



BESTON
GLOBAL FOOD COMPANY

**Extraordinary
General Meeting
Presentation**

28 May 2021

Beston: who we are and what we do

We are a dairy, dairy nutraceuticals and meat processing company based in South Australia
We provide Australian and customers around the world with much needed dairy and meat proteins so that consumers can make healthy choices



DAIRY

Jervois and Murray Bridge, South Australia
90% of group revenue



Mozzarella
Whey powder
Cream
Butter
Cheddar



Lactoferrin



Milk supply from
south eastern
Australian dairy
farmers

MEAT

Shepparton, Victoria
10% of group revenue



Dice and grind
ingredients
Premium hamburgers,
meatballs
Retail products eg
lamb shanks
Alternative meats

Where have we come from?

Founder led business

Listed on ASX August 2015

*Three stage growth strategy
requiring substantial investment
to build productive capacity and
achieve economies of scale*

*Initially China facing (ChAFTA).
Have pivoted to domestic
Australian dairy and meat
markets*

*Brand building - winning over 130
awards for dairy product quality
and innovation*

*Dairy nutraceuticals expansion to
extract the "hidden value" in the
"goodness of milk".*

Extracting more value from every litre of milk processed

Technology: Core operating assets supported by development of track and trace software

Fastest growing food and beverage company in Australia¹

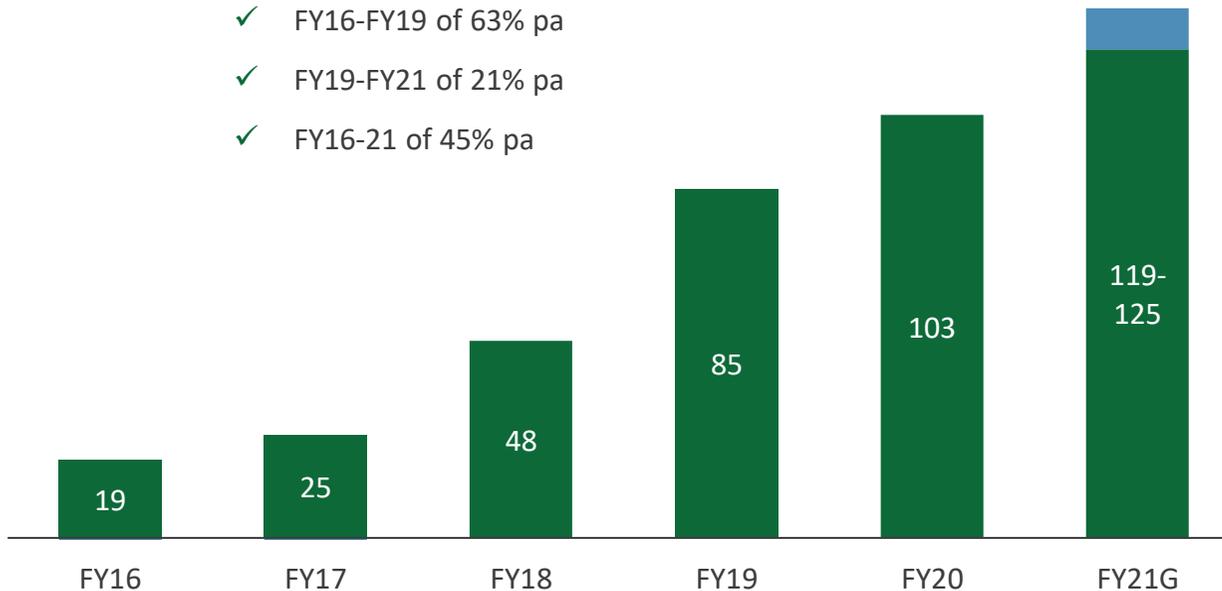
Second fastest growing F&B company in Asia Pacific



Group Revenue (\$ million)

✓ Compound annual growth rates:

- ✓ FY16-FY19 of 63% pa
- ✓ FY19-FY21 of 21% pa
- ✓ FY16-21 of 45% pa



Executing the plan has driven our growth since 2016

Fix, Focus and Build Out the dairy assets

Increased milk supply to achieve:

- Capacity utilization
- Economies of scale

Built mozzarella plant, built brands and grown sales

Invested in people capabilities

Nutraceuticals production capacity increased

Upgraded and expanded production facilities at PFG to grow sales of ready-to-eat meat meals

¹ Report by Financial Times in conjunction with Nikkei Asia (Japan) and Statista (Germany) on Asia's Top 500 Fastest Growing Companies 2016-2019

Dairy operations at Jervois

Expansion of lactoferrin production facility adds significant value to the Jervois site



Key drivers to deliver long term value creation



SECURE MILK SUPPLY Record milk supply for FY21 of 145ML and targeting 155ML for FY22
Greater value extraction from each kg of milk solids allows for competitive pricing for suppliers

LACTOFERRIN Lactoferrin plant expansion to increase capacity by at least 7x
Lactoferrin demand growing significantly

MOZZARELLA State-of-the-art mozzarella production plant commissioned at Jervois in 2018
Also produce whey powder, butter, cream
Record production Mar21 YTD of 9,071T
Supporting infrastructure upgrades to ensure reliable 24/7 site operations

¹ Estimate based on current operating assumptions

Lactoferrin : A whey protein

An iron-binding glycoprotein which boosts the immune system

It has strong anti-microbial, anti-virus, anti- fungal properties, especially in infants



Our nutritional brand



Our nutritional products



MediFerrin

Our highest grade lactoferrin to support medical grade supplements and early life nutrition.

2 sub-products:

- >95% Lactoferrin
- >95% Lactoferrin GB (China) testing standard



TrueFerrin

>90% Lactoferrin for customers who do not require the higher grade of product for their application

Retail



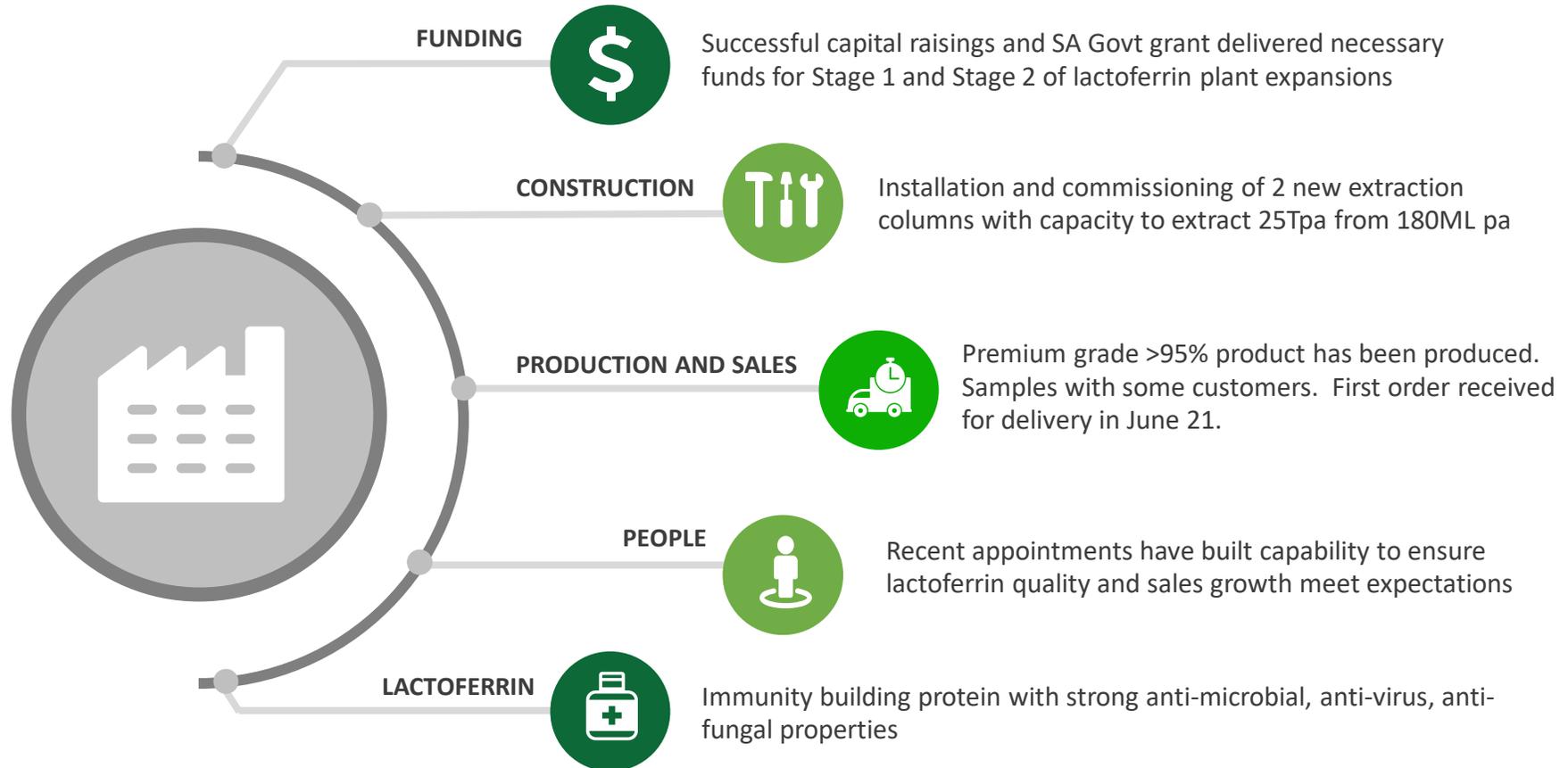
Immune+ drink : Berry flavoured lightly sparkling mineral water containing Lactoferrin
Expected to be available in Drake's supermarkets in South Australia in coming weeks

Immune+ capsules : Target to launch late 2021.

LifeX10 : Ambient Lactoferrin, vitamins and mineral supplement

Lactoferrin capacity expansion on track

Commissioning of expanded lactoferrin facility now virtually completed, taking capacity from 3Tpa to 25Tpa



FY21 Year To Date Highlights

A challenging but advancing period despite COVID-19 impacts, with execution of major milestones completed



Lactoferrin expansion

Initiated Stages 1 and 2 of the lactoferrin expansion project to bring total capacity to 25MT from 180ML milk



SA Government Grant

Awarded \$2 million South Australian Government grant for Stage 2 lactoferrin expansion and secured second column for this stage



Dairy Farms Sale

Sold the dairy farms and redeployed the capital to pay down debt and increase ROCE



Jervois Infrastructure Review

Jervois infrastructure review identified requirements for the facility to operate more reliably as it moves toward 24/7 operations



New Milk Supply

~30% increase in milk supply including from Aurora Dairies on 1 September 2020



Initiation of Rights Issue

\$15.6m rights issue (completed in February) to fund Stage 2 lactoferrin expansion, and further upgrades of infrastructure at the Jervois facility



Building Dairy Experience

Key experience and skills in operations and nutraceuticals added to the dairy business



IMA Termination

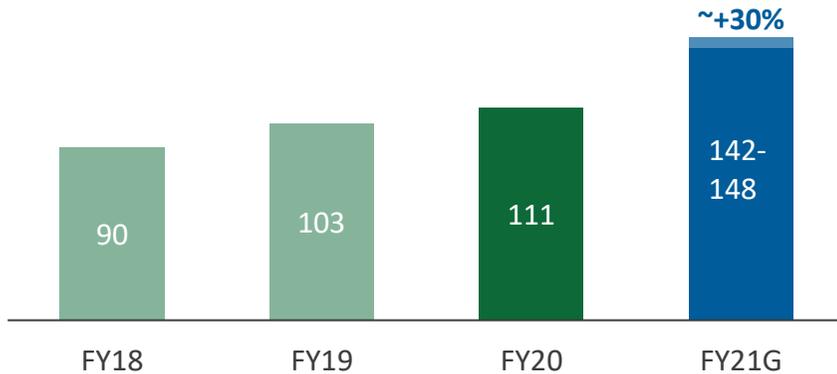
Agreement in principle to terminate the IMA, subject to shareholder approval at an EGM, to be held 28 May 2021

Poised to enter FY22 ready to capitalize on these fundamental changes to our business

Dairy facilities transformation nearing completion

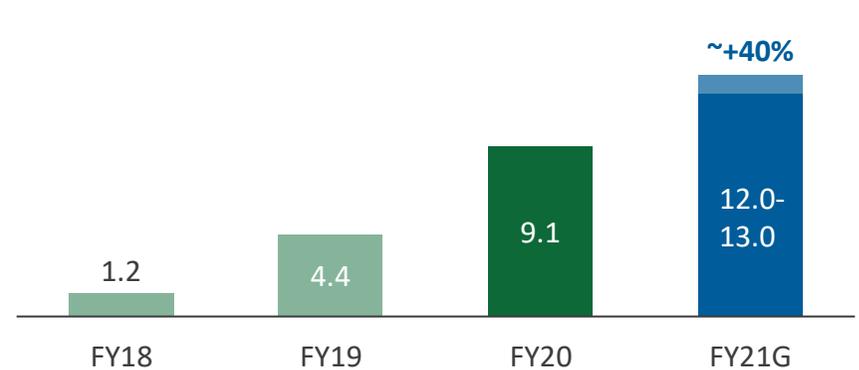
Fastest growing food and beverage company in Australia and second fastest in Asia Pacific region

Milk supply (ML)



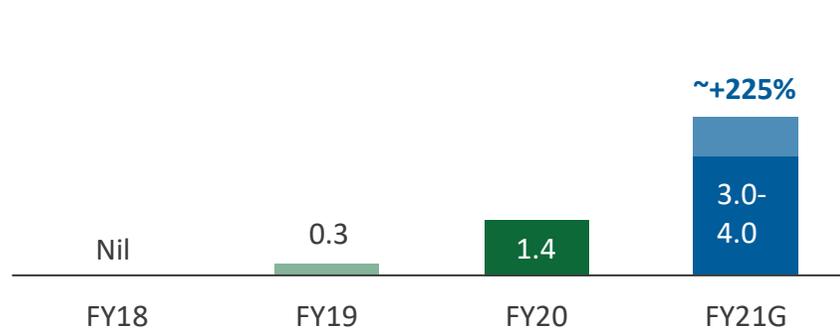
✓ Contracted supply should deliver ~145 ML in FY21

Mozzarella production (KT)



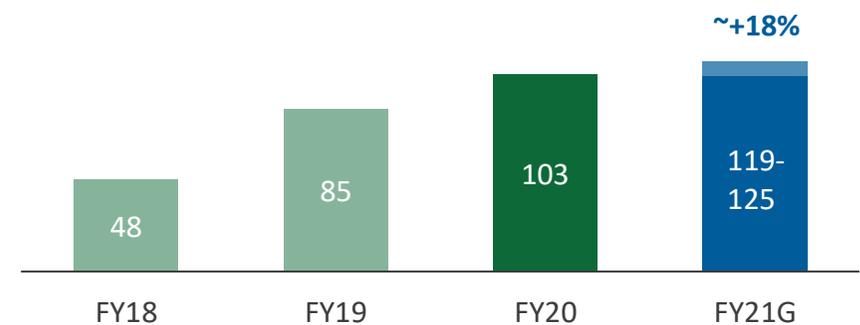
✓ Higher-margin mozzarella production driving growth

Lactoferrin production (T)



✓ Step-change in lactoferrin production underway

Group revenue (\$ million)



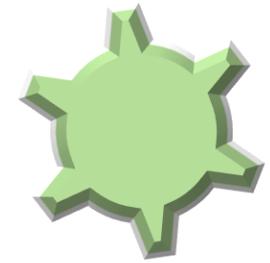
✓ Volume growth and transition to higher value products

Production and revenue increases driven by growing sales pipeline and enabled by increased milk supply

Beston Technologies

Progressed development of our innovative technologies: collaborating with our strategic partners

Turned our technology on its head to expand application into waste management sector



OZIRIS

Positioning OZIRIS (Provenance) and Brandlok (Track and Trace) as an agile subscription Software as a Service (SaaS) platform via enhancements

- Incorporation of imperceptible encrypted Digital Watermark applications into mobile Oziris devices for improved security and assurance.
- Independent validated trials within Jervois dairy factory confirming superior 98% accuracy in scanning identification rate.
- Migration of OZIRIS into a cloud environment, and capacity for client engagement via digital twinning tools on AZURE and AWS platforms.
- Security upgrades to exiting platform measures and mitigate potential threats.

Blockchain

Application: for digital tracking within and across complex supply chains, particularly as it applies to high value nutraceutical products (eg Lactoferrin). Interoperability with GS1 Digital link and standards.

- Patents : 2 Blockchain patents have been renewed for USA and Australia.
- Enhancement : engagement with the University of Technology Sydney (UTS) for the integration of IoT platforms into OZIRIS, and Machine learning.
- Blockchain technology trial on supply chain integrity commenced with the support of Australian Dairy Farmers

Waste Recycling

With Digimarc Corporation (USA) participate in:

- Adoption of plastic packaging recycling knowledge (derived from current European and US Corporate brand-owner trials in Germany) to enable improved brand owner compliances to legislated National Waste Policy, APCO frameworks and Dairy Australia sustainability goals.
- Awarded prestigious CSIRO: STEM + Ross Metcalfe Business Fellowship grant to develop plastic and glass recycling solutions using our blockchain technology (with data collection and analysis utilizing machine learning and scanners).

Value proposition

Implementation of strategic imperatives have positioned Beston to deliver on its value proposition:

Entering FY22

- **Growing milk supply** to c. 155ML in FY22 to underpin mozzarella and lactoferrin production
- **Lactoferrin capacity increased** to 25Tpa, with global demand growing significantly. FY22 production~20T.
- **Streamlined Mozzarella production** with remediation of supporting infrastructure nearing completion
- Built depth with **new hires in dairy and nutraceuticals** to ensure that skills are fit-for-purpose, match growth objectives, and support 24/7 operations
- **Operating cash flow** positive post-commissioning of lactoferrin project



FY23 and beyond

- **Leveraging assets** to deliver growth in earnings – focus on Jervois
- **Dairy nutraceuticals** a key feature of Beston’s earnings growth strategy to extract value from the “goodness of milk” – starting with Lactoferrin
- **Growing reputation** as a reliable supplier of quality products
- **Extracting more value from every litre of milk processed** to generate strong positive operating cash flow and fund further investment

Nutritional Food & Beverage market is estimated to grow from \$10bn to \$20bn by 2030

Disclaimer

This presentation includes both information that is historical in character and information that consists of forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. The forward looking statements are subject to risks, stakeholder engagement, uncertainties and assumptions which could cause actual results, timing, or events to differ materially from the expectations described in such forward looking statements. Those risks and uncertainties include factors and risks specific to the industry in which Beston Global Food Company operates, any applicable legal requirements, as well as matters such as general economic conditions.

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Guidance disclaimer



COVID-19

- COVID-19 continues to disrupt industries and economies globally
- Beston's guidance is based on current, known circumstances regarding COVID-19 and its impacts
- Guidance may be impacted adversely if COVID-19 continues longer than expected and/or has larger effects on demand and supply chains than presently anticipated



Market conditions

- General market conditions, such as market downturn, recession, industrial disputes and interest rates, could impact Beston's performance
- Certain risks are beyond the control of Beston; wherever possible Beston seeks to reduce or mitigate exposure to negative impacts of operating risks, whilst competing effectively in the market



Operating performance

- Dairy facility performance may be below expectations resulting in unplanned down time, higher repair costs and lost production
- Other key operating costs include electricity, gas, freight and insurance costs (some of which are not fixed and without forward contracts in place)



Milk supply

- Milk supply is subject to agricultural risk, for example, a repeat of the drought conditions experienced in FY19 and FY20 could reduce the supply below contracted levels
- A reduction in milk supply may lead to increased milk prices



Lactoferrin facility

- Risk of delay in delivery of already ordered long-lead items
- Construction delays could arise via importation issues or unforeseen site conditions
- Potential performance and reliability issues with new skim-based technology



Other risks

- Adverse weather events, new global pandemics, unplanned increases in costs, mechanical failures, human errors, industrial action and other unforeseen events, all have the potential to impact on Beston guidance



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