

29 February 2016

ASX CODE: BFC

## 2016 INTERIM FINANCIAL RESULT

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Beston Global Food Company Limited ('BFC' or the 'Company') has reported an underlying net profit after tax (UNPAT) of \$1.7 million up by \$400K on the YTD November UNPAT result as reported at the AGM.

The Group revenue for the Half Year was \$7.6million.

The statutory net profit after tax (NPAT) result for the Half Year was a loss of \$1.1million. This statutory figure includes all the costs of the capital raising associated with the IPO including ASX listing fees, professional fees and other non-recurring expenses.

The audited results presented in the financial report for the Half Year reflect the operations of BFC and its subsidiaries and investee companies from 1 July 2015 to 31 December 2015, although the Company was only listed for four of these six months (ie from 28 August 2015).

The first two month period of the Half Year therefore, relate to the operations of the Company when it had pre-IPO capital of \$27.5million and a limited number of investments.

The last four month period of the Half Year (ie September to December 2015) relate to the operations of the Company after it listed on 28 August 2015 and had raised an additional \$100million through the IPO and put these funds to work in acquiring the assets detailed in the IPO Prospectus.

No dividend has been declared for the period.

### Performance Highlights

#### Operations

- Substantially exceeded production targets for cheese and whey powder
- Expanded lobster production by 197%
- Increased processing of tuna by 13%
- Increased meat processing capacity by 25%
- Launched new allergen free ready-to-eat meat meals
- Signed orders for Sal 50 salt replacer and condensed milk replacer product to Asia

#### Marketing and Distribution

- Built a presence in food service and on retail shelves in China, Thailand, Cambodia, Vietnam and Brunei
- Launched gift box sales in China
- Designed, developed and launched BFC owned "Kyubu" Japanese style cheese snacks for ASEAN market

## Beston Technologies

- Designed, developed and released OZIRIS food safety technology
- Awarded four provisional patents on the technology
- A world first technology which ensures consumers about the traceability and authenticity of BFC products, including anti-tamper and anti-counterfeiting
- To be offered to other food (and non food) producers, thereby creating an additional revenue model
- Designed and developed the e-commerce "Beston Market Place" which provides a 360degree view of products, ingredients and sources of raw materials (first stage released) and will enable on-line ordering of BFC portfolio products

## Overview

BFC Chairman, Dr Roger Sexton, said that the Company was pleased with the results it had achieved in a short space of time.

"We are a company in growth mode" he said. "We are investing for growth, and we are acquiring for growth on our journey to become a global food company".

"BFC is well on its way to becoming one of the few food companies in the world which has its own closed loop supply chain and is able to provide consumers in burgeoning global markets with an authentic, genuine, healthy, verifiably safe, food experience with products sourced substantially from our own raw materials, manufactured substantially in our own factories and sold through our own people on the ground in the markets we aim to serve".

The UNPAT result reflects a number of tailwinds and headwinds during the period, Dr Sexton said, but overall was in line with management budgets at this point in the growth and development of our business.

"The net result of our activities over the few months as a listed public company is that we have put in place some very solid foundations to take BFC forward" he said.

"These include: the necessary infrastructure to deliver on our closed loop supply model, a broad base and depth of hands-on experience in the agri-business sector (in Australia and overseas) at Board level and management and the establishment of our own suite of brands with our own proprietary products".

The Chief Executive Officer, Sean Ebert, noted that the Company was in a strong position with high quality assets on its balance sheet, no debt and cash reserves at 31 December of \$34.45million.

He said that the focus of BFC in the second half is to continue to make revenue and margin gains in its existing operational businesses while expanding the Company's revenue base with a number of initiatives which capitalised on the core competencies and capabilities of the Company.

"This included new products and new alliances and distribution arrangements, as well as the generation of new revenue streams based around the BFC patented OZIRIS food safety technology" Mr Ebert said.