

8 November 2022

Dear Shareholder

RE: FORTHCOMING AGM

I am writing to seek your support in voting for the Resolutions at the forthcoming AGM as per the recommendations of the Board, that is:

Resolution 1 (Adoption of the Remuneration Report for the year ended 30 June 2022)	IN FAVOUR
Resolution 3 (Election of Mr Kevin Reid as a Director)	IN FAVOUR
Resolution 4 (Re-election of Mr Stephen Gerlach AM as a Director)	IN FAVOUR
Resolution 5 (Ratification of Issue of Ordinary Shares)	IN FAVOUR
Resolution 6 (Approval of 7.1A Additional 10% Placement Capacity)	IN FAVOUR
Resolution 7 (Amendments to Constitution)	IN FAVOUR
Resolution 2 (Contingent Spill Resolution)	AGAINST

As you will have noticed from the ASX announcements on our last two quarters of financial results, your Beston Global Food Company (BFC) is on a strong, positive forward earnings trajectory and it is important, for all shareholders, that this trajectory continues. The Board and Management of BFC is well advanced in realising the potential of the BFC business as it implements the third stage of the Company's ten year business plan.

We need to be able to get on and finish the job and bring home the benefits to shareholders.... with steady hands at the wheel to ensure that all our strategic and financial objectives are achieved.



The Directors have unanimously recommended that you vote in FAVOUR of Resolutions 1, 3, 4, 5, 6 and 7 and AGAINST Resolution 2 (Contingent Spill Resolution) because if Resolution 2 is passed, it will be disruptive to the business, cost shareholders considerable expense, and will detract from the earnings guidance which has been given to shareholders by the Company for FY23.

A small group of disruptive shareholders have brought about the possibility of having to proceed with the Contingent Spill Resolution by getting a 'First Strike' Resolution passed at the 2021 AGM, as they did also several years previously. If this Contingent Spill Resolution is approved, the Company will be required to hold another General Meeting within 90 days of the AGM to consider spilling the Board.

Our past experience in dealing with these intimidatory actions by a small group of shareholders against the Remuneration Report (which actually bear no relevance to the content of the Remuneration Report) has been that the actions were being used for the purpose of malintent against the Company. If successful in their endeavours with a Contingent Spill Motion, in 2020, this small group of disruptive shareholders would have potentially been able to take control of BFC without paying for it, let alone paying a premium for control as is normally the case in Australian company takeover situations.

These circumstances cannot be allowed to play out. Based on past experience, the consequences of a Contingent Spill Motion, if approved, are that it would involve considerable financial cost to the Company (and its shareholders) with legal and other fees and charges, be a substantial distraction for the Board and Management of the Company for at least 90 days (during which time staff retention can be at risk), and would certainly not serve the best interests of all other shareholders.

Since BFC emerged from three difficult years of COVID-19, the Company has demonstrated what it is capable of achieving with strong uplifts in margins and positive EBITDA and NPAT results.

The nearly three years of the COVID-19 era had a significant negative impact on the Company. As we have documented in various information provided to shareholders, COVID-19 impacted both on the demand side of the business (by dramatically reducing BFC's food service sales to restaurants and other food outlets and delaying sales of Lactoferrin) and on the supply side (by preventing access to spare parts for our equipment when factories closed in Europe for an extended period of time). These COVID-19 impacts followed closely on two years of drought in Australia which substantially reduced our milk supply, and hence the amount of liquidity in the business.

This protracted COVID-19 impaired operating environment is now, thankfully, well behind us. The momentum achieved in Q4 of FY22 and Q1 of FY23, 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 i.e., prior to the current Entitlement Offer).

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 is being achieved from our current Entitlement Offer to shareholders. The decision of the Board, in rationalising the purpose of the Entitlement Offer, came down to a trade-off between solely paying down debt and 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 the Offer Booklet) 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 with the understanding as above, you will endorse this action via participation in the Offer and giving us your support at the AGM on 25 November 2022.

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. 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 challenges that were not faced by much bigger players in the industry when they were starting out. It has done so by making the hard decisions, when needed, to ensure that the Company has been able to stay the course, notwithstanding its set-backs and challenges, and to achieve the original goal of building an Australian based food and beverage company focused around supplying healthy, safe, authentic premium protein products (dairy, meat and alternative meat products) to domestic and global consumer markets.

That goal is now well in sight. Like all shareholders, we have been disappointed by the past financial performance of the Company as a result of having to deal with a host of different unanticipated challenges as a young, start-up Company. That said, we hope that you will recognise, and take into account, all the hard work which has been done by the Board and Management to navigate the Company through these challenges....and to build the asset base of the Company to provide for sustainable, long term earnings growth.

The journey to achieve scale and profitability has endured all the set-backs via experienced and prudent decision-making around our controllables and we now have a Company which is performing strongly with positive, consistent, demonstrated financial results over the last two quarters with sustainable margins and profits.

While a key purpose of the Entitlement Offer currently under way is to repay debt and provide 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, the funds raised from the current Entitlement Offer will also enable the Company to capitalise on the opportunities which are currently available to increase the scale of our operations, achieve significant cost savings and accelerate profits via the targeted application of investment capital.

It is important, in this regard, to note that the previous capital raisings by the Company have been focused on building capacity and capability in our asset base (firstly around Mozzarella production and then around Lactoferrin production). While the focus of the current Entitlement Offer is around debt reduction (for the reasons explained in the Entitlement Offer Booklet), it will also enable the Company to implement a number of high ROCE capex projects which will accelerate our profit stream with quick pay-back on the investments (the estimated pay-back on the projects, once fully implemented, ranges from 8 months to 2.5 years with an average pay-back of around 1.0 year).

We acknowledge that the share market has not as yet understood or recognised the significant forward shift which has occurred in the financial results of the Company (in part because of all the economic and geo-political conditions which have been impacting general share markets in recent months). We believe that this will occur on the delivery of our published earning guidance and the continuation of our new demonstrated trajectory.

BFC is a food and beverages company with a focus on supplying healthy, safe, authentic premium quality protein products to domestic and general consumer markets (i.e., with dairy protein as well as meat protein and plant-based protein products). As such, companies such as BFC have historically performed extremely well in share markets during the economic times that the world is now facing (i.e., rising inflation, increased interest and cost-of-living pressures, and reduced economic growth across the developed world).

We believe that the Company is well positioned, not only with respect to these short-term economic "storms", but also for the long-term whereby we can capitalise on the emerging trends in the global food industry. As noted in our 2022 Annual Report, in Asia alone, the growth in demand for protein is expected to increase by 78% through to the year 2050 according to Barclays Bank UK PLC. A recent article in The Economist magazine (May 2022) flagged 'The coming food catastrophe' and predicted that shortages of protein could start to emerge in the next few years as a result of a 'battered global food system' which has been weakened by COVID-19, climate change, energy shocks and the Russian invasion of Ukraine.

The results achieved in the last two quarters, as published with the ASX, are, we believe indicative of how BFC can thrive and grow into the future.

We look forward to your on-going support as the Company continues forward to deliver on its potential. The Board and Management of BFC is excited about our future and fully committed to making the Company a very special and high performing Australian Food Company.

A handwritten signature in blue ink, appearing to read "Roger Sexton". The signature is fluid and cursive, with the first name "Roger" and the last name "Sexton" clearly distinguishable.

Roger Sexton AM
Chairman