



BESTON GLOBAL FOOD
COMPANY

Annual General Meeting

23 November 2018

Dr Roger Sexton
Executive Chairman

Disclaimer

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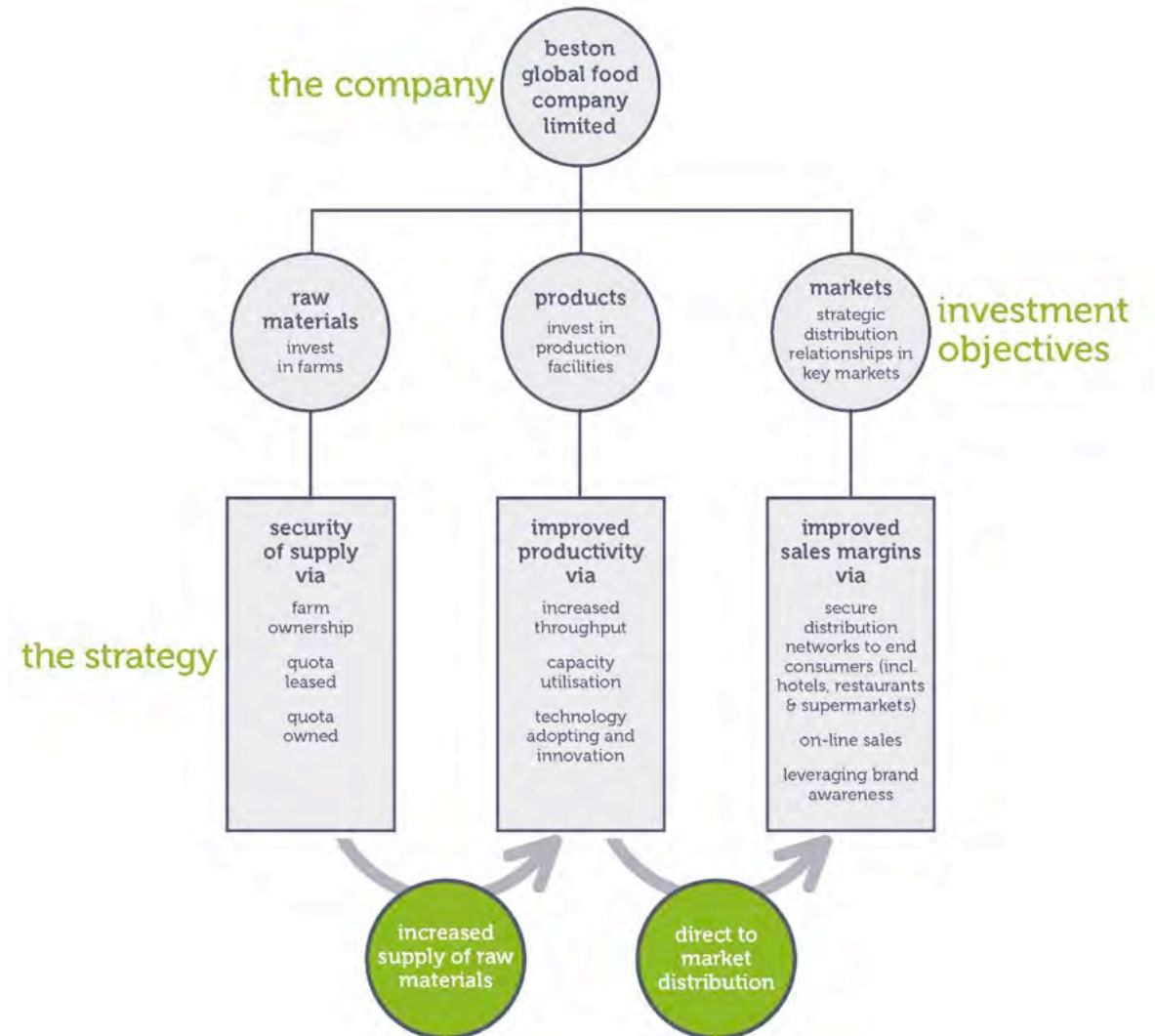
1. What did we set out to achieve?

- To take healthy eating to the world's growing communities with Australia's best foods
- To acquire undervalued assets and build out the assets to realise their income generating potential and capital growth for our investors
- To build a reputation for quality, integrity, and trust with all the products sold by BFC
- To build sustainable brands which have equity value in their own right

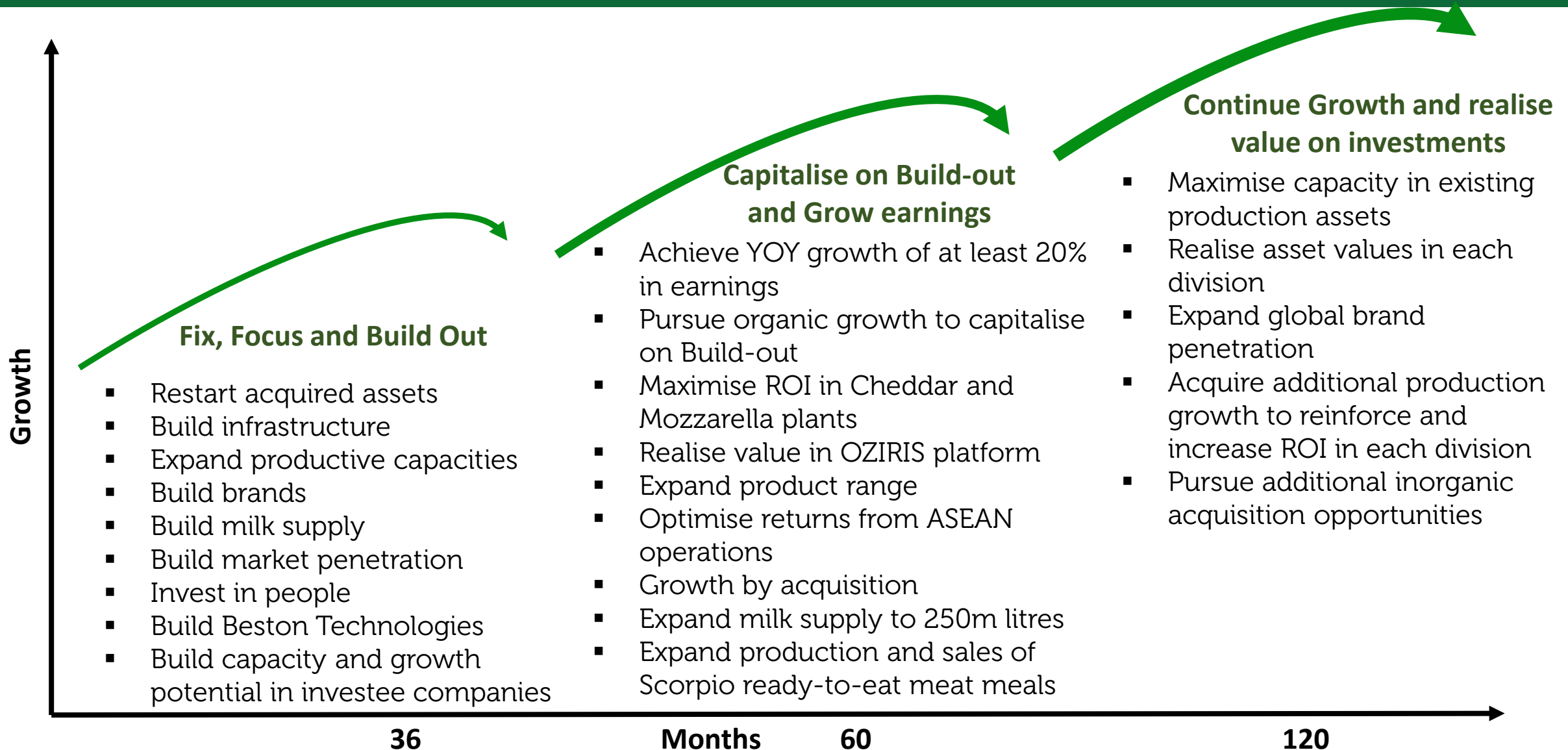


2. Business Model

- BFC is one of the few food companies in the world which has its own **closed loop supply chain**.
- We are able to provide consumers with an authentic, genuine, healthy food experience (and have that experience reported back to us via our OZIRIS technology).
- We have a wide range of premium, healthy, functional food and beverage products sourced substantially from **our own farms**, produced substantially in **our own factories** and sold through **our own people** on the ground in the markets we aim to serve.



3. The Business Plan and Growth Strategy: 2015 - 2025



4. Headwinds on the journey...

- Mozzarella plant (and “Caboolture” brand) at Jervois acquired by major competitor and cutup
- Cornerstone Investor backtracks on pre-IPO sales commitments
- Dedicated natural gas line cut off because of supply constraints
- Massive fire at neighbouring Thomas Foods, Murray Bridge, pushes up insurance premiums
- Six month delay in delivering of new state-of-the-art Mozzarella plant from Italy



5. What have we achieved: last three years?

Sales Revenue
to \$48m from
\$0m at listing

Processed
Milk Growth
600%

Significant
infrastructure,
brand &
product
investment

Awarded 70
Gold, Silver
and Bronze
medals

Developed
OZIRIS
technology
with IP
protection

- Sales revenue increased from virtually zero to A\$48m and doubled over FY17
- Taken two substantial dairy factories out of Receivership, rebuilt the assets, restored export accreditation, achieved SQF accreditation and brought them back into commercial production
- Built 8 new brands and developed over 50 different product offerings: “Edwards Crossing”; “Beston Pure”; “Kyubu”; “Fancy Bites”; “Mables”; “Grange Peak”; “Ei8h+” water; “Yarra Valley” Meats
- Awarded 70 awards since listing including recently winning 11 major awards at the 2018 SA Dairy Awards.
- Developed Oziris/ Brandlok traceability and anti-counterfeiting technology with 11 International Patents or Patents Pending
- Acquired 100% control of Scorpio Meats and achieved SQF & export accreditation
- Penetrated Australian retail and food service market: “Metcash”; “Coles”; “Woolworths”, “Guzman-Y-Gomez” (fast growing QSR); “Costco”; “Aldi”

6. What have we achieved: last twelve months?

Sales Revenue
doubled to
\$48m from
\$24m

Processed
Milk Growth
more than
25% of the
prior year

Rebuilt
State-of-the-
art Mozzarella,
Hard Cheese,
Cream and
Butter Plants

Contract to
supply
Mozzarella to
major retailer

Assumed
management
of Scorpio
Foods

- Acquired and installed a state-of-the-art Mozzarella plant at Jervois
- Restored the hard cheese, cream and butter plants
- Milk in-take increased by more than 2.5 times over prior financial year with own farm productivity increasing with a herd of ~ 3,000 cows
- Won a significant contract with major Australian retailer for 30% of current Mozz production
- Launched new “Fancy Bites” range into Woolworths nationally
- Moved to 100% control of Scorpio Meats and rationalised ready-to-eat meat production at Shepparton, Vic
- Doubled sales revenue from \$24 million in FY 2017 to \$48 million in FY 2018 (92% of which is dairy revenue)

7. Key sales channels in Australia

Australian expansion focussed on key channels that drive volume growth and margin

QSR and Distributors

- Engaging major QSR customers to scope out opportunities and propose solution base product Innovation
- Develop mutually beneficial joint business plans with 4 major national distributors and leverage National promos to deliver growth
- Drive branch/ member related activations and build strategic partnerships

Manufacturing

- Strategic partnering to develop product solutions

Retail

- Continue to align with major retailers, secure ranging and quality relationships

Quick Service Restaurants



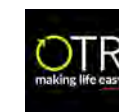
Distributors



Manufacturing



Retail



8. Hard Cheese producing high value Parmesan and Gruyere

Hard Cheese line extended beyond cheddar to be able to produce high value premium Parmesan and Gruyere.

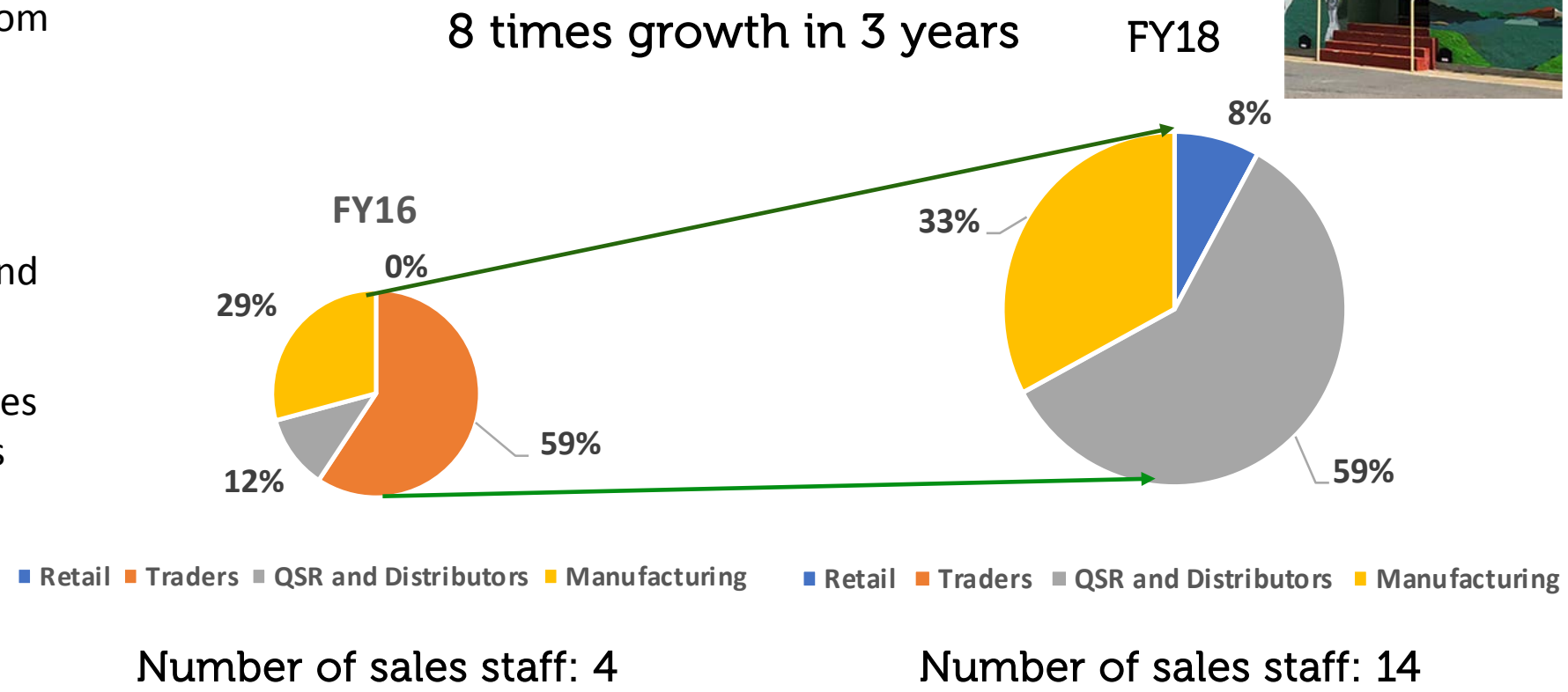
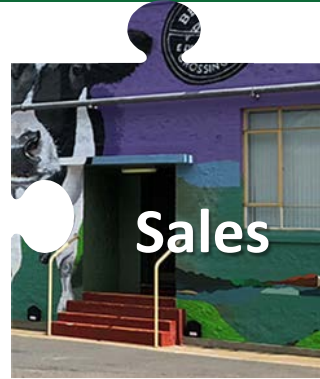
- Parmesan and Gruyere 6 times the value of cheddar in the market
- Parmesan requires 12 to 18 months of maturation to develop its robust flavouring
- Distributor and retail channels is focus for distribution
- Full portfolio of cheddar related products now able to be produced



9. Framework for execution of sales targets in place

From FY2016 sales have grown 8 times and are expected to continue to grow.

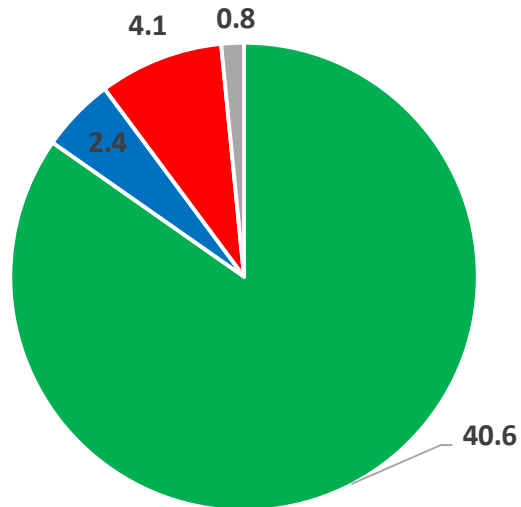
- Sales channels have moved from largely commodity trading channels FY2016 to Retail, Manufacturing, QSR and Distribution with no further trading expected in FY 2019 and beyond
- Investment in experienced sales team to execute channel sales targets almost completed
- Sales and margin execution final piece in jigsaw



10. Markets and Customers

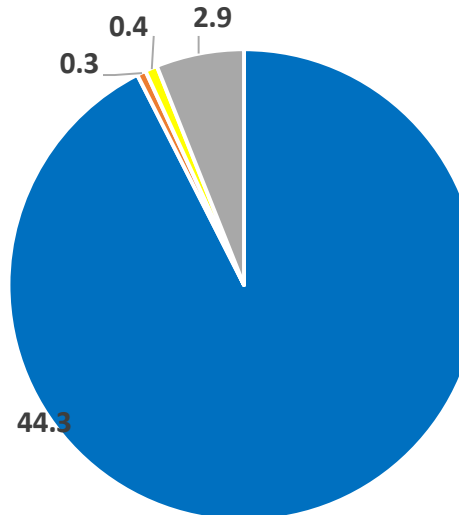
The Australia dairy platform continues to drive growth

FY18 revenue by region (\$m)



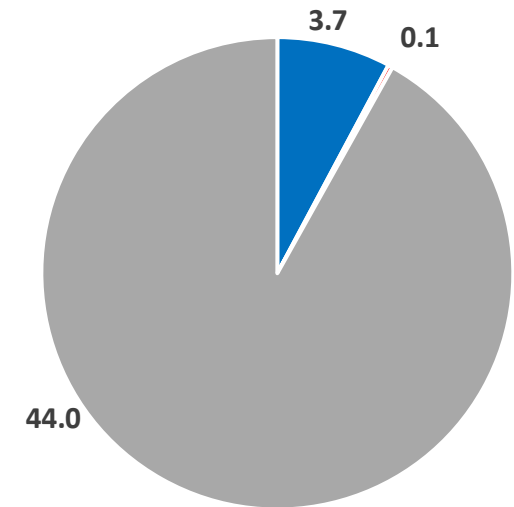
■ Australia ■ ASEAN ■ China ■ Other

FY18 revenue by division (\$m)



■ Dairy ■ Seafood ■ Meat ■ Health

FY18 revenue by channel (\$m)



■ Retail ■ Other ■ Food Service/ Bulk

- Diversification across regions, divisions and distribution channels
- Australian Dairy Food Service and Australia Dairy Retail channel driving revenue growth, as the business continues to grow its portfolio of products and increases its customer base
- Growth in Mozzarella sales is expected to be driven by Australian & International Food Service and Retail

11. Sales and Marketing



Quote from the 2017/18 FY Annual Report under the section – *The Path Forward*

“Sales are expected to approx. double again in this FY19 financial year on the back of the increased milk supply and the start-up of the Mozzarella plant.”



From January 18 to May 18 we averaged 2.3 million a month, From June 18 to October 18 we have tripled sales to an averaged 7.7 million a month.

12. Sales focus and team

Key focus - grow sales at healthy margins

We have shifted to focusing on growing margin based sales. Retail has increased 10 fold from April to October 2018

First action - Sales Team – Improved Structure:

- **August 2018 – Paul Glenister** – Victorian based Account Manager servicing VIC/NSW - *Victoria is the largest state for Mozzarella sales*
Paul comes with a breath of experience of 8 years in the food service and retail sectors
- **October 2018 - Rob Di Pietro** – SA based Account Manager including NAFDA – Rob has a wealth of experience and is a specialist in the distributor network
Former Siena foods State Sales Manager – 20 years experience
- **December 2018 - Tim Raspe** – SA based, back of house sales analysis – Sales Coordinator
7 years experience at Metcash SA
- **November 2018 - Paul Richardson** – National Retail Manager
18 year experience in FMCG as a retail key account manager
Retail is our greatest opportunity, Retail also provides us with the greatest margin opportunities

We need to shift from 92% of our business currently in Food service, Traders, Food Manufacturing and QSR's into Retail- which is currently 8% of our business

13. Retail focus

David Wilson – Commenced May 2018 as the National Retail Manager
Appointed GM Sales and Marketing – 1st September
30 years of retail experience

Since commencement:

Woolworths Retail – Products launched

- Fancy Bites, Edwards Crossing Vintage 150gm, Edwards Crossing 200gm (SA), Entertainer Cheese Boards

Coles retail - Product Launches

- Edwards Crossing 200gm (SA)

Metcash – IGA'S, Foodland's and MSO's (Multi site owners) Product Launches

- Fancy Bites, Edwards Crossing 200gm, Edwards Crossing Vintage 150gm, Entertainer Cheese Boards

OTR (On The Run) Convenience Group

- Full Retail Range and account specific new lines

Now and into the future

- Current contracts – Woolworths, Guzman Y Gomez & McCain's
- The plan is to further penetrate into Retail partnering with major Retailers and introduce some exciting Mozzarella retail offers
- Expand the distribution of current range including Provincial Foods (previously Scorpio) range which is currently in Aldi and Costco
- We will penetrate Retail further to grow and secure relationship with key M.S.O.s and major Retailers nationally to range our complete portfolio of brands
- Future focus will be with the right business partners in Food Service, Manufacturing and major Retailers who will delivery increased margins



14. International

GM International Business and Logistics – Jen Christensen appointed September 2108



Blue arrow = product in market plus develop
Red arrow = markets to be developed
Green arrow = International Cheese Awards 2019

TAKING HEALTHY EATING TO THE WORLD

15. Branding

BESTON 
GLOBAL FOOD COMPANY



'Beston'
embedded
in our
Edwards
Crossing and
Mables'
logos



16. Awards



Beston Global Food's 70 Australian Dairy Awards received between 2015 and 2018



17. Presenting our products



18. Presenting our products (cont.)

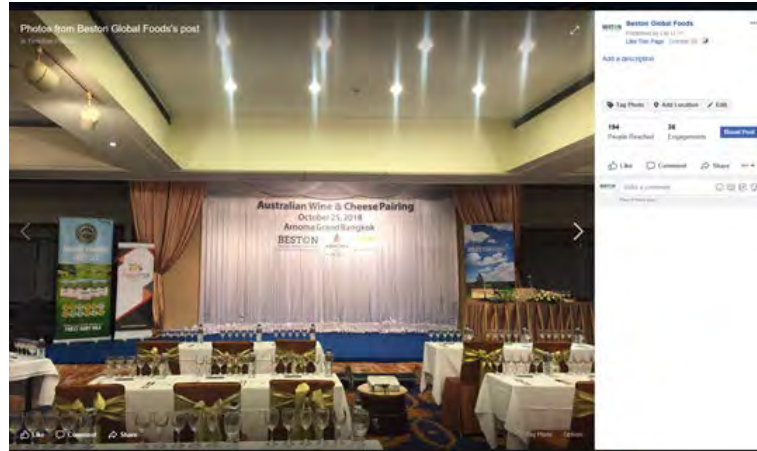


19. Digital Marketing

Increased Social Media Activity

- Edwards Crossing: from 3,402 to 3,604 (increase of 6.03%)
- Beston Global Food Company: from 86 to 325 (increase of 278%)
- Mables: from 27 to 1,719 (increase of 6266.67%!!)

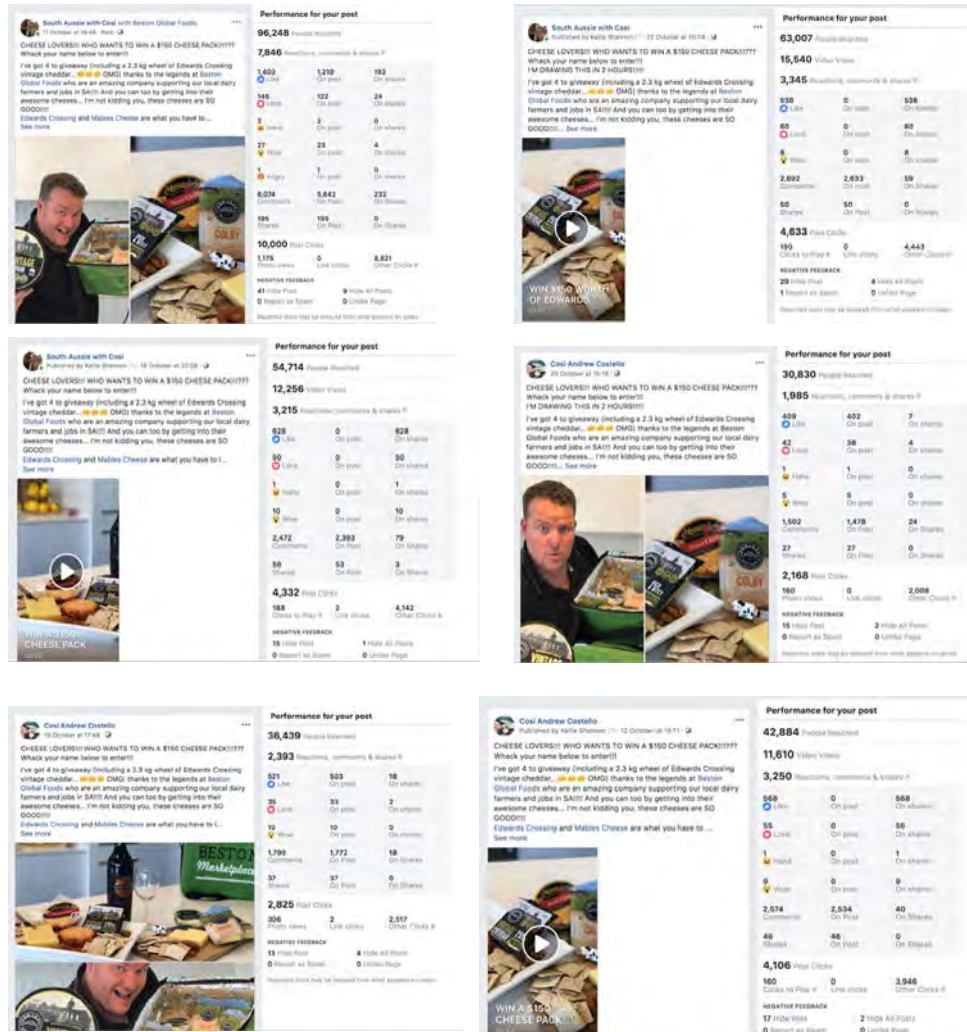
20. Digital Marketing (cont.)



Facebook Activity



21. Partnering with Cosi



- 6 posts delivered
- Reaching a staggering 324,122 people
- And engaged with a whopping 22,134 people!!

22. The Jervois Factory Mural



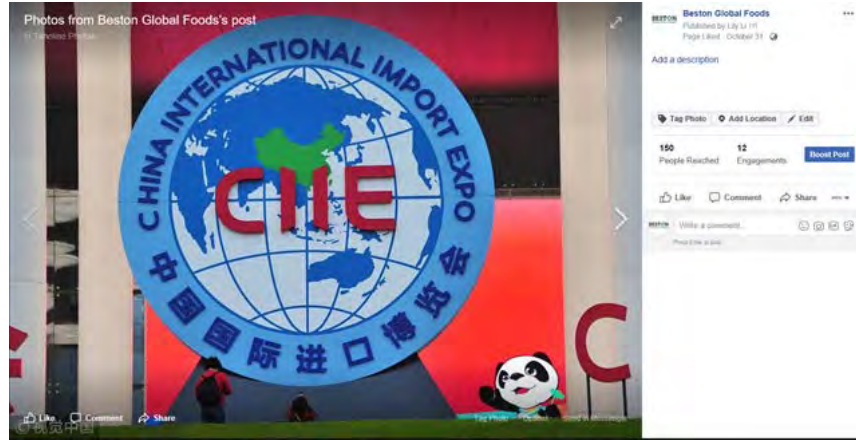
Oscar Cheso, son of Antonio who gifted the land in the 1930s, where the Jervois Factory now stands

23. Farmers' Tribute



Christmas Gift Hamper
SA Produce supporting
SA Dairy Farmers

24. Conferences and Events



25. Impact of delay in Mozzarella

- Firstly, there was reduced volume of product available for sale as the increased cheddar stocks matured;
- Secondly, the high value by-products of Mozzarella production, that is cream and whey, were not produced during the six-month delay period;
- Thirdly, the prices received for cheddar when subsequently sold into the wholesale markets tend to be influenced by international commodity prices, which fell away in the second half of the year at the time when our cheddar had matured ready for sale; and
- Fourthly, lower overall production volumes limited the recovery of indirect factory costs which were subsequently expensed.

26. Snapshot of Investee Companies

Substantial investments made by investees companies to improve returns, including:

- NBI shifted manufacturing of some products in-house to reduce cost
- NBI launched range of food and consumer products into pharmacies, Priceline, Coles and Asia
- Ferguson expanded their range with the introduction of branded retail packs into independent supermarkets in Australia
- Continued innovation of products increasing product offerings



27. General business

Total Valid Proxy Votes Received

# RECEIVED	SHARES	% OF SHARES ON ISSUE
170	105,854,353	23.88%

28. Resolution one

Adoption of the Remuneration Report for the year ended 30 June 2018

	FOR	AGAINST	OPEN	ABSTAIN
#	84	40	29	14
SHARES	72,713,025	2,441,803	2,542,523	294,032
%	93.58	3.14	3.27	

29. Resolution two

Re-election of Ms Catherine Cooper as a Director

	FOR	AGAINST	OPEN	ABSTAIN
#	119	15	30	6
SHARES	91,882,435	736,055	2,823,523	161,375
%	96.27	0.77	2.96	

30. Resolution three

Re-election of Dr Roger Sexton as a Director

	FOR	AGAINST	OPEN	ABSTAIN
#	117	19	30	5
SHARES	65,151,969	27,473,521	2,823,523	154,375
%	68.26	28.78	2.96	

31. Resolution four

Renewal of Provisional Takeover Clause

	FOR	AGAINST	OPEN	ABSTAIN
#	117	11	31	11
SHARES	91,675,964	824,913	2,838,623	263,888
%	96.16	0.87	2.98	

32. The path forward ... points on the journey

- Infrastructure Built
- Brands now well established
- Proven capability in development of new products
- Well positioned in Australia's growing food industry
- Point of difference in food manufacture
- Dairy Fractionation Plant, deriving Lactoferrin
- Capitalising on ground work in China
- Scorpio restructure complete
- Commercialisation of Beston Technologies in progress
- Sales team restructured with expanding focus on Retail segment
- Opportunity to realise holdings in Investee Companies

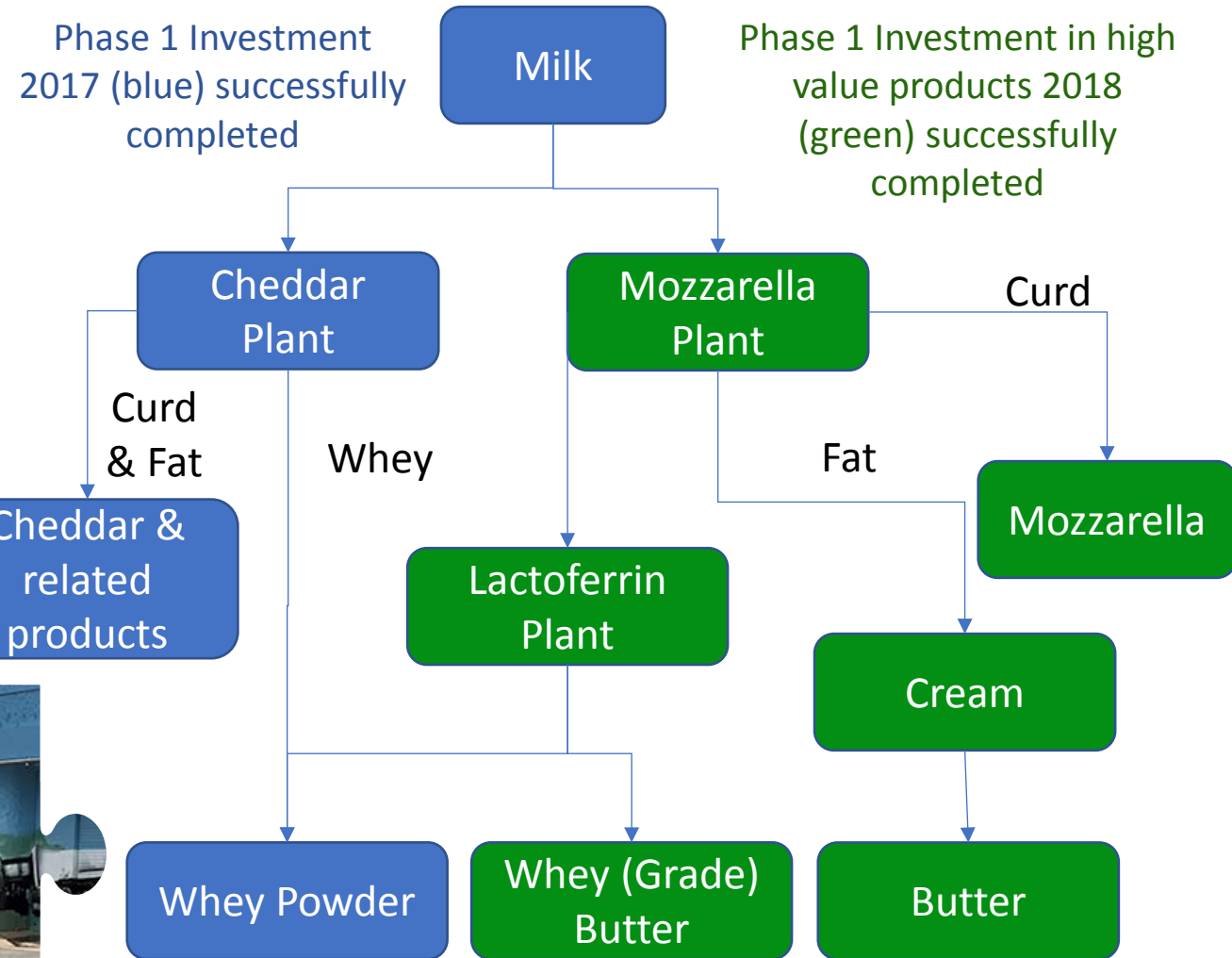
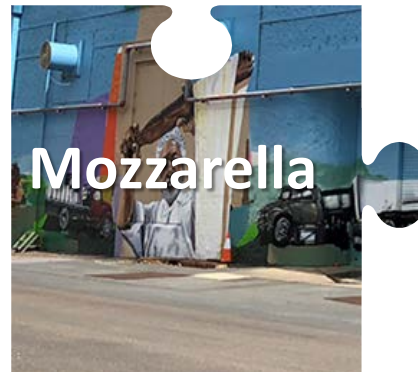
33. Asset utilisation

Current Utilisation	
Cheddar Production Assets	30%
Mozzarella Production Assets	35%
Whey Powder Plant Assets	68%
Specialty Hard Cheese Assets	20%
Cream Cheese Assets	25%
Lactoferrin	5%

34. The significance of Mozzarella

Investment in Mozzarella opens up significant opportunities in additional products, not available in cheddar production, at the unique Jervois site

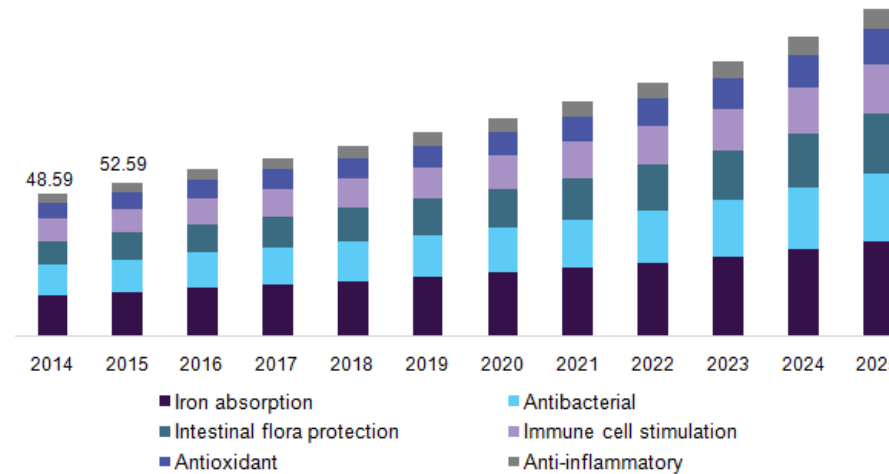
- Increased pizza consumption in Asia driving demand for premium mozzarella
- Additional products from mozzarella include Cream, Butter, Lactoferrin, Whey Powder, and Whey (Grade) Butter
- Cash flow cycle significantly reduced from Cheddar 9 -12 months to Mozzarella ~ 3 months
- Significantly higher margin available than cheddar production



35. The significance of Lactoferrin

Lactoferrin plant extracts the Dairy Proteins out of the whey stream of the Mozzarella plant. These proteins are utilised for pharmaceutical applications and as an ingredient into milk formula products

- Market price increased significantly to around \$1,500/kg to \$2,000/kg due to changes in requirements specified through China's regulations
- Plant is now in production
- Commercial sales expected before the end of the first half of FY19



U.S. lactoferrin market revenue by function: 2014 - 2025 (Tons)
Grand View Research Report 2017



Closing remarks
and
Thank You

Beston Global Food's 70 Australian Dairy Awards received between 2015 and 2018

