

BESTON GLOBAL FOOD COMPANY

LEVEL 9, 420 KING WILLIAM STREET, ADELAIDE, SOUTH AUSTRALIA, 5000
TELEPHONE +61 8 8470 6500

7 December 2020

AWARD OF SA GOVERNMENT REGIONAL DEVELOPMENT GRANT

Beston Global Foods Limited (ASX: BFC or “Beston”) is pleased to announce that it has been successful in being awarded a Regional Growth Fund grant from the South Australian Government. The amount of the grant is \$2,000,000 for the purpose of accelerating the Stage 2 expansion of the Company’s Lactoferrin plant at Jervois, South Australia.

The grant from the SA Government will enable Stage 2 of the planned expansion to commence, thereby further increasing the production capacity of the Lactoferrin plant to over 20MT per annum. The plant expansion has important benefits in increasing Australia’s self sufficiency in production of immune-boosting Lactoferrin and will have significant flow-on benefits to South Australia’s dairy farmers as milk throughput at Jervois increases. The increased production will capture around 5% of the growing global market for Lactoferrin.

Funds for the construction of the Stage 1 expansion (to take Lactoferrin production capacity from 3MT per annum to 12MT per annum) were raised in an equity placement with institutional shareholders in June 2020. This work is well progressed and is on time and on budget with completion due at the end of February 2021 (with production to commence in March 2021).

The Company has recently enhanced its operational and technical capabilities with the employment of Frank Baldi, General Manager, Operations and Supply Chain, who has significant expertise with regard to Lactoferrin, having previously worked in senior management roles both with Freedom Foods and Bega Cheese.

The focus on increased value adding at the Jervois Facility, through the extraction of Lactoferrin from all incoming milk, ensures increased revenues and returns for every litre of milk processed, enhancing employment opportunities, and security of employment for both the Company’s employees and importantly also, the continued growth of milk volumes from Beston’s South Australian dairy farmers. Beston currently processes well over 25% of South Australia’s milk pool.



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Continuing to capture earnings opportunities from Lactoferrin, the Company recently announced it was nominated and had won the “World’s Best Functional Drink Award”, for their Immune+ Anti-Viral drink, which is formulated with Lactoferrin, produced at the Jervois Facility.

Lactoferrin is an iron-binding glycoprotein which is known to be essential in boosting the immune system in the human body. It has anti-bacterial, anti-viral, anti-parasitic and anti-allergic functions and properties. The clinical significance of Lactoferrin has been established in numerous medical and scientific studies over the past 40 years.

Importantly, particularly in the context of the current COVID-19 pandemic, it has been shown to suppress virus replication by affecting natural killer cells in the human body which play a crucial role in the early stages of viral infection.

Clinical trials are underway around the world on the efficacy of using Lactoferrin as a treatment for COVID-19. Although the number of trials are limited to date, the early results indicate that Lactoferrin may inhibit coronavirus from replicating in the human body.

The findings have further increased the global demand for Lactoferrin, particularly in Europe and China, where it is known as “pink gold” because of its price (around \$1500 per kilogram) and reddish hue after processing. Market studies undertaken before the advent of COVID-19 predicted that the demand for Lactoferrin would increase by around 60% over the next few years.

Commenting on the grant, the Chief Executive of Beston, Mr Jonathan Hicks, said that construction of Stage 2 of the Company’s Lactoferrin plant expansion would result in further increases in employment at the Jervois factory and would have significant flow-on benefits in creating jobs and new incomes in the Murraylands Region and the State.

“The further expansion of our Lactoferrin plant which is now possible as a result of the Regional Growth Fund grant will put South Australia squarely at the centre of efforts to increase nutraceutical and pharmaceutical manufacturing capabilities in Australia and will enhance the bio-security of the nation. The expansion will also bring significant benefits to the State’s dairy industry as we continue to increase our demand for milk for processing into high value Lactoferrin along with our Mozzarella and cheese products,” he said.



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This ASX release was approved and authorised for release by Dr Roger Sexton AM, Chairman.

FOR FURTHER INFORMATION PLEASE CONTACT:

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ABOUT BESTON GLOBAL FOOD COMPANY LIMITED

Beston Global Food Company is a proud SA multi award-winning company taking the best of Australian produce to the world with fresh milk supplied by valued Farmers. The company provides direct and indirect employment for nearly 300 people. For more information please visit: www.bestonglobalfoods.com.au



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