

ASX RELEASE

11 January 2021

CLOSING DATE EXTENDED FOR RIGHTS ISSUE

Closing date extended to 3 February 2021 for non-renounceable entitlement offer

Beston Global Food Company Limited (ASX: BFC, "Beston") advises that the closing date for the non-renounceable entitlement offer, raising up to \$15.6 million ("Entitlement Offer"), has been extended to Wednesday 3 February 2021.

The extension of the closing date is as a result of requests from shareholders and the Company becoming aware that many shareholders who receive their correspondence by mail have still not received their Offer Documents as of 8 January, 2021. The delay in the delivery of mailed documents appears to be a result of operating constraints in the postal service over the Christmas and New Year holiday period.

The Board of Beston has resolved to extend the Offer period until 5:00pm ACDT on Wednesday 3 February 2021 in order to ensure that eligible shareholders have an appropriate amount of time to consider the Offer Documents and to make an informed decision on the Entitlement Offer.

The possible extension of the closing date was highlighted in recent communications for the Entitlement Offer as an option should the Board of Beston deem it to be necessary.

The purpose of the Offer is to provide the "top up" funds of \$7.25 million as required under the conditions of the SA Government \$2.0 million grant for the accelerated expansion (Stage 2) of the Company's Lactoferrin plant at Jervois SA, and to

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undertake various plant upgrades at the Jervois factory to ensure that the plant is able to operate reliably on a 24 hour/7 days a week basis with higher planned milk intake. The time extension will not affect the timing of the work on the Stage 2 expansion of the Lactoferrin plant.

Use of Funds

The table below provides further detail on the use of funds from the Entitlement Offer related to the Stage 2 lactoferrin expansion and the Jervois upgrades.

	Cost	Capital Item	Comments	Est. completion¹
Stage 2 Lactoferrin expansion	(\$2.0m)	SA Government Regional Growth Grant	Conditional on Beston funding the additional Stage 2 costs	Feb-21
	\$1.5m	2 nd lactoferrin extraction column	Deliver additional FY22 production capacity of ~8 Tpa based on 160ML milk supply	Mar-21
	\$1.0m	Other	Critical spares and testing equipment	Mar-21
	\$7.0m	Lactoferrin spray dryer and packing	Ability to broaden offering of dried lactoferrin product at a premium price	Mar-22
Jervois Upgrades	\$2.1m	Milk Silo expansion	Increase milk storage capacity by 1ML	Jul-21
	\$0.75m	2 nd Multivac	Multivac increases handling rate for higher mozzarella production	Sept-21
	\$2.25m	2 nd Boiler	Boiler increases reliability for 24/7 operations	Dec-21
	\$2.0m	Mozzarella automated packing	Automated end-of-line packing and palletising of mozzarella	Dec-21

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Total capital projects	\$14.6m		Stage 2 lactoferrin expansion: \$7.5m Jervois upgrades: \$7.1m	
Costs ² of Offer	\$1.0m			
Total funds to be raised	\$15.6m			

¹ Expected project completion timing with best endeavours undertaken to meet completion dates. Significant expenditure in the way of initial deposits and progress payments will be incurred ahead of the expected completion dates. It is currently estimated that c. 65% of the funds raised will be expended by 30 June 21 and c. 90% by 30 September 21.

² Assuming the full \$15.6 million is raised.

If less than the full \$15.6 million is raised under the Entitlement Offer, (noting that the underwritten portion of the Entitlement Offer (\$7.25 million) will cover the Stage 2 lactoferrin expansion) the remaining funds available will be applied against the Jervois upgrades in a manner determined by Beston to be the most value accretive

Indicative Timetable

Key dates relating to the Entitlement Offer are identified in the table below. The Company, in consultation with the Joint Lead Managers, reserves the right to amend this timetable subject to the Corporations Act and the ASX Listing Rules.

Key dates	
Equity Raising announcement	Thursday, 17 December 2020
Ex Date	Tuesday, 22 December 2020
Record date for determining entitlement for the Entitlement Offer	Wednesday, 23 December 2020
Dispatch of Offer Booklet and Entitlement Offer opens	Tuesday, 29 December 2020
Entitlement Offer closing date	Wednesday, 3 February 2021
Announcement of results of Issue	Monday, 8 February 2021
Issue and Allotment of New Shares under the Entitlement Offer	Wednesday, 10 February 2021
Normal trading of New Shares issued under the Entitlement Offer and dispatch of Holding statements	Thursday, 11 February 2021

Significance of Lactoferrin

Lactoferrin is an iron-binding glycoprotein which is known to be essential in boosting the immune system in the human body. It has anti-bacterial, anti-viral, anti-parasitic and anti-allergic functions and properties.

Importantly, particularly in the context of the current COVID-19 pandemic, it has been shown to suppress virus replication by affecting natural killer cells in the human body which play a crucial role in the early stages of viral infections.

Clinical trials are underway around the world on the efficacy of using Lactoferrin as a treatment for COVID-19. Although the number of trials are limited to date, the early results indicate that Lactoferrin may inhibit coronavirus from replicating in the human body.

The findings have further increased the global demand for Lactoferrin, particularly in Europe and China, where it is known as “pink gold” because of its price (around \$1,500 per kilogram) and reddish hue after processing. Market studies undertaken before the advent of COVID-19 predicted that demand for Lactoferrin would increase by around 60% over the next few years.

The plant expansion project being undertaken by Beston will increase Australia’s self-sufficiency in the production of immune boosting Lactoferrin and will enhance the bio-security of the nation.

This ASX release was approved and authorised for release by Dr Roger Sexton AM, Chairman.

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Beston Global Food Company is a proud South Australian multi award-winning company taking the best of Australian produce to the world with fresh milk supplied by valued farmers. The company provides direct and indirect employment for nearly 300 people. For more information please visit: www.bestonglobalfoods.com.au

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