



BESTON
GLOBAL FOOD COMPANY

INVESTOR PRESENTATION

BESTON GLOBAL FOOD COMPANY

FY22 - Full Year Results & Way Forward

Leadership Team Session Update

About Us

Beston Global Food Company (ASX:BFC) is a leading and proud South Australian Food, Beverage & Nutritional company. For the past 10 years, we have consolidated ourselves as the largest Dairy processor in South Australia, processing approximately 30% of the State's milk production. We extract maximum value from every drop of milk, in the most sustainable way possible.

Key Takeaways from today



We have a new management team with over 100 years of combined experience in the Dairy Industry.



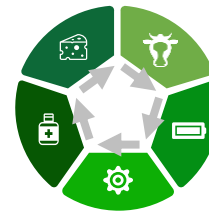
We have continued to grow our milk supplies, and our product mix today is high value and high returning. We have delivered record sales in FY22, and we are on track for accelerated and profitable growth in FY23.



Lactoferrin sales on track and all expected production for FY23 now pre-sold to local and international customers.



Balance sheet is now “reset” following our capital raise, with gearing levels down to 39% (debt/equity)*. Strong sales and cash flows are set to continue to improve our position.



Our vertical integration strategy is on track, and we have produced 15tons of Lactoferrin in FY22 and on track to be close ahead in FY23. Record breaking Mozzarella, Whey and Cream production levels also being achieved



Strong customer alignment and partnerships in place together with market access to premium International markets like China, Thailand, Japan and South Korea

Thanks to our people, BFC has navigated through the difficult times of Covid-19 and is emerging a stronger, more resilient, stable and successful company. We have a solid foundation for continued success into the future.

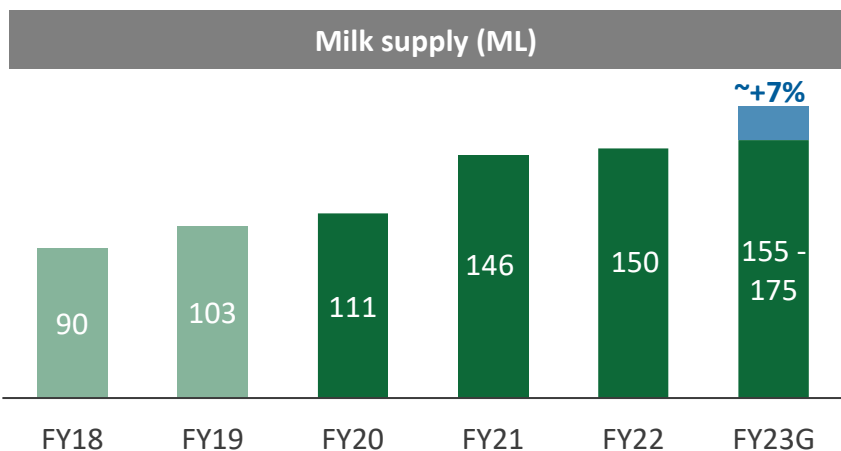
(*) As per investor presentation detailed in October/2022



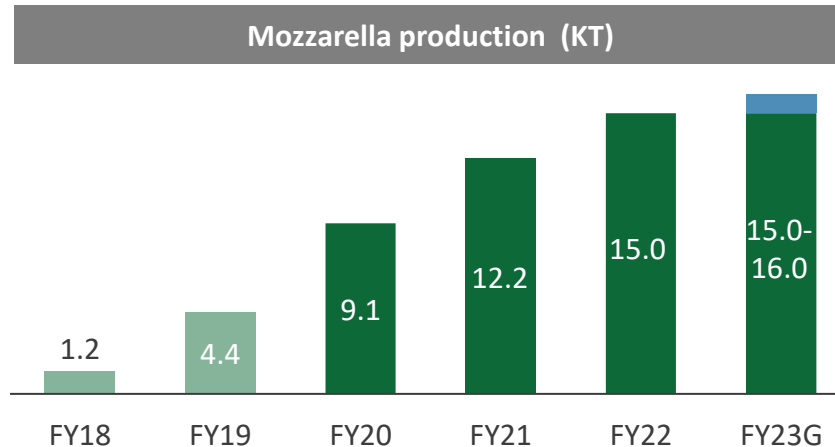
Our Financial Performance
A year in review FY22

We have delivered record operating performance across several leading indicators

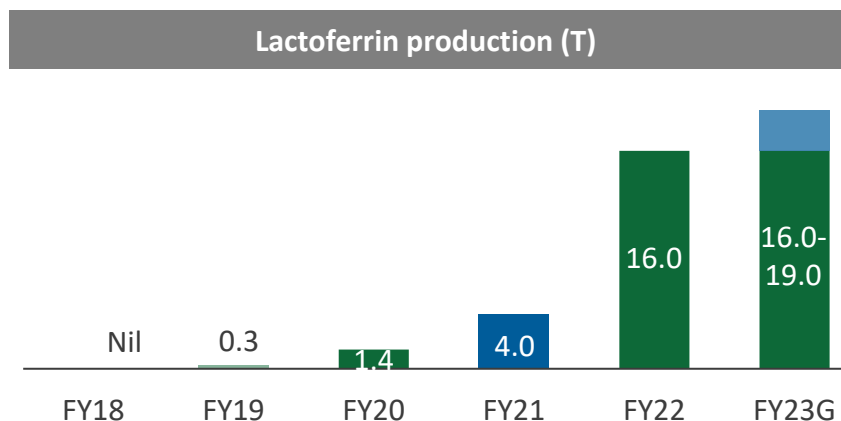
Production and revenue increases enabled by strong operational performance and increased Lactoferrin sales



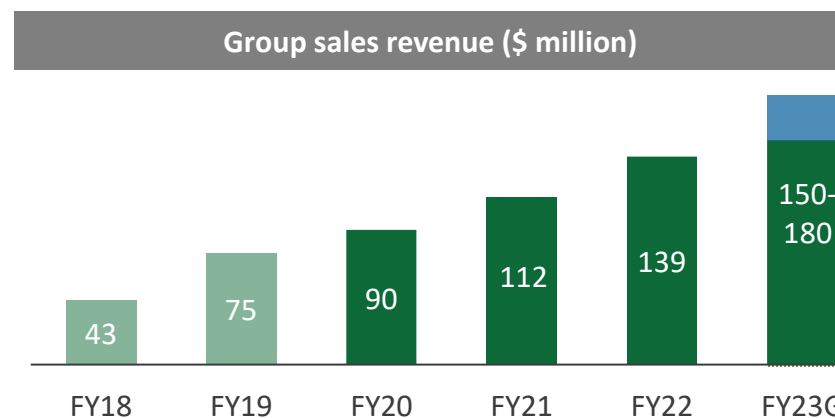
✓ Contracts secured to supply min 155 ML in FY23



✓ Higher-margin mozzarella production driving growth



✓ Step-change in lactoferrin production



✓ Volume growth and transition to higher value products

Key FY22 Results

BFC has delivered a strong operational performance in FY22. The trading results have been impacted by the effects of COVID-19 rising Supply Chain costs and delayed sales of Lactoferrin

Group Sales
\$139m

Up 24% vs FY21

Milk Supply
150mL

Up 4% vs FY21

Group Gross
Margins

5.8X vs FY21

Mozzarella
Production

Up 22% s FY21

Lactoferrin
Production

8X vs FY21

Dairy Revenue
/ litre of milk

Up 20% vs FY21

EBITDA
(\$20.6m)

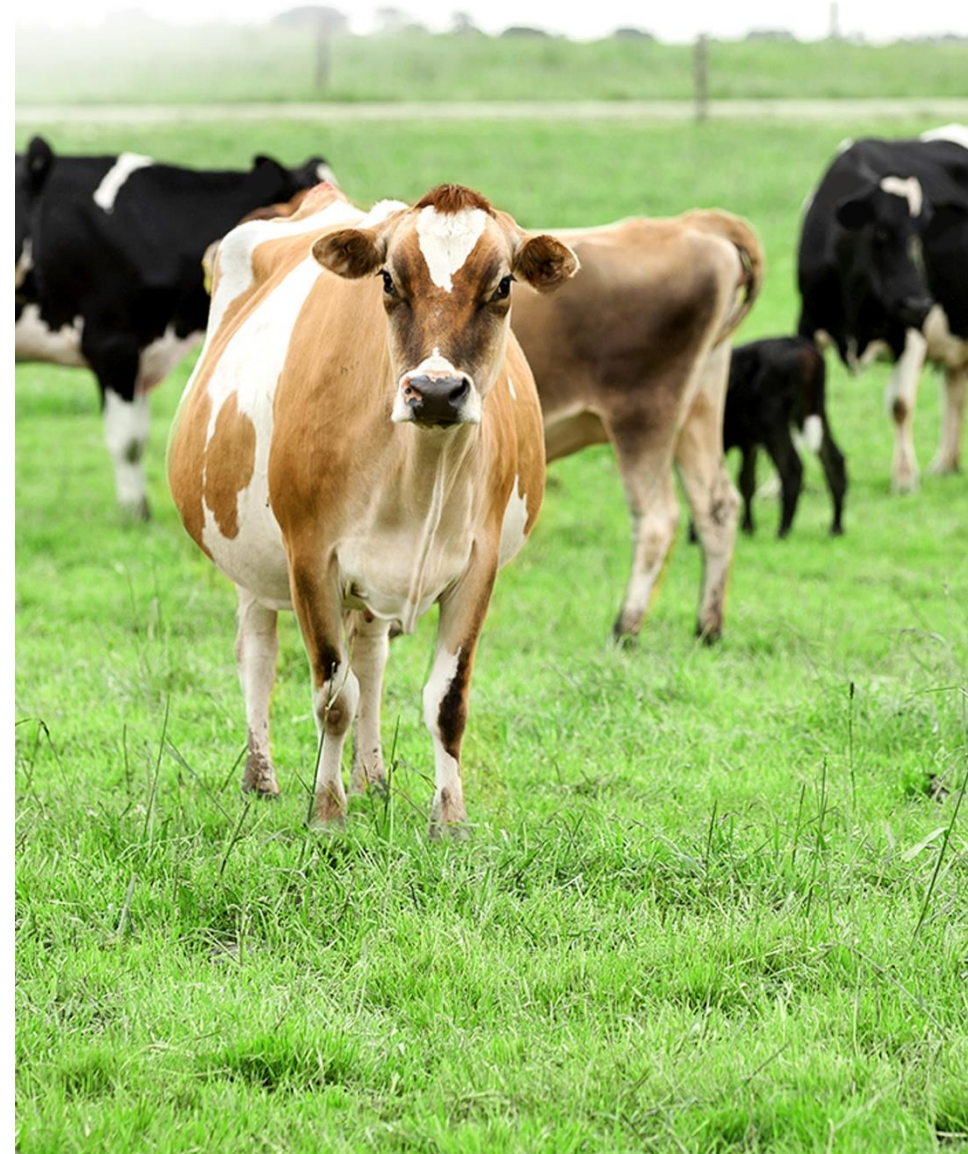
21% improvement
on FY21

Trading NPAT
(\$22.9m)

7% improvement
on FY21

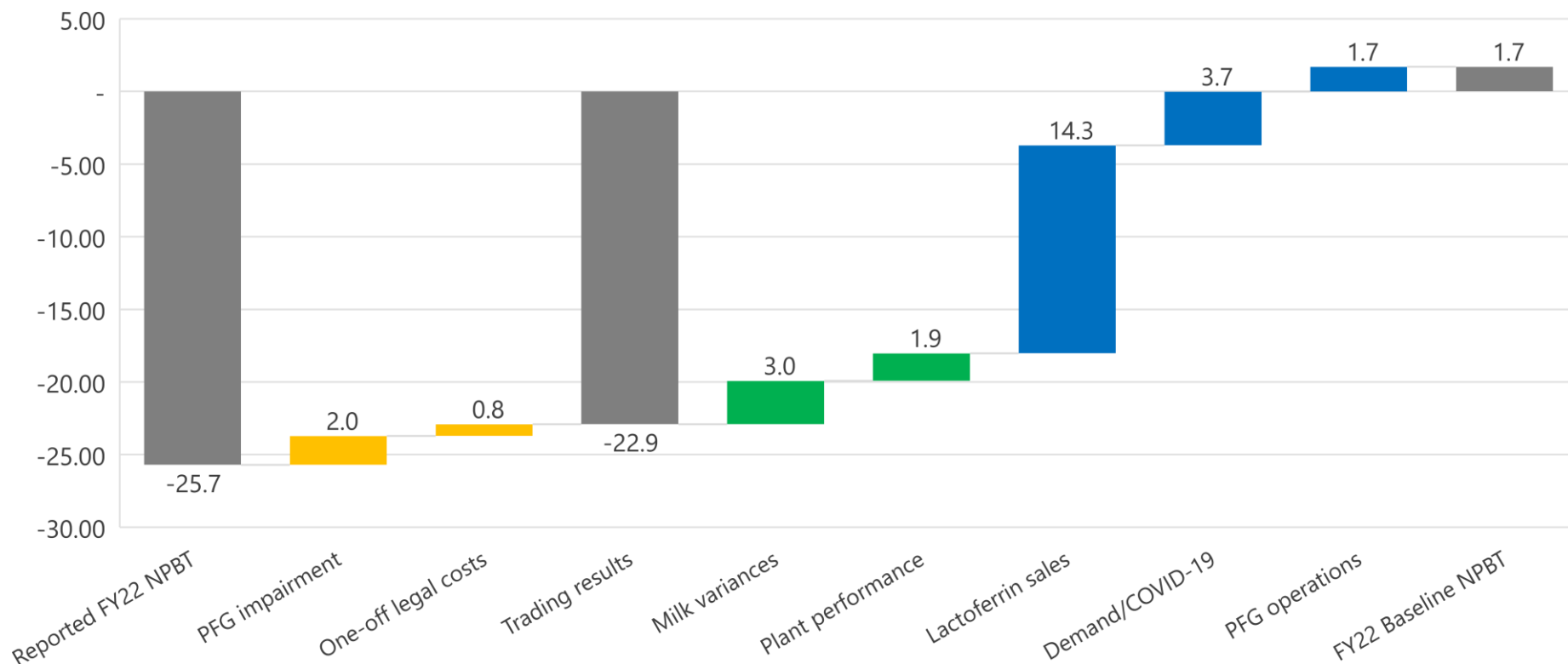
NPBT
(\$25.7m)

12% improvement
on FY21



FY22 Group Results

Impacted by non-recurring costs & demand issues, now addressed in FY23



- Lactoferrin sales foregone accounted for \$14.3m variance (but FY23 sales locked away)
- Milk variances (\$3.0m) expected to diminish on the back of improved milk supply pricing in FY23
- Operational issues and COVID-19 related challenges (\$5.6m) not expected to reoccur in FY23
- PFG results to improve given renegotiated pricing for FY23, and operational improvements



A strong start in FY23
Q1 Highlights

A strong start in FY23 – Q1 Highlights

Group Sales

\$46.6M

- **Up 49% year-on-year** (vs. Previous Corresponding Period)
- **Very strong demand** for the entire Company's dairy products across a multitude of geographies
- **Sales mix more broadly spread** across Domestic and Export customers
- **Strong focus on driving sustainability initiatives**, ROCE growth, further exploiting our dairy nutraceutical and plant-based production capabilities and pursuing vertical integration opportunities

Milk Volume

36 ML

- **Up 3% on Budget** *but we are monitoring*
- **We are defying the national and SA State-wide trend.** Australian national Dairy production has continues to decline
- **We have now experienced an early peak of milk intake** (October) given the wet weather conditions across the State.

Group Gross Margin

Up 3.1X

- **Up 3.1X year-on-year** (vs. Previous Corresponding Period)
- **Lactoferrin sales strong.** Sold >5tons in Q1 and all FY23 production pre-sold (pricing strengthening)
- **Pricing reviews across Mozzarella portfolios continue** (Dairy Australia pricing reference continues to increase)

Group delivered both EBITDA and NPAT positive outcomes at the end of Q1 FY23. Q2 FY23 sales momentum being kept and BFC on track to meet guidance and top end of our sales forecast.

Strong business fundamentals and new customer partnerships underpins our reaffirmed FY23 guidance

We reaffirm our FY23 Operating Guidance

Measure		FY21 Actuals	FY22 Actuals	Variance to FY21 Actuals	FY23 Guidance	Variance to FY22 Actuals
Milk Supply	ML	146	151	↑4%	155 - 175	↑9%
Mozzarella production	MT	12,150	14,821	↑22%	15k - 16k	↑5%
Lactoferrin production	MT	2	16	↑862%	16 - 19	↑10%
Group Sales	\$M	112	140	↑25%	150 - 180	↑18%
EBITDA	\$M	-24	-18	↑25%	8 - 10	↑ significant
Revenue per litre of milk	\$/l	0.77	0.84	↑9%	1.00 - 1.15	↑28%
Capex	\$m	17	5	↓70%	6 - 8	↑40%

Capital raise is now largely completed and is set to reset balance sheet and accelerate transformational growth for BFC

Three-part strategy to accelerate growth, revenue, and earnings, while consolidating our position as South Australia's largest and leading dairy company.

We have raised \$28.2M¹ to pay down debt to enhance profitability, expand capacity to grow sales, execute projects that will optimize operations and continue to grow gross margins.

1.

Retire debt and reset balance sheet to enhance profit and pursue future growth.

2.

Expand innovation and leadership in the bioactive protein and nutraceuticals space.

Grow Lactoferrin and accelerate Immunoglobulins (IG) commercialisation.

3.

ROIC projects to drive profit and sustainability improvements.

Vertical integration of cheese processing to enhance portfolio and margins

Notes: (1) Up to \$27.3m of commitments has been contractually agreed with new and existing shareholders.

Offer Timetable

Event	Date
Placement opens	Monday, 17 October 2022
Placement closes	Tuesday, 18 October 2022 (at 5pm, Sydney time)
Announcement of Placement and Entitlement Offer	Wednesday, 19 October 2022 (Pre-open)
Placement Shares settlement date	Tuesday, 25 October 2022
Placement Shares allotment date	Wednesday, 26 October 2022
Quotation of securities issued under the Placement and commencement of trading	Thursday, 27 October 2022
Entitlement offer "Ex" date	Thursday, 27 October 2022
Record date	Friday, 28 October 2022
Offer booklet and personalised Acceptance forms dispatched	Wednesday, 2 November 2022
Entitlement Offer opens	Wednesday, 2 November 2022
Entitlement Offer closes	5pm on Thursday, 24 November 2022
Allotment of new securities issued under the Entitlement Offer	Thursday, 1 December 2022
Announcement of results of the issue	Thursday, 1 December 2022
Quotation of securities issued under the Entitlement Offer	Friday, 2 December 2022