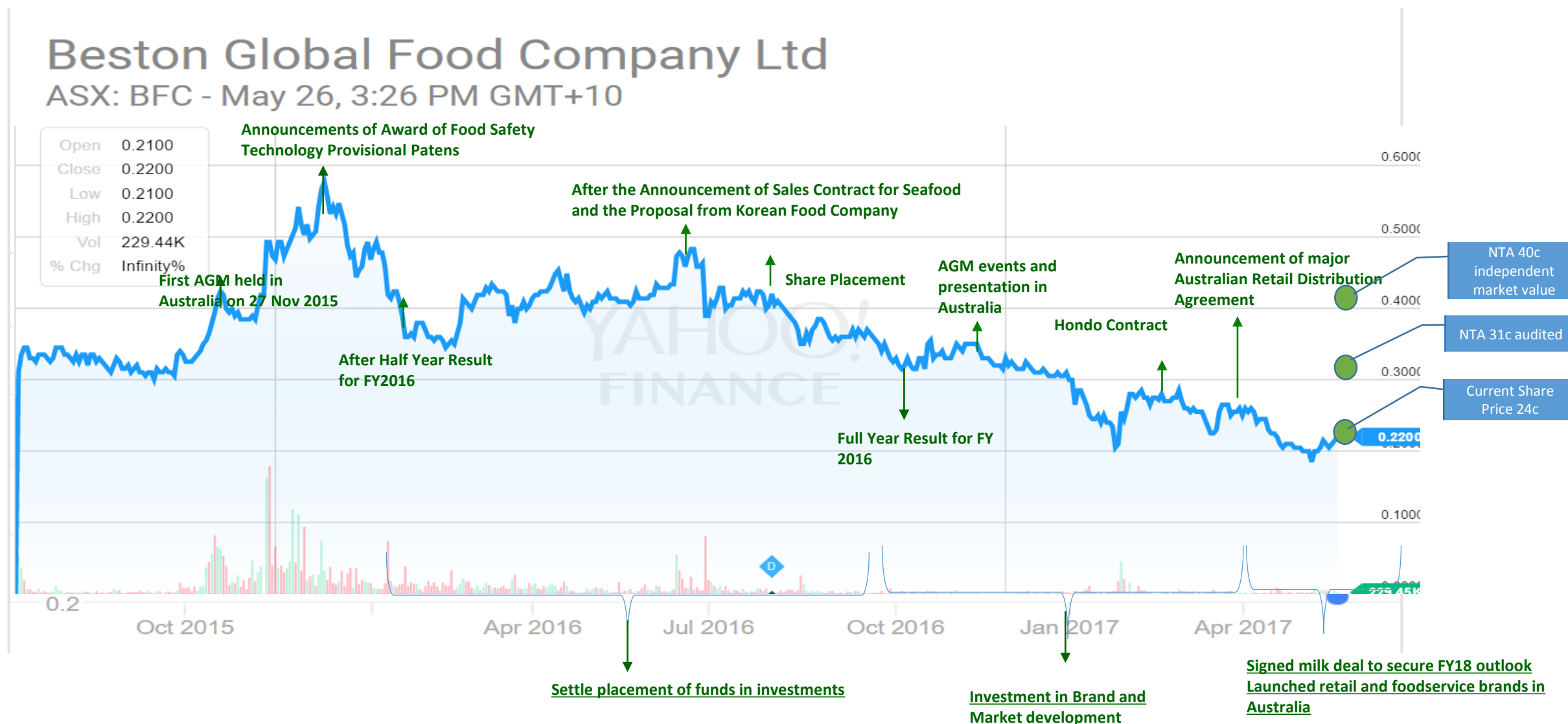


5. Winning Awards

- Royal Horticultural Society of SA Trophy for “Champion Cheddar” in September 2016.
- Christian Hansen Cup for the “Best Cheddar in Australia” at the Dairy Industry Association of Australia (DIAA) National Awards, May 2017.
- A total of 19 Gold and Silver Awards were won at the DIAA National Awards.
- Reinforces the strategy of BFC to focus on the production of premium food products and create a market niche to be a “price maker” rather than a “price taker”.
- Coincides with our roll out into 1,000 Metcash stores across Australia.



6. BFC Share Price



7. Locations and Assets

ASEAN



CHINA



8. Australian Production Assets

**Ferguson Australia,
Hendon, SA**
Products: Various
seafood products
including lobster,
king crab, oyster etc



**Mori Seafood,
Port Lincoln, SA**
Products: Southern
Bluefin Tuna



**Ferguson Australia,
Kangaroo Island, SA**



**5 Star Seafoods,
Port Macdonnell, SA**



**Beston Pure Foods,
Murray Bridge, SA**
Products: Cheese,
Milk, Dairy Desserts



**Neptune Bio
Innovations,
Lidcombe, NSW**
Products:
Health products



**Scorpio Foods,
Dandenong,
Shepparton
Colac, VIC**
Products:
Meat products



**AQUAEssence,
Mt Gambier, SA**
Products:
High pH
Alkaline Water



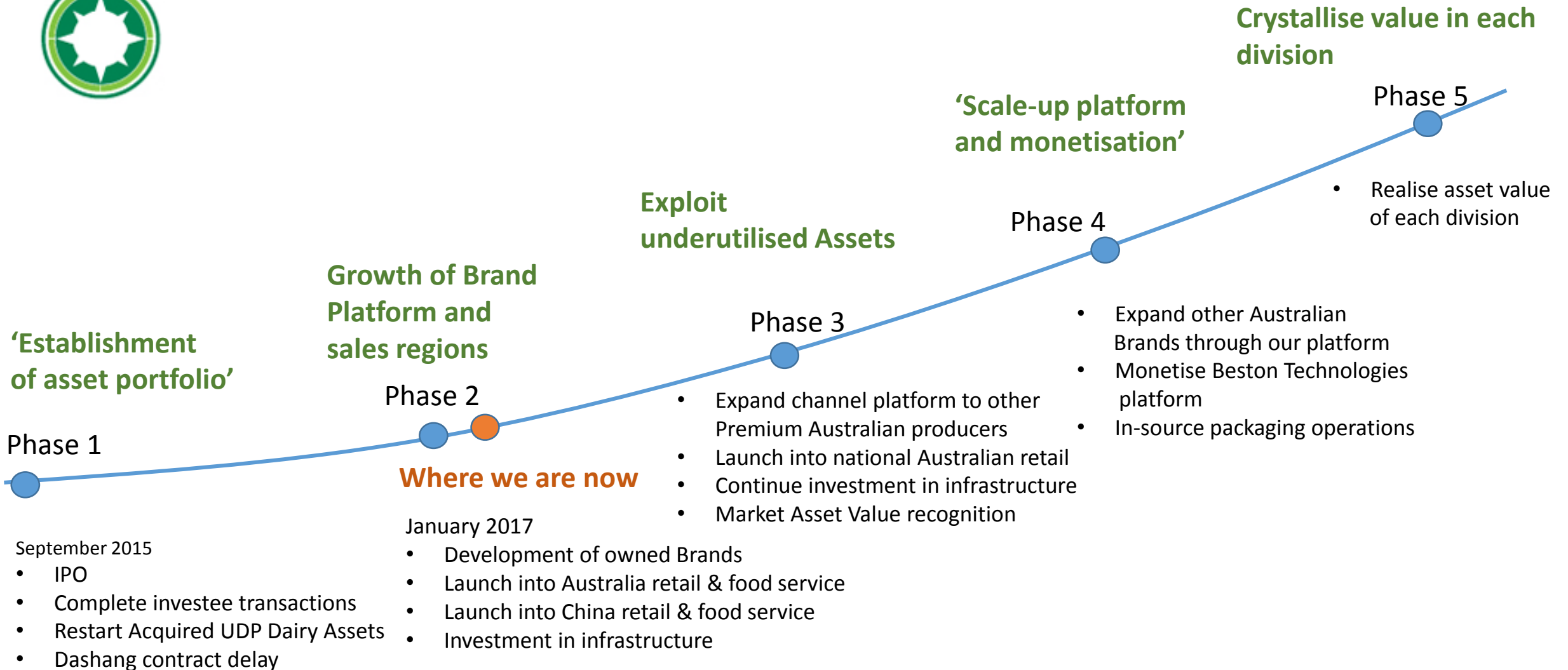
**Beston Pure Foods,
Jervis SA**
Products:
Mozzarella, Whey
Powder, Butter,
Nutritionals



**Pedra Branca,
Kurleah**



9. Strategic Priorities Journey



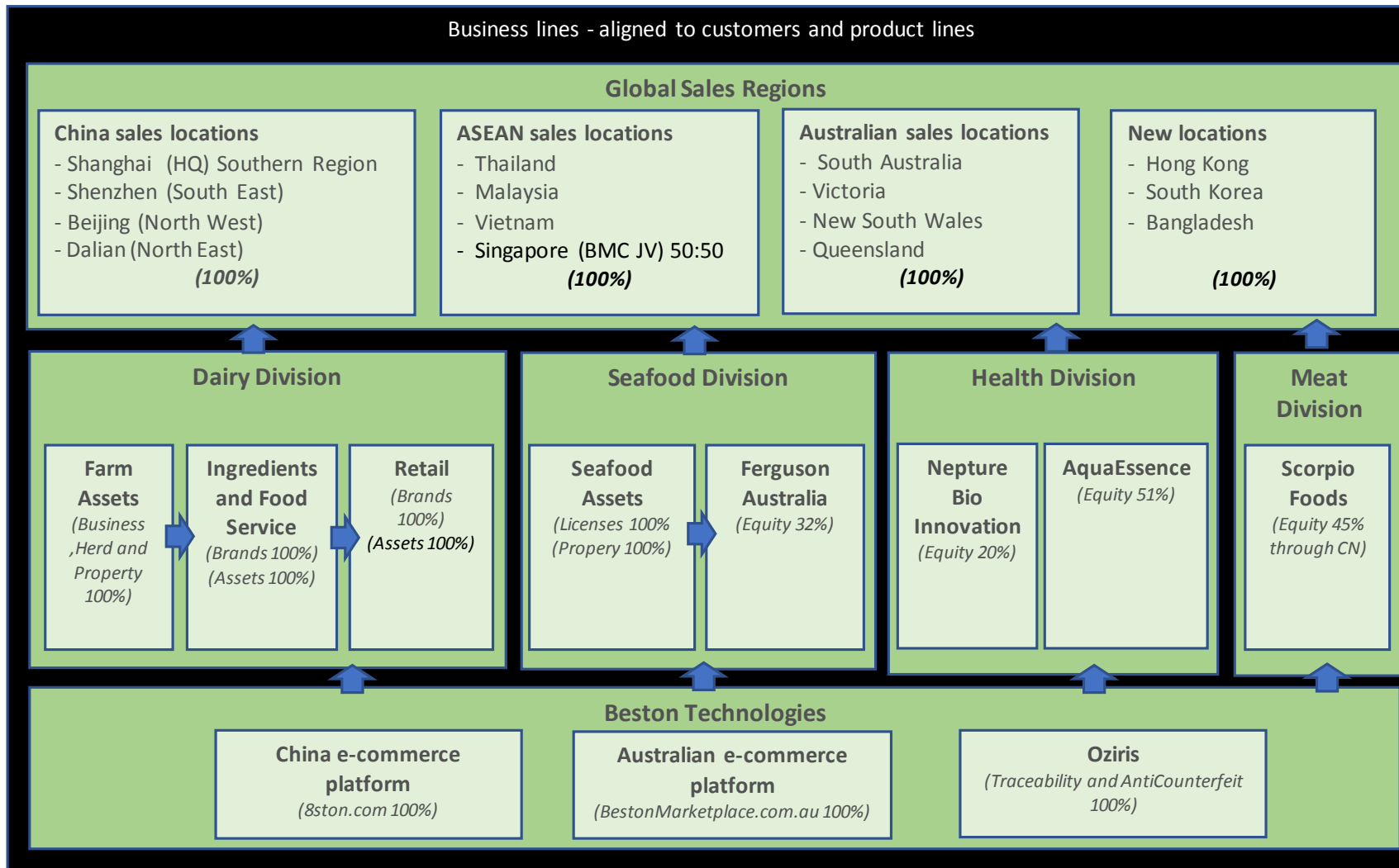
Strategic focus:

- **International Business Growth: Build BFC Brand Portfolio** into the Australian, China and ASEAN markets (and then to the ROW).
- **Channel Platform** to take other aligned Australian Premium Brands through our export markets.
- **Leverage Beston OZIRIS Technologies** to reference consumer trust and create “big data” for Australian exported products.
- **Maximise return on assets** across the business

Building Portfolio Asset Value:

- **Building ‘brand equity’** in our brand portfolio.
- **Growth in equity owned investments**, dairy, seafood, meat and health assets.
- **Growth in raw material asset value** due to scarcity.
- **Monetisation of technology** IP through anti-counterfeit platform and ‘Big Data’.
- **Fixed asset yields** from existing property and license assets.
- **Focus on Investments that drive the strategy.**

11. Business lines



- BFC Ownership Model.
- Diversity of earnings
- Reflects integrated business model.
- Intellectual Property ownership.
- Focus high growth premium market segments.

12. Production Metrics

Milk Production (owned farms)

Farms	Herd at Acquisition	Cows at 30 June 17	Herd Increase	Increase %
Total	1,221	2,600	1,454	113%

Dairy Production

Beston Pure Dairies	Full Year 2016 (actual)	Full Year 2017 (estimate)	Full Year 2018 (forecast)	Variance FY17 vs FY18
Milk Processed	25ML	36 ML	80ML	74%
Cheese Produced	1400T	3,200T	8,500T	165%
Whey Powder Produced	270T	1,300T	2,500T	90%

Seafood Production

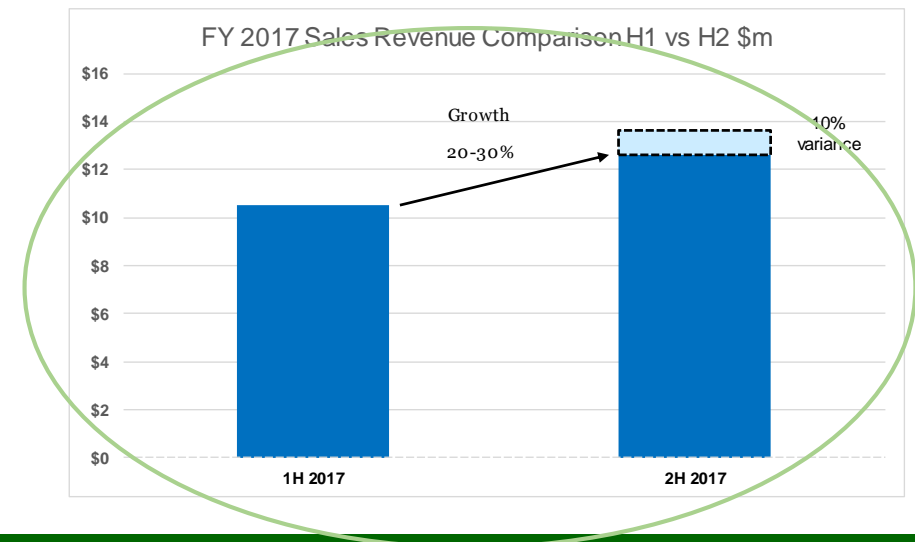
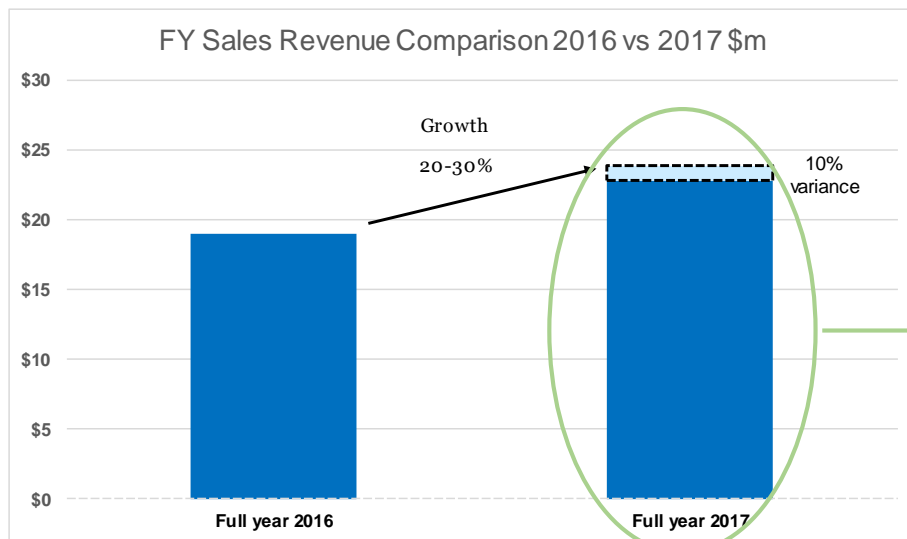
Ferguson Australia	2015 Actual	2016 Actual	Variance %
Lobster Tonnage	190T	510T	168%
Tuna Processed	605T	750T	24%
Giant Crabs	7T	3T	-54%
Other Fish	34T	39T	15%

AquaEssence

AquaEssence	2015 Actual ML	2016 Actual ML	Variance
AquaEssence	0.41ML	-0.45ML	8%

Sales revenue expected to increase 20-30% versus half on half and year on year comparison

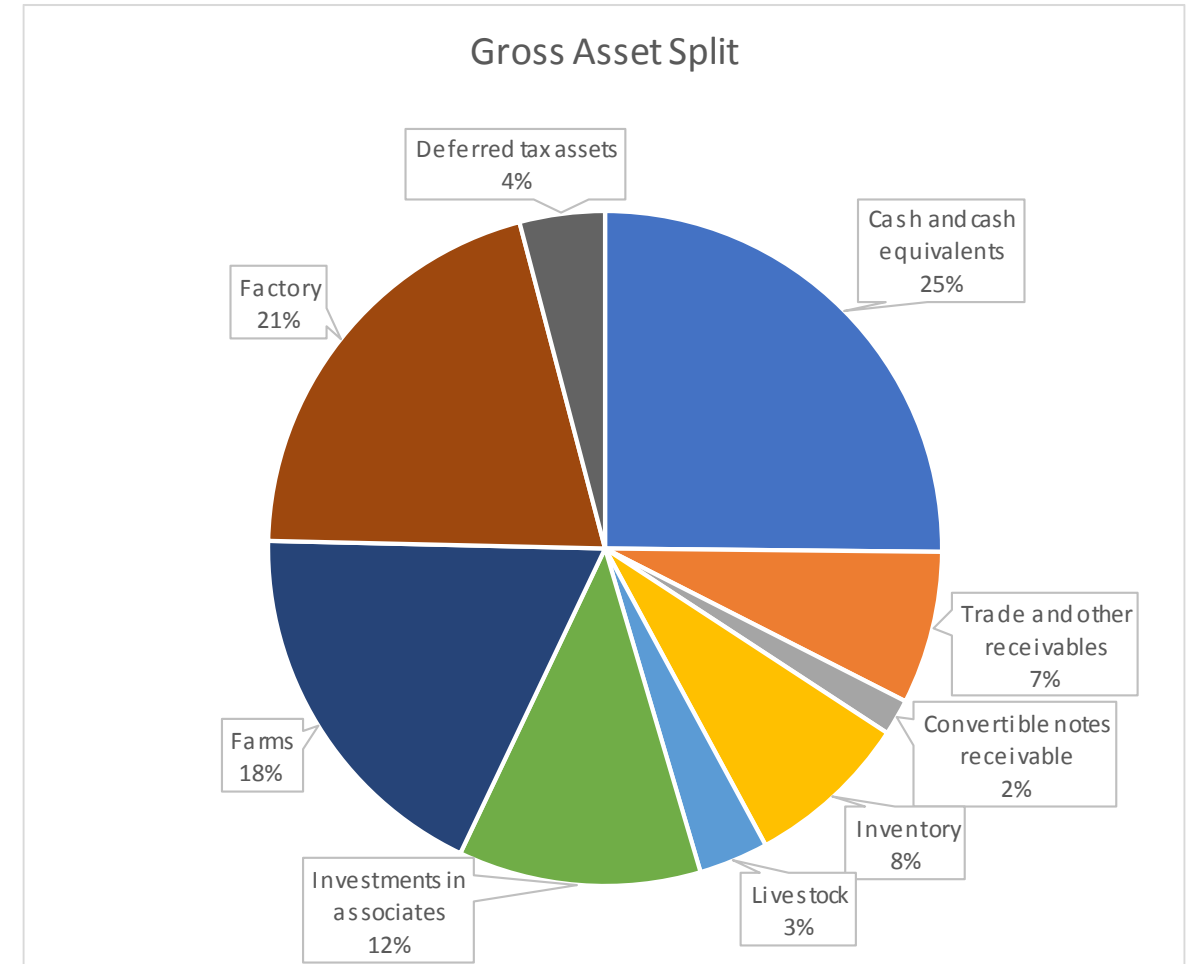
- NPAT and Revenue in 2H17 expected to be 20-30% growth from 1H17 based on unaudited accounts.
- Sales growth underpinned by Dairy business within Australia
- H1 reflects increased investment in brands, establishing new sales channels, office establishment and repositioning China
- H2 reflects start of new contracts in Australia and China



14. Asset Investment by Type and Division – 1H17

Strong balance sheet supported with cash position of \$38m or 25% of total assets

- Lobster leases and property earning 6-7% return pa
- Factory (P&E) and farms represent >40% of total assets.
- Farm value has increased by 9% since IPO.
- Lobster license value increased by 20% since IPO
- Substantial increase in economic value of factory assets



15. Balance Sheet

Assets	H1 FY17	H2 FY16	% change from previous period	Comments
Cash and cash equivalents	\$38.2m	\$19.4m	up 97%	Cash increase following capital raising in August 2016
Trade and other receivables	\$20.5m	\$26.6m	down 23%	Reflects cash collection relating to sales
Inventories	\$12.1m	\$8.0m	up 52%	in line with growth in Australian sales
Equity accounted investments	\$16.8m	\$16.9m	down 1%	
Property, plant and equipment	\$41.0m	\$38.3m	up 7%	Increase in farm and manufacturing assets related to growth projects <u>excludes</u> the increase in asset valuation in Beston Pure Foods Assets.
Biological assets	\$4.8m	\$4.2m	up 13%	Increase in independent valuation of herd assets
Deferred tax assets	\$5.8m	\$4.1m	Up 41%	
Intangible assets	\$12.2m	\$10.0m	up 22%	increase in independent valuation of lobster licenses
Total Assets	\$151.4m	\$127.5m	up 19%	
Net Debt	\$0.0m	\$0.0m	-	BFC remains debt free as at 31 December 16
Total Liabilities	\$11.8m	\$10.4m	up 13%	Increase in trade and other payables relating to product growth
Net Assets	\$139.6m	\$117.2m	up 19%	

Key Points:

- **The Company continues to make solid progress on its journey to become a leading manufacturer, exporter and distributor of premium, safe and healthy Australian food products to the world's growing consumer markets.**
- **Second Half Outlook:** Based on the current sales run rate, unaudited sales revenues are **expected to be up by 20 to 30 % on H1**, and NPAT is expected to be up by a similar order of magnitude.
- **China:** repositioning well underway with appointment of new China CEO (ex WalMart China) and sales leadership team with strong retail experience.
- **Australia:** Beston Pure Foods launched its retail and food service brands across Australia in June 2017.
- **Milk Supply:** BFC increases supply of milk from 20mL to 80mL to underpin FY18 outlook (we have worked hard to build trust with contract dairy farmers via “Cheese Bank” and other initiatives).
- **Beston Technologies:** monetizes our internationally patented OZIRIS technology for ingredient authentication (track-and-trace) and Brandlok anti-counterfeiting technologies.
- **Major Project:** Mozzarella project is well underway for start of first production later this calendar year

New Agreements and Supply Relationships:

- Australian National Wholesaler Agreement with +1000 stores (Metcash, Foodland, IGA).
- Australian National Food Services Agreements with access to +100 branch stores.
- Hondo Agricultural launched Kingfish, Lobster and Prawns through its online channel.
- Fresh Life opened market for Australian Seafood into China in partnership with JD.com.
- Lotus Shanghai opened retail sales into China Shanghai stores.
- Beston Technologies platform embeds anticounterfeit technology into its first product packaging (“ei8h+” water) so it is undetectable for Australian producers.



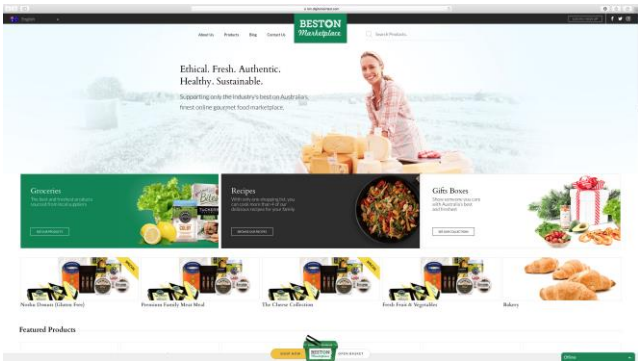
- **We have solved the integration** between e-commerce, traceability and anti-counterfeit on one platform.
- **We have embedded anticounterfeit** technology so that is vendor agnostic.
- **Open platform to all Australian producers** to export with assurance of not being counterfeited.
- **Provided consumer trust** so as to ensure what they are purchasing is authentic and safe.
- **Designed on block chain and big data models...** and patented.
- **Delivers online to offline model** with a micro distribution model to consumers
- **Ten major international patents and provisional patents.**



Integrated platform launched nationally to Australian consumers



BFC owned Australian e-commerce platform



BFC owned Chinese e-commerce platform



Back Office



BFC Food Pod Franchise



Virtual Reality for Australian experience and VR shopping environment



- Significant revenue growth and improved bottom line performance
- Further Net Tangible Asset growth
- Mozzarella Project on schedule for production late 2017 calendar year
- Focus on expanding market entry into Australian Retail and Food Service growth
- Expansion in product range and brand portfolio (via product extension)
- Food Trust Technology commercialisation
- Exploitation of high value whey protein infrastructure at Jervois (to deliver innovative bionutrient products)

- Maintain the growth trajectory of the business (5 year plan on track)
- Continued investment in infrastructure, asset enhancement and capabilities to drive efficiencies
- Utilise our dairy fractionation (bionutrient) capacities to maximise the value of milk components
- Expand product penetration in China and ASEAN markets (and then springboard to ROW)
- Scale up and monetise the Beston Technologies platform
- Further investment in brand portfolio
- Extended partnership and relationships around food trust (an increasingly key issue in global markets)
- Build on the company's reputation for trust ...with suppliers, distributors, consumers and investors

ATTACHMENT

Examples of Brand Development

Origins of Edwards Crossing



Edwards Crossing takes its name from George Edwards, one of the original settlers of the Murray Bridge region. He built the 'Edwards' homestead overlooking the Murray River, where many local farmers would cross with their herds as they made their way to Adelaide.

Edwards Crossing Cheese Company pays tribute to the pioneers of yesteryear by using only the best natural ingredients and remaining true to traditional cheese making methods.

Murray Bridge, SA

Our Range



In a rainbow of colours



Orange Yoghurt

A slightly sweet orange yoghurt taste combined with a milky and cheesy flavour all come together to create a perfect blend.

Strawberry

A milky, slightly sweet strawberry flavour with real strawberry pieces makes it nice and fruity.

Milky Cheddar

A creamy flavour of mild cheddar and gouda cheese. It's smooth, cheesy and mildly creamy.

Chocolate & Almond

Slightly sweet and creamy, packed with delicious chocolate, a nutty taste of chocolate and real crushed almonds.

Nacho

A creamy combination of cheddar and gouda cheese with a slightly spicy nacho and cayenne pepper flavour.

Annual Rotational Flavour – in testing currently. Launch Q4 2017.

Fruit and Savoury Cream Cheeses



spirit of



the blue.

eight+



NATURAL ALKALINE WATER

Board of Directors, CEO and Company Secretary



Dr Roger Sexton

Chairman

Former Chairman of IOOF Ltd



Stephen Gerlach

Non-Executive
Director

*Former Chairman of Santos
Ltd and Elders Ltd*



Petrina Coventry

Independent Non-
Executive Director

*Former Global Senior Exec
with Coca Cola and Proctor &
Gamble*



Jim Kouts

Independent Non-
Executive Director

*Senior Exec of Engie Ltd and
Strategic Advisor, Adelaide
Airport*



Catherine Cooper

Independent Non-
Executive Director

*Former Chair of Fisheries
Council of SA*



Ian McPhee

Independent Non-
Executive Director

*Former Auditor-General of
Australia*



Sean Ebert

Chief Executive

*Former Director, M&A Worley Parsons and
Regional Director, Logicamms Ltd*



Richard Willson

Company Secretary

*Former CFO and Company Secretary of
Aurelia Metals Ltd*



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COMPANY

THANK YOU

the natural direction