



**BESTON GLOBAL FOOD COMPANY LIMITED**

ACN 603 023 383

**Entitlement Offer**

A non-renounceable pro rata entitlement offer to Eligible Shareholders of 1 New Share for every 1 Existing Share held as at the Record Date at an offer price of \$0.025 per New Share to raise up to approximately \$25 million.

The Closing Date of the Entitlement Offer is 5:00pm (AEDT) Tuesday, 22 November 2022

**ASX code: BFC**

**IMPORTANT NOTICE**

This Offer Booklet is an important document and should be read in its entirety.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed decision regarding the New Shares offered under this document.

If after reading this Offer Booklet you have any questions about the securities being offered under this Offer Booklet or any other matter, then you should consult your financial adviser, stockbroker, accountant or other professional adviser.

**Joint Lead Managers**

MST Financial Services Pty Ltd ACN 617 475 180 (AFSL 500 557)

Shaw and Partners Limited ACN 003 221 583 (AFSL 236 048)

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

# Beston Global Food Company Limited ACN 603 023 383

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## Important information

This Offer Booklet is issued by Beston Global Food Company Limited ACN 603 023 383 (**Company**) and is dated 1 November 2022.

The information in this Offer Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

The information in this Offer Booklet contains an offer of New Shares to Eligible Shareholders in Australia, New Zealand, Hong Kong, and Singapore (and has been prepared in accordance with section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*). Please refer to section 1.4 of this Offer Booklet for Eligible Shareholder criteria.

### Note to Applicants

The information contained in this Offer Booklet is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor.

It is important that you read this Offer Booklet carefully and in full before deciding whether to participate in the Entitlement Offer. In considering the prospects of the Company, you should consider the risks that could affect the financial performance or position of the Company, as set out in section 5 of this Offer Booklet. You should carefully consider these risks in the light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to participate. There may be risk factors in addition to these that should be considered in the light of your personal circumstances.

In preparing this Offer Booklet, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to Shareholders and professional advisers whom Shareholders may consult. You should therefore have regard to the other information disclosed to ASX in relation to the Company before deciding whether to participate.

No person named in this Offer Booklet, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the New Shares.

## No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

## Obtaining a copy of this Offer Booklet

This Offer Booklet is distributed to all Eligible Shareholders by email or post depending on the Eligible Shareholder's nominated communication preferences. It is also available in hard copy and electronic form on the Company's website [www.bestonglobalfoods.com.au](http://www.bestonglobalfoods.com.au) the ASX website [www.asx.com.au](http://www.asx.com.au) or by contacting the Share Registry.

Eligible Shareholders who access the electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet.

The Entitlement Offer constituted by this Offer Booklet in electronic form is available only to Eligible Shareholders. Hard copy and electronic versions of this Offer Booklet are not available to persons in jurisdictions other than Australia or New Zealand, including the United States.

By making an Application, you declare that you were given access to this Offer Booklet, together with an Entitlement and Acceptance Form and that you have acted in accordance with, and agree to the terms of the Entitlement Offer detailed in this Offer Booklet.

During the Offer Period, any Eligible Shareholder may obtain a hard copy of this Offer Booklet free of charge by calling the Share Registry between 8.30am and 5.00pm (AEDT) Monday to Friday during the Offer Period:

Link Market Services: 1300 554 474

## Statements of past performance

Information about the Company's past performance and pro forma financial information included in this Offer Booklet is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Investors should note that past performance, including past Share price performance, of the Company cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including future Share price performance. The historical information included in this Offer Booklet is, or is based on, information that has previously been released to the ASX.

## Financial information and forward looking statements

This Offer Booklet includes historical financial information and pro forma historical financial information.

This Offer Booklet contains forward looking statements which may (but need not) be identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. Other forward looking statements included in this Offer Booklet include statements regarding the outcome and effects of the Entitlement Offer and the Company's future commercial and financial performance.

Any forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Accordingly, such forward looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Offer Booklet will actually occur and Shareholders are cautioned against placing undue reliance on these forward looking statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, the risks outlined in section 5 of this Offer Booklet.

The Company has no intention to update or revise forward looking statements, regardless of whether new information, future events or any other factors affect the information contained in this Offer Booklet, except where required by law.

## Data

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Offer Booklet.

## Company website

Any references to documents included on the Company's website at [www.bestonglobalfoods.com.au](http://www.bestonglobalfoods.com.au) are for convenience only, and none of the documents or other information available on the Company's website are incorporated herein by reference, except ASX announcements.

## Defined terms, currency and time

Capitalised terms and abbreviations used in this Offer Booklet have the meanings given to them in the Glossary.

Unless otherwise stated or implied, references to times in this Offer Booklet are to AEDT.

All dollar values are in Australian dollars (**\$, A\$ or AUD**), and financial data is presented as at financial year ended 30 June 2022 unless stated otherwise. Rounding of figures provided in this Offer Booklet may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

## Disclaimer

No person is authorised to provide any information or to make any representation in connection with the Entitlement Offer that is not contained in this Offer Booklet. Any information or representations not contained in this Offer Booklet may not be relied upon as having been authorised by the Company, its Directors or any other person in connection with the Entitlement Offer.

## Selling restrictions

This Offer Booklet does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Entitlement Offer or the New Shares issued under the Entitlement Offer, or to otherwise permit an offering of New Shares under the Entitlement Offer, in any jurisdiction outside Australia and New Zealand.

Return of your Entitlement and Acceptance Form or your BPAY® payment will be taken by the Company to constitute a representation by you that there has been no breach of any laws of a jurisdiction outside Australia, New Zealand, Singapore or Hong Kong.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and other than to Eligible Shareholders in New Zealand, Singapore and Hong Kong may be restricted by law and persons who come into possession of this Offer Booklet outside Australia, New Zealand, Singapore and Hong Kong should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States unless the New Shares are registered under the US Securities Act, or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This Offer Booklet may not be released or distributed in the United States.

## Important information for New Zealand investors

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand authority. This Offer Booklet is not a product disclosure statement or other disclosure document under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

The New Shares are not being offered to any retail investors within New Zealand other than to existing Shareholders with registered addresses in New Zealand pursuant to the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

## Privacy

By making an Application to apply for New Shares, you are providing personal information to the Company through the Share Registry that may be personal information for the purposes of the *Privacy Act 1988* (Cth).

The Company, and the Share Registry on its behalf, may collect, hold and use that personal information in order to process your Application. The Company may also collect, hold and use that personal information in order to service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

The Company will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not provide the information requested in the Entitlement and Acceptance Form, the Company and the Share Registry may not be able to process or accept your application.

By completing an Entitlement and Acceptance Form or by providing the Company with your personal information, you agree to this information being collected, held, used and disclosed as set out in this Offer Booklet and the Company's Privacy Policy. The Company's Privacy Policy, also contains information about how you can access and seek correction of your personal information, complain about a breach by the Company of the Australian privacy laws, and how the Company will deal with your complaint. Refer to section 6.6 for further details on privacy.

## Enquiries

Before making a decision about investing in the Entitlement Offer, you should seek advice from your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to determine whether it meets your objectives, financial situation and needs.

If you have any questions in relation to the Entitlement Offer or the New Shares, please call the Share Registry between 8.30 am and 5.00 pm (AEDT) Monday to Friday during the Offer Period:

Within Australia: 1300 554 474

If you have misplaced your Entitlement and Acceptance Form and would like a replacement form, please call the applicable number above.

## Website

To view annual reports, shareholder and information about the Company, announcements, background information on the Company's operations and historical information, visit the Company's website at [www.bestonglobalfoods.com.au](http://www.bestonglobalfoods.com.au).

# Key offer terms

Key offer terms	
Offer Price	\$0.025 per New Share
Entitlement	1 New Share for every 1 Existing Share held on the Record Date
Top Up Offer	Eligible Shareholders taking up their entitlement in full with have the opportunity to apply for Additional New Shares in excess of their Entitlement (subject to scale back as set out in section 1.6 of this Offer Booklet).
Maximum number of New Shares to be issued under the Entitlement Offer	998.5 million New Shares
Maximum amount to be raised under the Entitlement Offer	\$25 million
Maximum number of Shares on issue following the Entitlement Offer	1,997 million Shares

This Offer Booklet is dated 1 November 2022. The following are key indicative dates relating to the Entitlement Offer.

Event	Date
Entitlement Offer announced	Wednesday, 19 October 2022
Ex Date	Thursday, 27 October 2022
Record Date <i>The date for determining Entitlement of Eligible Shareholders to participate in the Entitlement Offer</i>	Friday, 28 October 2022
Opening Date <i>Offer Booklet and Entitlement and Acceptance Form dispatched to Eligible Shareholders</i>	Tuesday, 1 November 2022
Closing Date for Entitlement Offer	Tuesday, 22 November 2022
New Shares under the Entitlement Offer quoted on a deferred settlement basis	Wednesday, 23 November 2022
Announcement of results of issue	Tuesday, 29 November 2022
Issue and allotment of New Shares under the Entitlement Offer <i>Settlement date of the Entitlement Offer</i>	Tuesday, 29 November 2022
New Shares trade on ASX on a normal settlement basis	Wednesday, 30 November 2022

Dates and times in this Offer Booklet, other than the date of announcement of the Entitlement Offer and the Record Date, are indicative only and subject to change. The Company reserves the right to amend this indicative timetable at any time and in particular, subject to the Corporations Act and ASX Listing Rules, to extend the latest date for receipt of Applications, to accept late Applications either generally or in particular cases, or to cancel the Entitlement Offer without prior notice.

# Chairman's Letter

1 November 2022

Dear Shareholder

On behalf of the Board, it is my pleasure to invite you to participate in an entitlement offer for Beston Global Food Company Limited (ASX: **BFC**, **Beston** or the **Company**) at a very significant time in the growth and development of the Company.

## Offer Summary

On Wednesday, 19 October 2022, BFC announced on the Australian Securities Exchange (**ASX**) its intention to raise up to \$28.2 million (**Equity Raising**) through an institutional placement (**Placement**) and a pro-rata non-renounceable offer (**Entitlement Offer**). The purpose of the Equity Raising is set out below.

Under the Entitlement Offer, Eligible Shareholders have the opportunity to subscribe for 1 New Share for every 1 Share held as at the Record Date, at an offer price of \$0.025 per New Share. If fully subscribed, the Entitlement Offer will raise approximately \$25 million. This offer booklet (**Offer Booklet**) relates to the Entitlement Offer.

Eligible Shareholders who accept their Entitlement in full will also have the opportunity to apply for Additional New Shares in excess of their Entitlement, under a 'top up' facility (**Top-Up Offer**). These Additional New Shares will be available if not all Shareholders take up their full Entitlement (subject to scale back at the sole discretion of the Company). Please refer to Section 1.6 of this Offer Booklet for further details.

New Shares will not be offered to the general public.

## Pricing

The New Shares are offered at an Offer Price of \$0.025 which represents a discount of approximately:

- 59.7% discount to the last traded price of BFC Shares on ASX of \$0.062 on 14 October 2022;
- 60.4% discount to the 5-day VWAP of \$0.063 as at 14 October 2022;
- 59.6% discount to the 10-day VWAP of \$0.062 as at 14 October 2022; and
- 39.2% discount to the TERP<sup>1</sup> of \$0.041 as at 14 October 2022.

While the Offer Price is at a significant discount to recent traded prices, the pricing is a reflection of a number of factors leading into the Equity Raising, including but not limited to:

1. Opportunities currently available to the Company to increase the scale of its operations, achieve significant cost savings and accelerate profits (as explained below) via the targeted application of investment capital;
2. Investor marketing efforts (to obtain both new investor and major shareholder support) which coincided with volatile equity market conditions;
3. The major use of proceeds being for repayment of debt and providing further balance sheet flexibility to better equip the Company to be able to deal prudently and effectively with any further economic turbulence emerging in the future from changing market conditions;

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1. Theoretical ex rights price (TERP) includes the shares issued under the Placement and the Entitlement Offer. TERP is the theoretical price at which Beston shares (Shares) should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of Beston Shares as traded on ASX on Thursday 14<sup>th</sup> October, being the last trading day prior to the announcement of the Entitlement Offer.

4. The size of the Equity Raising with respect to the size of our current market capitalisation;

Ultimately, the Board of BFC made the decision to price the Offer at a level that ensured the Equity Raising was successful and to reward the loyalty of our shareholders as we progress with the valorisation of the business in the third stage of our ten year business plan around a number of key objectives outlined below.

The Offer will be dilutive only to the extent that shareholders do not accept the Offer and take up their rights under the Entitlement.

### **Rationale of the Offer**

BFC has come a long way since its listing in 2015. In the space of seven relatively short years (and from a 'standing start'), the Company has built a state-of-the-art asset base and scaled-up production to become the largest dairy processor in South Australia. The journey to achieve scale and profitability has endured a number of set-backs, including two years of drought (which substantially reduced our milk supply) and the disruption caused by three years of COVID-19 (which not only dramatically reduced food service sales but also cut off access to spare parts for our equipment when factories closed in Europe).

BFC has stayed the course to achieve the objectives in our ten year business plan and delivered record operating performance across several leading indicators in FY22 which has translated into strong uplifts in margins and positive EBITDA and NPAT results in Q4. The momentum achieved in Q4, underpinned by strong business fundamentals, has enabled the Company to give earnings guidance to shareholders for the first time in FY23. This guidance, as advised to the ASX, is for Group Sales of \$150 - \$180 million for FY23 and an EBITDA of \$8 - \$10 million (based on the existing balance sheet and capital structure).

As a relatively young company in the dairy industry in Australia, BFC has navigated its way through five tough years of drought and COVID-19, a combination of events that was not faced by much bigger players in the industry when they were starting out. The past three years of COVID-19 had a particularly devastating effect on the Company, because of impacts on both the demand side and supply side of our business, as noted above, which resulted in debt levels (and gearing) being increased in order to meet the challenges presented.

The Board of BFC considers that this Entitlement Offer is in the best interest of the Company, and its shareholders, having regard to, inter alia:

- The rising cost of debt servicing with higher interest rate regimes;
- The tightening of credit and liquidity across the economy in concert with the slow down in global economic conditions;
- The opportunities in front of the Company to accelerate its revenues and profits in the near term, and thereby generate benefits to shareholders.

BFC now has the asset base, the management team and a market position (with strong quality customer demand) to grow and thrive into the future with the re-set of the balance sheet that will be achieved from this Equity Raising. The decision of the Board, in rationalising the purpose of the Offer, came down to a trade-off between solely delivering on our FY23 earnings guidance and then gradually growing incrementally from that point OR, stepping boldly forward to unlock the latent potential which we know exists in the Company (as detailed in part below) from all the hard work which has been done to date, and thereby accelerate profits and the returns to shareholders. We have chosen the latter course of action and hope that our fellow shareholders will endorse this action via participation in the Offer.

Throughout our relatively short history as a Company, we have never told our shareholders of the problems or challenges faced by the Company without also delivering on solutions. We believe that the application of funds from this Entitlement Offer will not only deal with the immediate problem of resolving our gearing, post the challenges of the COVID-19 era, but will also accelerate revenues and profits by enabling the Company to pursue a number of 'low hanging fruit' capex opportunities which will either reduce operating costs or generate increased margins to increase the return on assets in the business. In doing so, the application of funds from the Equity Raise will build on the positive momentum which is



underway in the Company as evidenced in the Q4 FY22 and Q1 FY23 results which have been announced to the ASX.

## Use of Funds

The funds raised in the Equity Raising will be used for:

### 1. ROIC positive projects to drive profits (\$7.5 million)

BFC business teams have identified a range of low risk, high returning initiatives to unlock savings, deliver a number of environmentally sustainable outcomes and accelerate profits. These opportunities fall into three areas:

- Vertical integration of processing to capture lost margin
- Water recycling and energy capture
- More mozzarella from the same amount of milk (i.e. 'stretching our milk')

*Vertical integration:* Our Murray Bridge site is our central hub for storage as well as being our secondary processing site for Mables cream cheese. This site is also the home for some of our great specialty flavour cheeses such as a Vintage Cheddar, Gruyere and Provolone.

Opportunities exist to economically unlock latent capability and utility within the Murray Bridge site to add value and drive vertical integration (in house) for our bulk cheese, including as previously indicated to shareholders, the installation of a cheese shred and pack capability. The key value drivers for these investments are:

- Shortened product innovation times as a result of more direct feedback from consumers and the market.
- Savings on working stock, storage and transportation
- Capture margin attributed to selling finished goods
- Expand and diversify the BFC product range.
- Integrated product grading and increased product control
- Minimise yield loss and increased flexibility and control over milk and raw material manufacture.

This investment in a shredding and packing facility is estimated to utilise approximately \$5 million of the capital raised.

The Company has previously advised shareholders of the significant savings and other advantages which can be achieved by installing our own cheese shredding and packing facilities at Murray Bridge, rather than out-sourcing these requirements to a third party service provider in Melbourne. Recent increases in out-sourcing costs, and particularly the costs of transport between Murray Bridge and Melbourne, have significantly increased the benefits of bringing cheese shredding and packing in-house and brought the pay-back period to less than 2.5 years. The investment will reduce the currently outsourced costs of the cheese shred and pack activities by at least 50%, on an annually recurring basis.

The implementation of this project will bring multiple benefits to the Company, not only by reducing direct processing costs and transport costs, as noted above, but also by improving quality control in the finishing process and minimising product trim losses and wastage. By bringing the shredding and product finishing operations in-house, the Company will achieve total control over the final product supplied to customers and provide added flexibility in product mix and packaging to meet the requirements.

Other key initiatives to be implemented with the funds from the capital raise are:

*Water recycling and energy capture:* Some of the key initiatives, but relatively small cost capex projects, to be pursued with funds raised include a refit of the Company's water and energy plant. By fitting best in class, proven technology to current sites, the Company can drive a step change

for our environment and IRR. For example, the current spend on water is a 7-figure sum: investment in a water recycling plant will have a payback of less than 1 year and has the potential to reduce water usage by more than 40% per annum. These savings will be recurring annually.

*More Mozzarella from Milk:* The Company has previously advised shareholders of some steps which can be taken to 'stretch' milk via yield and efficiency improvements. These further opportunities to extract more value from every litre of milk processed by expenditure of additional capital are low risk and provide a strong return on investment.

The Board of BFC considers that now is the right time to pursue these projects, given the substantial cost savings involved and given that both the mozzarella plant and the Lactoferrin plant are performing well and meeting capacity utilisation expectations.

## 2. Leadership in the bioactive protein and nutraceuticals space (\$3 million)

The Company has given guidance that it expects to produce (and sell) 16 to 19 metric ton of Lactoferrin in FY23.

BFC will invest in a third Lactoferrin extraction column to enhance and unlock additional bioactive capability within the existing facilities. Several key areas of benefit which have been identified are:

- An increase in lactoferrin production of between 6 to 8 tons and a high return on investment.
- Accelerating commercial production of Immunoglobulins (IG).
- Recycling of minerals, saving cost but also reducing waste.

BFC is well advanced in trials to extract Immunoglobulins (IGs) from milk. IGs are high value bioactive proteins (antibodies) that play a vital role in human immune systems. Trials have already been run at scale. The next step is to embed the isolation and purification process as part of our daily scale operation.

The advancement of BFC's capabilities to capture, nurture and bring milk-derived bio actives to market is central to our Company's aspirations and strategy to gain maximum returns from every litre of milk processed. The project will enable BFC to expand its innovation and leadership in the bio active protein and nutraceuticals space.

## 3. Debt Reduction (\$16 million)

The largest component of the proceeds of the Offer will be used to reduce debt (by \$16.0 million) to re-set the balance sheet of the Company after the debilitating effects of COVID-19 on our business operations. Debt funding was increased over the last few years to meet the challenges caused by COVID-19.

The pay down of debt will reduce gearing to less than 40% (pro forma net debt will reduce from \$48 million to \$32 million) and will drive improved returns while positioning BFC to be able to pursue high value growth opportunities. The balance sheet re-set will enable BFC to negotiate a new structure for its debt facilities which are more aligned with the needs of the business. It will also position the Company to pursue future high value growth opportunities and better navigate changes in future market conditions (including higher interest rate regimes).

Following the raising, the Company will deploy the funds raised to the purposes explained above (ie for debt retirement and high ROIC projects). Whilst expenditures on the capex program will commence in the current FY23 financial year, the majority of the capex expenditure is expected to be incurred in the financial year to 30 June 2024. Priority in terms of expenditure will be given to those projects which have the shortest pay-back in order to accelerate the drive to increased profitability, with the benefits of the capital expenditure projects being progressively realised as the projects come on stream.

The estimated pay-back on the projects, once the projects have been fully implemented, ranges from 8 months to 2.5 years with an average pay-back of around 1.0 year. Directors consider that this pay-back

period, if achieved as expected, will provide an attractive commercial ROIC and will build on the positive momentum which is in train in the Company.

The Board and Management of BFC have a proven track record over the life of the Company in delivering both major and minor capex projects within budget and within critical time frames.

#### **Further information**

A personalised Entitlement and Acceptance Form accompanies this Offer Booklet. This form details your Entitlement. If you want to participate in the Entitlement Offer this form must be completed in accordance with the instructions contained in the form.

#### **The Entitlement Offer closes at 5.00pm AEDT on Tuesday, 22 November 2022.**

Please consider seeking independent advice from your stockbroker, financial adviser, accountant or other professional adviser before making an investment decision.

If you have any questions about the Company, please contact BFC directly on 08 8470 6500 or refer to the website at [www.bestonglobalfoods.com.au](http://www.bestonglobalfoods.com.au)

Full details of the Entitlement Offer are set out in this Offer Booklet, which you should read carefully before making an investment decision, including section 5 which addresses risk factors. Any questions about the application process or forms can be directed to the Share Registry on 1300 554 474 (within Australia) between 8.30am and 5.00pm (AEDT) Monday to Friday during the Offer Period.

On behalf of the Board, I invite you to consider the Entitlement Offer and I thank you for your ongoing support of the Company.

Yours sincerely



**Roger Sexton AM**

**Chairman**

**Beston Global Food Company Limited**

# Entitlement Offer

## 1. Details of the Entitlement Offer

### 1.1 Overview

BFC intends to raise up to approximately \$25 million under the Entitlement Offer via an offer of approximately 998.5 million New Shares at an Offer Price of \$0.025 per New Share. Eligible Shareholders may also apply for Additional New Shares in excess of their Entitlement up to that number which represents 100% of their Entitlement. The allocation of any Additional New Shares will be limited to the extent that there are sufficient New Shares available from Eligible Shareholders who do not take up their full Entitlement.

### 1.2 The Entitlement Offer

The Company makes the following Entitlement Offer:

- (a) a non-renounceable pro-rata offer to Eligible Shareholders of 1 New Share for every 1 Shares held as at the Record Date at an Offer Price of \$0.025 per New Share to raise up to approximately \$25 million; and
- (b) a Top-Up Offer for Eligible Shareholders, to subscribe for any New Shares not taken up by other Shareholders under the Entitlement Offer, at an Offer Price of \$0.025 per New Share. Applications for those New Shares should be made under the personalised Entitlement and Acceptance Form,  
**(the Entitlement Offer).**

### 1.3 Key details of the Entitlement Offer

The Entitlement Offer is non-renounceable. Eligible Shareholders cannot sell or transfer their Entitlements if they do not wish to take up some or all of the New Shares to which they are entitled. This means that Shareholders who do not take up their Entitlements by 5.00pm (AEDT) on the Closing Date of Tuesday, 22 November 2022, will not receive any payment or value for those Entitlements and their proportionate equity interest in the Company will be diluted.

Each Eligible Shareholder is entitled to subscribe for 1 New Share for every 1 Existing Share held at 7pm (AEDT) on Friday, 28 October 2022 at the Offer Price of \$0.025 per New Share.

New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with Existing Shares on issue. If you take no action you will not be allocated any New Shares and your Entitlement will lapse.

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 1 Existing Share you held as at the Record Date rounded up to the nearest whole New Share. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

**Note:** the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (see section 1.4 of this Offer Booklet) or you sold Shares on ASX Friday, 28 October 2022 but your broker did not settle that sale until after Friday, 28 October 2022.

## 1.4 Eligible Shareholders

The Entitlement Offer is made to all Eligible Shareholders. An Eligible Shareholder is a holder of Shares that:

- (a) is the registered holder of Shares as at the Record Date; and
- (b) has a registered address in Australia, New Zealand, Singapore or Hong Kong; and
- (c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Company may (in its absolute discretion) extend the Entitlement Offer to any Shareholder in other foreign jurisdictions (subject to compliance with applicable laws).

The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder and is therefore able to participate in the Entitlement Offer, or an Ineligible Shareholder and is therefore unable to participate in the Entitlement Offer. The Company disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

Note that the Directors and their associates are prohibited by the ASX Listing Rules from taking up any New Shares in excess of their Entitlement.

## 1.5 No trading of Entitlements

The Entitlements are non-renounceable. This means that your Entitlement to participate in the Entitlement Offer cannot be traded on ASX or any other financial market, nor can it be privately transferred. Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

## 1.6 Top-Up Offer

Eligible Shareholders who take up their Entitlement in full are also able to participate in a further offer of Additional New Shares, being the New Shares that have been initially offered to Eligible Shareholders under the Entitlement Offer and have not been taken up by them.

In summary:

- (a) the Top-Up Offer is only made to Eligible Shareholders who have fully taken up their Entitlement;
- (b) the Top-Up Offer is not capped but no Eligible Shareholder may receive any New Shares which would result in the relevant Shareholder having voting power in the Company in excess of 20% of the total issued share capital of the Company;
- (c) applications for Additional New Shares under the Top-Up Offer will be allocated the full amount of Additional New Shares applied for save that where the total number of Additional New Shares applied for exceeds the shortfall available and a scale back is required under the Top-Up Offer, applications for Additional New Shares will be scaled back on a pro rata basis in accordance with their Entitlements. There is not guarantee that any Application for Additional New Shares under the Top-Up Offer will be successful either in part or in full as the number of Additional New Shares available will be subject to the degree to which Eligible Shareholders take up their Entitlements;
- (d) the Offer Price of Additional New Shares under the Top-Up Offer is the same as the Offer Price under the Entitlement Offer, that is A\$0.025 per Additional New Share; and
- (e) the Company will not issue Additional New Shares under the Top-Up Offer where to do so would be likely to result in a breach of its constitution, the Corporations Act or the ASX Listing Rules.
- (f) in the event of a scale-back, the difference between the Application Monies received, and the number of Additional new Shares allocated to you multiplied by the Issue Price will be refunded following allotment. No interest will be paid on any Application Monies received and returned.

## **1.7 Shortfall**

- (a) Subject to section 1.6 of this Offer Booklet, the directors of the Company reserve the right to place, issue and allot any shortfall (being New Shares offered but not taken up under the Entitlement Offer), at a price not less than the Issue Price within the period permitted under the relevant Listing Rule.
- (b) The directors of the Company will not otherwise exercise their discretion regarding allocation of any shortfall in a manner likely to exacerbate a potential unacceptable control effect, except to the extent they consider necessary (acting reasonably) to prevent the issue of shares contrary to law or the Listing Rules.
- (c) To the extent there is any remaining shortfall following the Top-Up Offer, the Company confirms that such shortfall will not be placed with directors of the Company or their associates or would otherwise result in a contravention of section 606 of the Corporations Act.

## **1.8 Acceptances**

The Entitlement Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Closing Date of the Entitlement Offer.

Instructions for accepting your Entitlement are set out in section 2.1 and on the Entitlement and Acceptance Form which accompanies this Offer Booklet.

## **1.9 Treatment of Ineligible Shareholders**

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations in those jurisdictions outside Australia, New Zealand, Singapore and Hong Kong, the Company has decided that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This Offer Booklet will not be sent to those Shareholders.

This Offer Booklet does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Offer Booklet or make the Entitlement Offer.

No action has been taken to register or qualify the Entitlement Offer or the New Shares issued under the Entitlement Offer, or to otherwise to permit an offering of New Shares under the Entitlement Offer, in any jurisdiction other than Australia, New Zealand, Singapore and Hong Kong.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the United States of America and the District of Columbia). This document is not an offer of securities for sale into the United States of America or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States of America or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States of America.

Recipients may not send or otherwise distribute this Offer Booklet or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

The Entitlement Offer is non-renounceable. As a result, Ineligible Shareholders will not receive any value equivalent to the Entitlement attributable to the Shares held by the Ineligible Shareholder.

## **1.10 Beneficial holders, nominees, trustees and custodians**

Nominees and custodians that hold Shares should note that the Entitlement Offer is only being made to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares (e.g. for the purposes of determining whether any such persons may participate in the Entitlement Offer). Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia, New Zealand, Singapore and Hong Kong, except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer. Where any holder is acting as a nominee or

custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

### **1.11 Rights and liabilities attaching to New Shares**

The New Shares issued under this Offer Booklet will be fully paid ordinary shares and will, as from their issue, rank equally in all respects with all Shares then on issue.

The rights and liabilities attaching to the Shares are set out in the Company's Constitution and are regulated by the Corporations Act, the general law, the ASX Listing Rules and the ASX Settlement Operating Rules. The Constitution may only be varied by a special resolution which is a resolution passed by at least 75% of the votes cast by Shareholders present (and entitled to vote).

Full details of the rights and liabilities attaching to the Shares are detailed in the Constitution, a copy of which can be inspected free of charge at the Company's registered office during normal business hours.

### **1.12 Issue of New Shares and Application Monies**

New Shares will be issued as soon as practicable after the relevant Closing Date subject to ASX granting permission for the New Shares to be quoted.

All Application Monies will be deposited into the Share Registry trust account and will be held on trust for Applicants until the New Shares are issued or the Application Monies are returned. Any interest that accrues will not be paid to Applicants.

### **1.13 ASX quotation and trading**

The Company will notify ASX of the proposed issue of the New Shares on the date of this Offer Booklet and apply for quotation of the New Shares on ASX within 5 business days after the Closing Date of the Entitlement Offer (or as otherwise required by ASX).

While the Company is not aware of any reason why quotation would be denied, there is no assurance that the application will be granted. If ASX does not grant permission for quotation of the New Shares offered under this Offer Booklet within three months after the date of this Offer Booklet, or such longer period as modified by ASIC, none of the New Shares offered by this Offer Booklet will be issued. In these circumstances, Applications will be dealt with in accordance with the Corporations Act including the return of all Application Monies without interest.

Quotation of the New Shares issued under the Entitlement Offer (if granted by ASX) will commence as soon as practicable after holding statements in respect of the New Shares are despatched.

The fact that ASX may grant quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

Holding statements will be despatched in accordance with the ASX Listing Rules. It is the responsibility of each Applicant to confirm their holding before trading in New Shares. Any Applicant who sells New Shares before receiving their confirmation of issue will do so at their own risk. The Company and the Share Registry disclaim all liability (to the maximum extent permitted by law in tort (including negligence), statute or otherwise), to any person who trades in New Shares before receiving their holding statements, whether on the basis of a confirmation of issue provided by the Company or the Share Registry, or otherwise.

### **1.14 Please consider the Entitlement Offer in the light of your particular investment objectives and circumstances**

Please consult with your stockbroker, financial adviser, accountant, taxation adviser or other independent professional adviser if you have any queries or are uncertain about any aspects of the Entitlement Offer. You should also refer to the risks associated with an investment in the Company and the New Shares which are set out in section 5 of this Offer Booklet.

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the

Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment.

## 2. How to apply

### 2.1 How to apply under the Entitlement Offer

If you are an **Eligible Shareholder**, you may do any one of the following:

- take up all or part of your Entitlement (see section **2.1(a)** below);
- take up all of your Entitlement and also apply for Additional New Shares under the Top-Up Offer (see section **2.1(b)** below); or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements (see section **2.1(c)** below).

Amounts received by the Company in excess of the Offer Price multiplied by your Entitlements (**Excess Amount**) may be treated as an Application to apply for as many Additional New Shares as your Excess Amount will pay for in full under the Top-Up Offer. Your application for the Additional New Shares may not be successful (wholly or partially). Any surplus Application Monies received for more than your final allocation of any Additional New Shares will be refunded. You are not entitled to any interest that accrues on any Application Monies received or returned (wholly or partially).

Entitlements cannot be traded on ASX or another financial market, or privately transferred.

#### (a) *If you wish to take up all or part of your Entitlement*

To take up all or part of your Entitlement, applications for New Shares must be made by **BPAY®** by paying your Application Monies via **BPAY®** in accordance with section **Error! Reference source not found.** You do not need to complete an Entitlement and Acceptance Form because payment is made by **BPAY®**.

The Share Registry will not accept payment made by cheques.

#### (b) *If you wish to take up all of your Entitlement and apply for Additional New Shares under the Top-Up Offer*

If you have applied for your full Entitlement, you may wish to apply for more New Shares than the number shown on your Entitlement and Acceptance Form, under the Top-Up Offer. To do this, make a payment for more than your Entitlement and the Excess Amount will be taken to be an application for Additional New Shares under the Top-Up Offer.

Applications for Additional New Shares under the Top-Up Offer are not capped but no Eligible Shareholder may receive any New Shares which would result in the relevant Shareholder having voting power in the Company in excess of 20% of the total issued share capital of the Company, and any Application may be capped or scaled back as set out in section 1.6 of this Offer Booklet

To subscribe for all of your Entitlement and apply for Additional New Shares under the Top-Up Offer, applications for New Shares must be made by paying your Application Monies via **BPAY®** in accordance with section **Error! Reference source not found.** You do not need to complete an Entitlement and Acceptance Form if you pay by **BPAY®**.

#### (c) *If you do nothing*

If you take no action, you will not be issued New Shares and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred. Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you do not accept your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) will become available to be taken up by other Eligible Shareholders via the Top-Up Offer.



The number of Shares you hold as at the Record Date and the rights attached to those Shares will not be affected if you choose not to accept your Entitlement. However, your percentage shareholding will be diluted as a result of the issue of New Shares under the Entitlement Offer. Refer to section 4.4 for worked examples of the dilution effect.

## 2.2 Payment by BPAY®

To pay via BPAY® you will need to:

- (i) be an account holder with an Australian financial institution which supports BPAY® transactions; and
- (ii) use the Customer Reference Number (**CRN**) shown on your Entitlement and Acceptance Form which is required to identify your shareholding. If you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Monies.

When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Entitlement and Acceptance Form. If you do not use the correct CRN, your Application will not be recognised as valid.

You do not need to complete a paper Entitlement and Acceptance Form, if you pay by BPAY®, however, you will be taken to have made the statements and certifications that are set out in the Entitlement and Acceptance Form.

Should you pay by BPAY® it is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (AEDT) on the relevant Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. The Company takes no responsibility for any failure to receive payment by BPAY® before the relevant Closing Date as a result of, among other things, delays in postage or processing of payments by financial institutions.

## 2.3 Refunds

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the Closing Date. No interest will be paid to applicants on any Application Monies received or refunded.

## 2.4 Entitlement and Acceptance Forms are binding

Making a payment in respect of an Application by BPAY®, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Booklet and, once lodged, cannot be withdrawn.

By making a payment in respect of an Application for the Entitlement Offer by BPAY®, you will be deemed to have represented that you are an Eligible Shareholder.

In addition, by making a payment in respect of an Application for the Entitlement Offer by BPAY®, you will be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Offer Booklet does not prohibit you from being given the Offer Booklet and that you:

- (a) agree to be bound by the terms of the Entitlement Offer, the Offer Booklet and the Constitution;
- (b) declare that:
  - (i) you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer (as applicable);
  - (ii) you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date; and
  - (iii) you are an Australian or New Zealand resident, and you are not in the United States of America or a US Person, or acting for the account or benefit of a US Person;

- (c) acknowledge that:
  - (i) once the Company receives your payment by BPAY®, you may not withdraw it except as allowed by law;
  - (ii) you have personally received a printed or electronic version of this Offer Booklet (and any supplementary or replacement offer booklet (if any)) included in or accompanying an Entitlement and Acceptance Form and have read them all in their entirety;
  - (iii) the information contained in, or accompanying, the Offer Booklet is not investment or financial product advice or a recommendation that the New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
  - (iv) this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
  - (v) the New Shares have not, and will not be registered under the securities laws in any other jurisdictions outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the requirements of applicable securities laws, in particular the US Securities Act;
  - (vi) in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked; and
  - (vii) the Entitlement Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Offer Booklet;
- (d) agree to apply for, and be issued with up to, the number of New Shares that you apply for at the Offer Price of \$0.025 per New Share;
- (e) authorise the Company to:
  - (i) register you as the holder of New Shares and authorise the Company and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instruction of the Share Registry by using the contact details set out in the Entitlement and Acceptance Form; and
  - (ii) correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (f) represent and warrant that the law of any place, other than Australia, and New Zealand (if you are an Eligible Shareholder), does not prohibit you from being given this Offer Booklet or making an application for New Shares; and
- (g) if you are acting as a nominee or custodian for an Eligible Shareholder, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand except with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer, and is not acting for the account or benefit of a person in the United States, and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

### 3. Company information

#### 3.1 About the Company

Beston Global Food Company (“Beston”) is a leading supplier of dairy, meat and plant-based protein to domestic and international markets. Beston is Australia’s 3rd largest mozzarella producer, and growing, thanks to its state-of-the-art mozzarella facility at Jervois and its cheddar facility at Murray Bridge, both of which are located in South Australia. Apart from its cheese production (mozzarella, cheddar, gruyere, colby, gouda, parmesan and cream cheese), Beston’s dairy division also produces whey powder, cream, butter and lactoferrin, accounting for over 20% of South Australia’s total milk pool. Beston also produces core meat products and plant-based meat products at its Provincial Food Group facility at Shepparton, Victoria. The Company listed on the ASX on 28 August 2015.

#### 3.2 Recent company information

The Investor Presentation in relation to the Equity Raise was released to the ASX on 19 October 2022 and is available at this link: <https://www2.asx.com.au/markets/trade-our-cash-market/announcements.bfc>

The Company released its Q1 FY23 Trading Update on 7 October 2022. The key points from this Trading Update include:

- Record Q1 FY23 Group Sales of \$46.6 million, up 49% compared to previous corresponding period;
- Group Q1 FY23 EBITDA & NPAT positive, with FY23 EBITDA guidance reaffirmed at \$8-10 million; and
- 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.

The Company has previously announced that it had signed a Memorandum of understanding (MOU) with KGC Corporation in Thailand to enter into a strategic partnership. Under the terms of the MOU, Beston would issue 103,626,943 shares to KCG at a price of 9.65 cents per share, being a total subscription amount of AUD 10 million. KCG is one of the largest importers of dairy products into Thailand and has wide distribution operations across the ASEAN region. Beston has a long term supply relationship with KCG and currently supplies KCG with a range of dairy products.

On 31 August 2022 the Company provided an update in respect of this strategic partnership, noting that there are several matters that remain unresolved, particularly in relation to the terms and conditions of the Supply Agreement which is to be put in place between KCG and BFC as per the signed MOU. In its 31 August 2022 update, the Company noted that it had advised KCG that it has withdrawn its offer, under the terms of the MOU, to make a strategic placement of shares to KCG until such time as these matters can be resolved.

On 19 August 2022 the Company announced that Ms Joanna Andrews had advised the Board that she wished to resign as a Non-Executive Director of BFC in order to have more time to focus on the rapidly growing legal practice of which she is a partner, and her increasing interstate travel commitments.

On 16 June 2022 the Company announced that the official opening of BFC's Lactoferrin Plant by South Australian Premier Hon Peter Malinauskas was to take place on 28 September 2022.

## 4. Purpose and effect of the Entitlement Offer

### 4.1 Purpose of the Entitlement Offer

If the Entitlement Offer is fully subscribed, approximately 998.5 million New Shares will be issued (either as a result of all Eligible Shareholders accepting the Entitlement Offer or pursuant to the Top-Up Offer under this Offer Booklet being fully subscribed).

The offer price for the Entitlement Offer is \$0.025. Assuming the Entitlement Offer is fully subscribed, the maximum total proceeds of the Entitlement Offer will be approximately \$25 million.

In this section, details are provided on the use of the funds raised under the Entitlement Offer, the costs of the Entitlement Offer and, more particularly, the effect of the Entitlement Offer on the capital structure and financial position of the Company.

### 4.2 Use of funds

The proceeds raised from the Entitlement Offer will be used to assist with the following activities:

- (a) Retire debt and reset the balance sheet to accelerate earnings growth, after the impact of COVID-19, and pursue future growth opportunities (\$16 million);
- (b) Invest in several high ROI manufacturing projects to accelerate profit and sustainability improvements including vertically integrating our cheese processing capabilities (\$7.5 million);
- (c) Expand innovation and leadership in the bioactive protein and nutraceuticals space via targeted investments (\$3 million); and
- (d) Costs of the offer (\$1.7 million)

Further information about these activities is provided in the Chairman's Letter on page 9 of this Offer Booklet and in the Investor Presentation which is available at <https://www2.asx.com.au/markets/trade-our-cash-market/announcements.bfc>.

### 4.3 Effect on capital structure

An issue of the Shares under this Offer Booklet will have an effect on the capital structure and the financial position of the Company. The effect of the Entitlement Offer on the capital structure of the Company is set out below.

The table below assumes that prior to the Record Date, no Shares will be issued by the Company other than those offered under this Offer Booklet, and the Entitlement Offer is fully subscribed (subject to rounding up of fractional Entitlements).

#### Effect on capital structure of the Entitlement Offer

Event	Total Shares
Current Shares on issue prior to the Entitlement Offer <sup>2</sup>	998,523,450
New Shares issued under the Entitlement Offer (if fully subscribed)	998,523,450
Total Shares on issue after completion of the Entitlement Offer (if fully subscribed)	1,997,046,916
Total New Shares as a percentage of total Shares on issue after completion of the Entitlement Offer <sup>3</sup>	50%

<sup>2</sup> Note that this figure includes the 130,242,190 Shares issued on 26 October 2022 under the Institutional Placement announced to the ASX on 19 October 2022.

<sup>3</sup> Assuming the Entitlement Offer is fully subscribed.

#### 4.4 Impact on control of the Company

The effect of the Entitlement Offer on control of the Company will depend on a number of factors, including the level of Entitlements taken up by Eligible Shareholders and the number of Additional New Shares taken up via the Top-Up Offer.

If an Eligible Shareholder takes up their full Entitlement in the Entitlement Offer, their shareholding percentage will not be diluted due to the New Shares issued. However, if an Eligible Shareholder does not take up their full Entitlement under the Entitlement Offer, their holding may be diluted depending on the participation of other Eligible Shareholders. Examples of how the dilution may impact Shareholders following completion of the Entitlement Offer are set out in the table below.

##### Shareholder dilution examples (assuming the Entitlement Offer is fully subscribed)

Shareholding in the Company before the Entitlement Offer	Shareholding % in the Company as at the Record Date	Entitlement to New Shares under the Entitlement Offer	Shareholding % if Shareholder takes up 100% of their Entitlement	Shareholding % if Shareholder takes up 50% of their Entitlement	Shareholding % if none of the Shareholder's Entitlement is taken up
5,000,000	0.5007%	5,000,000	0.5007%	0.3755%	0.2503%
1,000,000	0.1001%	1,000,000	0.1001%	0.0751%	0.0500%
100,000	0.0100%	100,000	0.0100%	0.0075%	0.0050%
50,000	0.0050%	50,000	0.0050%	0.0037%	0.0025%
10,000	0.0010%	10,000	0.0010%	0.0007%	0.0005%

Given the structure of the Equity Raising, other potential effects that the issue of the New Shares will have on the control of the Company is as follows:

- (a) Shareholders who are ineligible to participate in the Entitlement Offer will have their percentage holding in the Company's shares diluted as a consequence of the issue of New Shares. If the New Shares of ineligible shareholders are acquired by Eligible Shareholders, those Shareholder's percentage interest in the Company would increase; and
- (b) the Entitlement Offer includes a Top-Up Offer through which Eligible Shareholders who take up their entitlement in full are also able to participate in a further offer of additional New Shares, being the New Shares that have been initially offered to Eligible Shareholders under the Entitlement Offer and have not been taken up by them;
- (c) as part of the Equity Raising, Regal Funds Management Pty Ltd ACN 107 576 821 (**Regal**) has, through an executed binding commitment letter, committed to \$15 million (up to 600,000,000 New Shares) through the Placement and Entitlement Offer. The binding commitment letter provides that Regal must not take up an amount of shares exceeding 20% of the total voting power in the Company post Capital Raising. To the extent that Regal's commitment would exceed 20% of the voting power, it must procure other subscribers for any New Shares that would otherwise increase its voting power over 20%;
- (d) following the Capital Raising, Allianz Global Investors Asia Pacific Limited ARBN 160 464 200 (Allianz), will, in accordance with an executed binding commitment letter, be issued up to 106,632,952 New Shares through the Entitlement Offer. The binding commitment letter provides that Allianz must not take up an amount of shares exceeding 9.5% of the total issued capital of the Company post Capital Raising;
- (e) as noted in the investor presentation lodged with ASX on Wednesday 19 October 2022 in relation to the Capital Raise, BFC Senior Management personnel have indicated that they will more than take-up their rights in the event of any shortfall (being New Shares offered but not taken up under the Entitlement Offer). The Company advises that the shortfall commitments of key executives does not exceed 0.6 % of the issued capital of the Company post Capital Raise;

- (f) the above shortfall commitments are subject to there being sufficient shortfall available under the Entitlement Offer and the directors of the Company reserve the right to place, issue and allot any shortfall, at a price not less than the Issue Price within the period permitted under the relevant Listing Rule;
- (g) the directors of the Company will not otherwise exercise their discretion regarding allocation of any shortfall in a manner likely to exacerbate a potential unacceptable control effect, except to the extent they consider necessary (acting reasonably) to prevent the issue of shares contrary to law or the Listing Rules; and
- (h) It is not currently anticipated that any shareholder of BFC or investor will increase their relevant interest above 20% as a result of participating in the Capital Raising.

#### **4.5 Joint Lead Managers**

Neither the Joint Lead Managers nor any of their related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents (collectively, the 'Lead Manager Parties') have authorised or caused the issue or lodgement, submission, dispatch or provision of this Offer Booklet and there is no statement in this Offer Booklet which is based on a statement made by a Joint Lead Manager Party. To the maximum extent permitted by law, each Lead Manager Party expressly disclaims all liabilities in respect of, and makes no, representations regarding, and takes no responsibility for any part of this Offer Booklet or any action taken by you on the basis of the information in this Offer Booklet, and makes no representation or warranty as to the currency, accuracy, reliability or completeness of this Offer Booklet. To the maximum extent permitted by law, the Lead Manager Parties exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Offer Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Lead Manager Parties makes any recommendations, express or implied, as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning this Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by any of the Lead Manager Parties in relation to the New Shares or the Entitlement Offer generally.

The Joint Lead Managers will be paid, in aggregate, in respect of the Entitlement Offer:

- (a) in their Respective Proportions, a fee of 6% of the Offer Proceeds;
- (b) reimbursements for their various respective costs incurred as Joint Lead Managers in relation to the Entitlement Offer.

## **5. Risk factors**

### **5.1 Disclaimer**

An investment in the Company carries risk, including those specific to the Company, those broader risks which affect the Assets of the Company and those more general risks associated with investing in the share market. Many of these risks are outside the control of the Company, its Directors and officers. Consequently, the New Shares offered under this Offer Booklet carry no guarantee in respect of profitability, dividends or return of capital. Neither the Company nor its Directors nor any party associated with the preparation of this Offer Booklet warrants that any specific objective of the Company will be achieved.

### **5.2 Future performance**

In addition, to the extent that statements in this Offer Booklet constitute forward looking statements, these statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward looking statements. Although the Company believes that the expectations reflected in the forward looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements, or that historic results will be repeated.

You should consider whether the New Shares offered by this Offer Booklet are a suitable investment, having regard to your own individual investment objectives, financial circumstances and the risk factors set out below.

The list below includes the risks included under the "Investment Risks" section of the Investor Presentation, and also highlights additional significant and material risks, however the list may not be exhaustive. Other less significant or less probable factors may also impact the financial performance, the financial position or the cash flow of the Company. Should any or all of these risk factors materialise, the value of the Shares of the Company may be adversely affected.

Consequently, investors should read this Offer Booklet in its entirety, consider the following risk factors and consult their accountant, financial advisor, stockbroker, lawyer or other professional advisor prior to making an investment.

### **5.3 General risk factors**

Prospective investors should also consider the following risks associated with investments in equity capital such as the Company's shares:

- investment risks, such as changes in the Company's own assessment of the economics of developing its assets or the market perception of the value of the Company's assets and shares;
- share market and liquidity risks involved in the listing and trading of shares on the ASX;
- economic, political and social factors, including activism and pandemics, and the effect on the market price of shares of movements in equities markets, commodity prices, currency fluctuations and interest rates, and local and global political and economic conditions;
- epidemics and pandemics such as COVID-19;
- geo-political instability, including international hostilities and acts of terrorism, the response to COVID-19 and travel restrictions;
- circumstances requiring the Company to change its strategy;
- the Australian economy deteriorating (including, the adverse impacts of, and the responses to COVID-19); and
- stock market sentiment fluctuations impacting on the Company's share price.

These risks are associated with an investment in Shares but are not an exhaustive list. As a Shareholder, you will continue to be exposed to such risks. There may also be additional risks and uncertainties not currently known which may have an adverse effect on the Company's business and the value of the Shares. Where possible, Beston will seek to minimise its exposure to, and mitigate the effects of, these risks. However, certain risks relate to matters that are outside the control of the Company, and there can be no assurance that any steps that the Company takes will successfully protect it from any particular risk.

The risks identified do not take into account the investment objectives, financial situation, tax position or other circumstances of any particular Shareholder. Shareholders should have regard to their own investment objectives and financial circumstances and seek professional advice from their legal, financial or other independent adviser before determining whether or not to participate in the entitlement offer.

### **5.4 Development risk**

In the event that the Company undertakes a development project, then that development could be delayed or unsuccessful for a number of reasons including extreme weather, unanticipated operational occurrences, failure to obtain necessary approvals, insufficient funds, a drop-in commodity price, supply chain failure, unavailability of appropriate labour, or an increase in costs. If one or more of these occurrences has a material impact then the Company's operational and financial performance may be negatively affected.

### **5.5 COVID-19 risk**

The Company has observed that in response to COVID-19 governments globally have imposed restrictions on the movement of citizens and limited non-essential services and activities. Governments around the world have also recommended or enforced restrictions on domestic and international travel in order to slow the spread of COVID-19. A number of aspects of the

Company's business may also be directly or indirectly impacted by government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and travel restrictions associated with COVID-19, including disruption to availability of equipment, materials and workforce required for food and beverage production activities.

#### **5.6 Operational risk**

Adverse weather conditions events, unforeseen increases in establishment costs, mechanical failures, human errors, industrial disputes or other unforeseen events, could lead to increased costs or delay to the Company's activities. The Company will mitigate this risk by, amongst other things, taking out appropriate insurance in line with industry practice.

#### **5.7 Price risk**

The price at which the Company can sell its produced cheese (mozzarella, cheddar), lactoferrin, cream, butter and whey powder, will have a material influence on the financial performance of the Company. It is impossible to predict future commodity prices with confidence and the factors which impact it include, but are not limited to, global political situations, military conflicts, technological changes, output controls and global consumption which are all outside the control of the Company. A material and extended fall in realised prices for the Company's products may have an adverse impact on the Company's financial performance.

#### **5.8 Acquisitions Risk**

BFC intends to make acquisitions where there is a strategic benefit to the Company and indicators that there will be an appropriate return on the acquisition. BFC will conduct appropriate due diligence and engage professional independent advisors in respect of any potential strategic investments, however there is a possibility that due diligence undertaken in connection with new acquisitions does not reveal issues that could later have a material impact on the profit of the Company. Beston may also be unable to identify suitable investment opportunities which would prohibit strategic expansion of its operational and production capacities.

#### **5.9 Regulatory risk**

The enactment of new legislation or adoption of new requirements of a governmental authority may restrict or affect the Company's ability to operate and produce goods efficiently and effectively. This may include new requirements relating to climate change.

#### **5.10 Community opposition risk**

There is a risk that community disapproval may lead to direct action which impedes Beston's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company.

#### **5.11 Counterparty exposure**

The financial performance of the Company is subject to its various counterparties continuing to perform their respective obligations under various contracts. If one of its counterparties partners fails to adequately perform their contractual obligations, this may result in loss of earnings, termination of particular contracts, disputes and/or litigation of which could impact on the Company's financial performance.

#### **5.12 Key person dependence**

The future success of the Company depends, to a significant extent, upon the continued services of the members of the management team of the Company. There can be no assurance that the Company will be able to retain or hire all personnel necessary for the development and operation of its business. The loss of senior managers could harm the Company's business and its future prospects.

#### **5.13 Valuation of Shares**

Broad market fluctuations could negatively (or positively) impact on the market value of the Shares.



The market value of dairy factories and plant and equipment have shown themselves historically to be linked to the world milk price and the supply and demand of dairy commodities, as long as dairy farming is the highest and best use for the assets. During periods in which the market is weaker than normal, reduced confidence in the market-place may see a reduction in recognition of forward cashflows. This may have an effect on attributed net tangible asset share value in distressed circumstances.

#### **5.14 Insurance risks**

Factory insurance may not cover certain events.

The Company intends to meet its obligations to maintain its insurance requirements on the assets and business in accordance with industry practice. However, in certain circumstances, the insurance may not be of a nature or level to provide adequate insurance cover and in some circumstances appropriate insurance cover may not be available or financially viable for certain risks. The occurrence of an event that is not covered or fully covered by insurance i.e. an Act of God, could have a material adverse effect on the business, financial condition and results.

#### **5.15 Asset risk**

It is anticipated that new plant installations to improve productivity, if soundly selected, will enhance the value of the dairy factories. However, uncontrollable world market changes will affect the ongoing demand for all types of property and commodities. In the event of termination of customer contracts and rationalisation of the assets, realisable value in the market-place may be lower than expected.

There is a risk that the value of the assets or investments selected may decline in market value.

#### **5.16 Cashflow assurance**

Cashflow is not assured. If the Company's cash flow is reduced, it may not be able to pay dividends. The Company's ability to pay distributions to Shareholders is based on key factors such as:

- operational skills and seasonal conditions impacting on production levels and costs of operations; and
- success in negotiating future favourable dairy product contract terms.

In the event of defaults or unexpected events, operational surpluses and/or payments could decrease or cease, which would result in a reduction in cash available for distribution. Dependent on the circumstances, the impact may result in a reduction in the capital value of the Company's assets. The Company will seek to regularly ensure any disruption to payments or unsatisfactory compliance to commercial obligations are identified early and acted upon promptly.

#### **5.17 Pricing risk**

The Company's potential revenue will primarily be derived from the sale of its products. The prices for those products may fluctuate and are affected by factors beyond the Company's control. Relevant factors include supply and demand fluctuations, competitor activities, availability and pricing of milk supplies and macro-economic factors.

The access to milk for production from third party milk contracts may be affected by environmental or seasonal factors. While many farms are better water assured than others via sustainable permanent irrigation licenses, some will not be. Third party farmer suppliers who contract their milk supply, operate in an open commercial market in which the Company remains competitive. However, the Company has no control over competing companies pricing behaviour.

#### **5.18 Competition risk**

The Company's business may be affected by international events it has no control over. As much as possible this risk will be mitigated by fixed term contracts and agreements.

The dairy industry is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or

actions may, positively or negatively affect the operating and financial performance of the Company's projects and business.

### **5.19 Economic risk**

Changes to Australia's general economic conditions both in Australia and internationally may impact on the performance of the Company. This could include:

- contractions in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions, such as movements in domestic interest rates and reduced economic activity;
- increases in the costs of goods and services;
- changes to government or regulatory fees and taxes or duties;
- changes in value to Australian dollar versus other assets and currencies;
- changes in law and government policy, particularly in respect of taxation or the environment, and regulation of the mining industry generally; and
- the introduction of new government levies or resource taxes..

### **5.20 Climate or environmental risk**

Processing businesses are often exposed to various environmental risks, which can have adverse impacts on the operation of the business, the health and wellbeing of the safety personnel and equipment. As a seller of agricultural products, weather and climactic conditions directly affect the business operations of the Company. The quantity and quality of the Company's products may be adversely impacted by weather or climactic conditions. These risks are part of the unforeseen pattern business and there are limited avenues to mitigate such risks. The business strategy of the Company is to undertake mitigation controls and procedures, including awareness training and planning to limit to the extent reasonable the impact from such events when they occur.

### **5.21 Retail environment**

There is a risk that an economic downturn could occur in Australia or overseas, which could cause the retail environment to deteriorate as consumers reduce their expenditure (generally) or reduce their disposable income expenditure. This could result in reduced turnover for the Company.

## **6. Additional information**

### **6.1 Regular reporting and disclosure**

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, the Company has an obligation (subject to certain limited exceptions) to notify ASX once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities. All announcements made by the Company are available from the 'Investors' section of the Company's website at [www.bestonglobalfoods.com.au](http://www.bestonglobalfoods.com.au) or ASX's website [www.asx.com.au](http://www.asx.com.au).

Additionally the Company is also required to prepare and lodge with ASIC yearly and half yearly financial statements accompanied by a directors' statement and report and an audit review or report. These reports are released to ASX and published on the Company and ASX websites. The latest yearly report was released to the ASX on 30 September 2022.

### **6.2 Company announcements**

Investors may view a record of the Company's ASX announcements at [www.asx.com.au](http://www.asx.com.au). ASIC also maintains records in respect of documents lodged with it by the Company and these may be obtained from or inspected at the office of ASIC. This Offer Booklet is intended to be read in conjunction with information previously publicly disclosed by the Company.

The Company will provide free of charge to any person who requests it during the Offer Period under this Offer Booklet:

- (a) the annual financial report most recently lodged by the Company with ASIC;
- (b) any half-year financial report lodged by the Company with ASIC during the Offer Period;  
and
- (c) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules in the period between 30 June 2022 and the Closing Date.

### **6.3 Foreign jurisdictions**

Beston has determined that it is unreasonable to extend the Entitlement Offer to Ineligible Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

The information in this Offer Booklet, the Investor Presentation, any accompanying ASX announcement and the Entitlement and Acceptance Form do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, and no action has been taken to register the New Shares or otherwise permit a public offering of the New Shares in any jurisdiction outside of Australia or New Zealand. Return of the personalised Entitlement and Acceptance Form or your BPAY® payment will be taken by Beston to constitute a representation by you that there has been no breach of any such laws.

The distribution of this Offer Booklet (including an electronic copy) outside Australia, New Zealand or to certain foreign countries to the extent contemplated in this Offer Booklet may be restricted by law. In particular, this Offer Booklet or any copy of it must not be taken into or distributed or released to any person in the United States or any other jurisdiction outside Australia or New Zealand, Singapore and Hong Kong. If you come into possession of this Offer Booklet, you must observe such restrictions and should seek your own advice on such restrictions.

Due to legal restrictions, nominees and custodians may not send copies of this Offer Booklet or any material relating to the Entitlement Offer or accept the Entitlement Offer in relation to any person in the United States or any other jurisdiction outside Australia or New Zealand, except to beneficial Shareholders who are institutional or professional investors in certain foreign countries to the extent contemplated in this Offer Booklet, the Investor Presentation or as Beston may otherwise permit in compliance with applicable law.

#### ***United States***

This Offer Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The New Shares in the Entitlement Offer are being offered and sold outside the United States in 'offshore transactions' as defined and in reliance on Regulation S under the US Securities Act.

#### ***New Zealand***

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

#### ***Hong Kong***

WARNING: This Offer Booklet has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the

Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this Offer Booklet or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### ***Singapore***

This document and any other documents relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the 'SFA') or as otherwise pursuant to, and in accordance with, the conditions of any other applicable provisions of the SFA.

This document has been provided to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an 'institutional investor' (as defined in the SFA) or (iii) a 'relevant person' (as defined in section 275(2) of the SFA). In the event you are not such a shareholder, institutional investor or relevant person, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to the resale restrictions in Singapore and comply accordingly.

## **6.4 CHES**

The New Shares will participate from the date of commencement of quotation in the Clearing House Electronic Sub-register System (**CHES**), operated by ASX Settlement Pty Limited. These securities must be held in uncertificated form (i.e. no certificate will be issued) on the CHES sub-register under sponsorship of a sponsoring participant (usually a broker) or on the issuer-sponsored sub-register. Arrangements can be made at any subsequent time following quotation to convert your holdings from the issuer-sponsored sub-register to the CHES sub-register under sponsorship of a sponsoring participant or vice versa, by contacting your sponsoring participant.

## **6.5 Taxation**

The Board do not consider that it is appropriate to provide Eligible Shareholders with advice regarding the taxation consequences of accepting the Entitlement Offer under this Offer Booklet. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to investors or Eligible Shareholders in respect of any issue.

## **6.6 Privacy disclosure statement**

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on their Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The Corporations Act and Australian taxation legislation requires the Company to include information about a Shareholder (including name, address and details of the Shares held) in its public register, the Company's Share Registry, which is accessible by the public. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about it subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

The Company may also share your personal information with the Company's agents, service providers and others who provide services on the Company's behalf, some of which may be located outside of Australia where your personal information may not receive the same level of protection as afforded under Australian law.

For more details on how the Company collects, stores, uses and discloses your information, please read the Company's Privacy Policy located on the Company's website. Alternatively, you can contact the Company to request a copy of its Privacy Policy free of charge.

It is suggested that you obtain a copy of the Company's Privacy Policy and read it carefully before making an investment decision.

## **6.7 Governing Law**

This Offer Booklet and the contracts that arise from the acceptance of Applications under the Entitlement Offer are governed by the laws applicable in South Australia, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of South Australia, Australia.

# Glossary

Term	Definition
<b>\$, A\$ or AUD</b>	the currency of Australia.
<b>AFSL</b>	Australian Financial Services Licence.
<b>AEDT</b>	Australian Eastern Daylight Time.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASX or Australian Securities Exchange</b>	ASX Limited ACN 008 624 691 or the financial market known as the Australian Securities Exchange operated by it, as the context requires.
<b>ASX Listing Rules</b>	the listing rules of the ASX.
<b>ASX Settlement</b>	ASX Settlement Pty Limited ABN 49 008 504 532.
<b>ASX Settlement Operating Rules</b>	the operating rules of ASX Settlement as amended from time to time, except to the extent of any express written waiver by ASX Settlement.
<b>Additional New Share</b>	A New Share offered and issued under the Top-Up Offer.
<b>Applicant</b>	An Eligible Shareholder who submits a valid Entitlement and Acceptance Form for New Shares (and if applicable, Additional New Shares) and required Application Monies pursuant to this Offer Booklet.
<b>Application</b>	a valid application made on a personalised Entitlement and Acceptance Form to apply for New Shares (and if applicable, Additional New Shares) in accordance with this Offer Booklet.
<b>Application Monies</b>	monies received from Applicants in respect of their Applications.
<b>Board</b>	the board of Directors unless the context indicates otherwise.
<b>Closing Date</b>	5.00pm (AEDT), Tuesday, 22 November 2022 (or such later date as the Company determines in its sole and absolute discretion).
<b>Company or BFC</b>	Beston Global Food Company Limited ACN 603 023 383.
<b>Constitution</b>	the constitution of the Company as at the date of this Offer Booklet.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	the directors of the Company as at the date of this Offer Booklet.
<b>Eligible Shareholder</b>	has the meaning given in section 1.4.
<b>Entitlement</b>	the number of New Shares that an Eligible Shareholder is entitled to apply for under the Entitlement Offer, as determined by the number of Shares held by that Eligible Shareholder on the Record Date.
<b>Entitlement and Acceptance Form</b>	the relevant personalised form accompanying this Offer Booklet which Eligible Shareholders may use to apply for New Shares.
<b>Entitlement Offer</b>	the pro-rata non-renounceable entitlement offer of New Shares in the Company in the ratio of 1 New Share for 1 Existing Share held on the Record Date at the Offer Price.
<b>Excess Amount</b>	any money in excess of the full amount of Application Monies for an Eligible Shareholder's whole Entitlement.
<b>Existing Shares</b>	a Share issued as at 7.00pm (AEDT) on the Record Date.
<b>Group</b>	Beston Global Food Company Limited and its wholly-owned subsidiaries.
<b>GST</b>	goods and services tax.
<b>Ineligible Shareholder</b>	a Shareholder as at the Record Date who is not an Eligible Shareholder.
<b>Joint Lead Managers</b>	means each of MST Financial and Shaw and Partners.
<b>MST Financial</b>	MST Financial Services Pty Ltd ACN 617 475 180 (AFSL 500 557)

Term	Definition
<b>NTA or net tangible assets</b>	the pre-tax value of the Company's total assets less the values of its intangible assets and the values of its liabilities.
<b>New Shares</b>	fully paid ordinary shares in the Company issued under the this Offer Booklet which will rank equally with Existing Shares from the date of issue.
<b>Offer Booklet</b>	this document dated 1 November 2022
<b>Offer Period</b>	the period from the date of this Offer Booklet until the Closing Date.
<b>Offer Price</b>	the price payable for a New Share under this Offer Booklet, being \$0.025 per New Share.
<b>Offer Proceeds</b>	means the amount which is the number of Offer Securities to be issued under the Entitlement Offer multiplied by the Offer Price.
<b>Opening Date</b>	Tuesday, 1 November 2022
<b>Record Date</b>	Friday, 28 October 2022
<b>Share(s)</b>	a fully paid ordinary share in the capital of the Company.
<b>Share Registry</b>	Link Market Services Limited ACN 083 214 537
<b>Shareholder</b>	a holder of one or more Shares.
<b>Shaw and Partners</b>	Shaw and Partners Limited ACN 003 221 583
<b>Top-Up Offer</b>	the facility under which Eligible Shareholders may apply for New Shares in excess of their Entitlement as described in Section 1.6 of this Offer Booklet.
<b>US Person</b>	has the meaning given to that term in Regulation S under the US Securities Act.
<b>US Securities Act</b>	the <i>Securities Exchange Act of 1934</i> (US).

# Corporate directory

## **Directors**

Dr. Roger Sexton AM (Chairman)  
Stephen Gerlach  
Neil Longstaff  
Kevin Reid  
Cheryl Hayman

## **Company Secretary**

Richard Willson

## **Registered Office**

Level 9, 420 King William Street  
Adelaide SA 5000

## **Website**

[www.bestonglobalfoods.com.au](http://www.bestonglobalfoods.com.au)

## **Share Registry**

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

## **Legal advisers**

MinterEllison  
Level 10, 25 Grenfell Street,  
Adelaide SA 5000  
Australia

## **Joint Lead Managers**

MST Financial Services Pty Ltd  
Level 13, 14 Martin Place  
Sydney NSW 2000  
ACN 617 475 180 (AFSL 500 557)

Shaw and Partners Limited  
Level 7, Chifley Square  
Sydney NSW 2000  
ACN 003 221 583 (AFSL 236 048)