

ASX RELEASE

07 October 2022

Q1 FY23 TRADING UPDATE ON TRACK TO MEET FY23 FINANCIAL & OPERATING GUIDANCE

- **Record Q1 FY23 Group Sales of AU\$ 46.6 million, up 49% vs. previous corresponding period (pcp)**
 - **Group Q1 FY23 EBITDA & NPAT positive, with FY23 EBITDA guidance reaffirmed at \$8 to \$10 million**
 - **Significant gross margin improvements across the business (5.2X) vs. (pcp), fueled by ongoing price increases, cost reductions and superior product mix focused on value**
 - **Stronger market, channel and customer demand alignment provides the Group confidence to forecast Group sales to be at the upper end of the \$150-180 million FY23 guidance**
 - **Q1 FY23 Milk Supplies up 3% vs Budget expectations and FY23 milk fully contracted**
 - **Q1 FY23 PFG (Provincial Food Group) sales up 40% vs previous corresponding period (pcp) indicating recovery of foodservices markets post Covid-19 pandemic**
 - **Sales & business development momentum in Lactoferrin continues with all FY23 production pre-sold and over 5 metric tons dispatched in Q1 FY23**
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Beston Global Food Company Ltd (ASX: BFC or "Beston"), South Australia's largest and leading dairy company, is pleased to reaffirm its financial and operating FY23 guidance based on continued positive performance achieved since Q4 FY22 into Q1 FY23.

Beston has observed significant improvement in the operating environment in Q1 FY23 compared to the last two years, upheld by good quality of demand and strong support from its customer base to deliver meaningful acceleration of revenue growth to AU\$46.6 million, up 49% compared to the previous corresponding period (pcp). Such sales performance underpinned positive EBITDA and NPAT results during the quarter.

The Company is pleased to report that its milk intake is ahead of budget and pcp, with 100% of the Company's FY23 milk supplies contracted (notwithstanding a drop in milk production across Australia). Each of the divisions of the Company have experienced significantly improved performance during Q1

Beston's Dairy Division which accounts for approximately 90% of group sales reported positive EBITDA momentum for the quarter and remains ahead of management Budget FY23 assumptions.

Lactoferrin sales and overall business development remained strong with Group sales of over 5 metric tons sold during the quarter and over 10 metric tons sold

when Q4 FY22 and Q1 FY23 are combined. The strong sales momentum is supporting Beston's strategy to continue to invest in dairy nutraceuticals

Another key highlight in the quarter performance has been Beston's Meat Processing business (Provincial Food Group) which under a new operational & business development management team also delivered sales up 40% vs pcp. This performance also signals positive recovery of sales within the Food services channel across Australia.

With strong quarterly performance across the group, Beston is pleased to reaffirm its FY23 guidance with EBITDA in the range of \$8 to 10 million. Total sales revenues are expected to be at the higher end of the \$150 to \$180 million guidance.

Fabrizio Jorge, Beston CEO commented: "We are very pleased with the way in which the FY 23 year has commenced and the Company's overall performance; it is a positive reflection of our strategy being successfully executed. We made multiple new hires earlier in the calendar year which have bolstered the Group's executive management team. Combined, these new hires have brought over 70 years of global dairy management experience to Beston".

"The Company is committed to furthering its reputation for quality, innovation, and integrity. Our strong sales in the quarter, specifically in mozzarella and lactoferrin, highlight that we are well positioned to capitalise on the hard won brand reputation built to date and on the asset base which has been put in place from the work done at Beston in prior years".

This ASX release was approved and authorised for release by the Board of BFC.

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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.bestonglob