



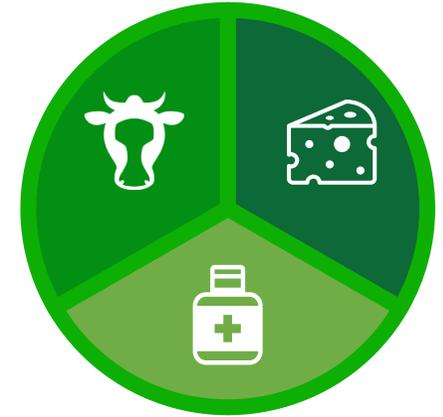
BESTON
GLOBAL FOOD COMPANY

**Finance News
Network Investor
Presentation**

18 May 2021

Beston: who we are and what we do

We are a dairy, dairy nutraceuticals and meat processing company based in South Australia
 We provide Australian and customers around the world with much needed dairy and meat proteins so that consumers can make healthy choices



DAIRY

Jervois and Murray Bridge, South Australia
 90% of group revenue



Mozzarella
 Whey powder
 Cream
 Butter
 Cheddar



Lactoferrin



Milk supply from
 south eastern
 Australian dairy
 farmers

MEAT

Shepparton, Victoria
 10% of group revenue



Dice and grind
 ingredients
 Premium hamburgers,
 meatballs
 Retail products eg
 lamb shanks

BRIEF HISTORY

2015: IPO; initial investments in dairy, meat, lobster, water and technology assets

2018: New mozzarella plant commissioned and moved to 100% ownership of meat processing business

2019: Lobster assets sold

2020: Lactoferrin production expansion initiated, funded by sale of farms and capital raising

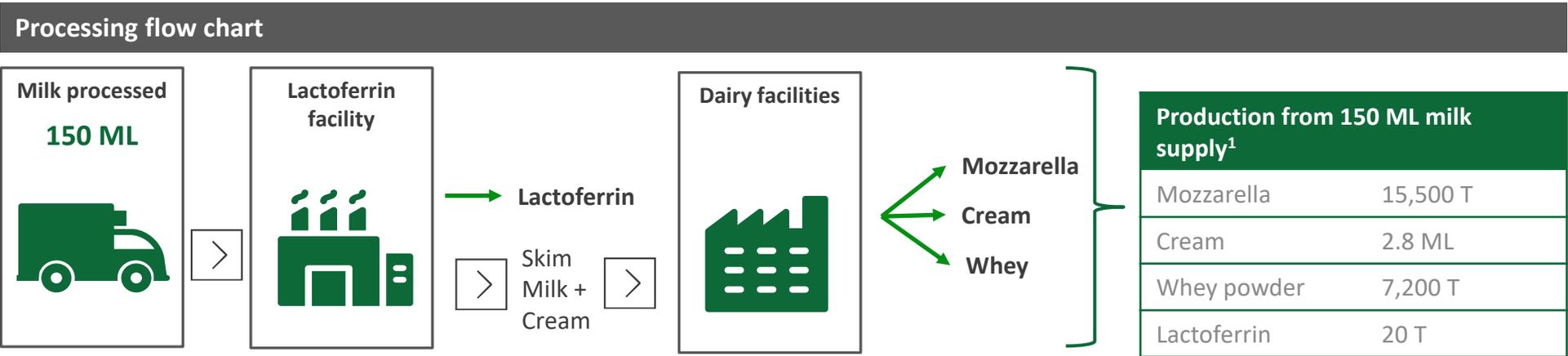
Technology: Core operating assets supported by development of track and trace software

Fastest growing food and beverage company in Australia and second fastest in Asia Pacific region¹

¹ Report by Financial Times in conjunction with Nikkei Asia (Japan) and Statista (Germany) on Asia's Top 500 Fastest Growing Companies 2016-2019

Dairy operations at Jervois

Expansion of lactoferrin production facility adds significant value to the Jervois site



Key drivers to deliver long term value creation



SECURE MILK SUPPLY Record milk supply for FY21 of 145ML and targeting 155ML for FY22
Greater value extraction from each kg of milk solids allows for competitive pricing for suppliers

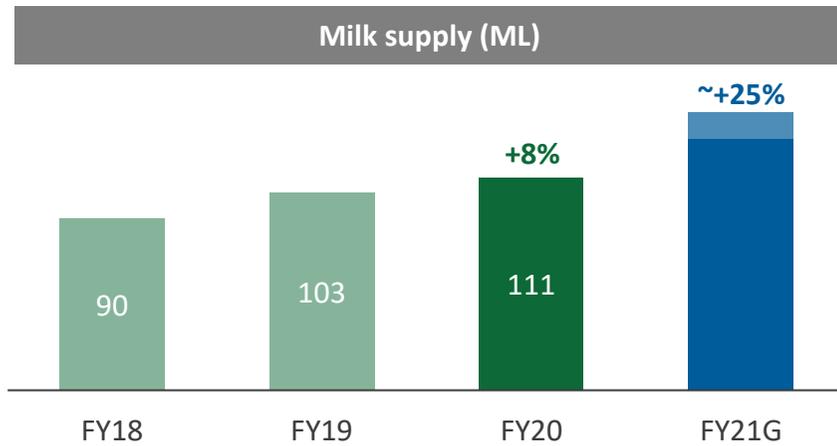
LACTOFERRIN Newly minted lactoferrin facility to increase capacity by at least 7x
Lactoferrin demand growing significantly

MOZZARELLA State-of-the-art mozzarella production plant commissioned at Jervois in 2018
Also produce whey powder, butter, cream
Record production for 1H21
Supporting infrastructure upgrades to ensure reliable site operations

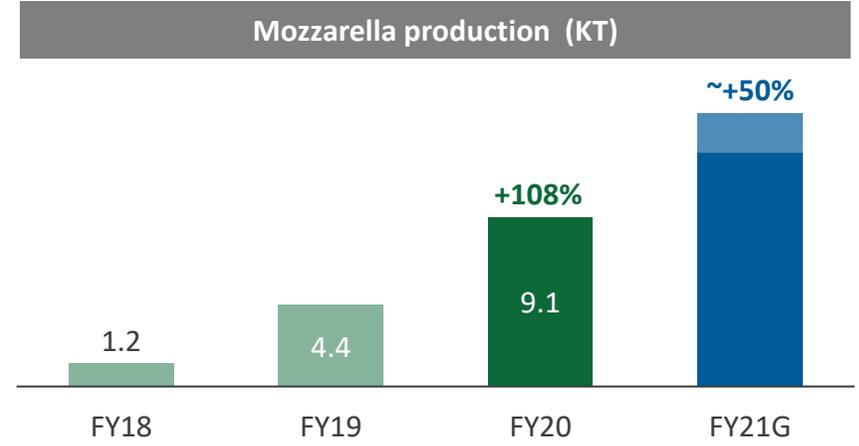
¹ Estimate based on current operating assumptions

Dairy facilities transformation nearing completion

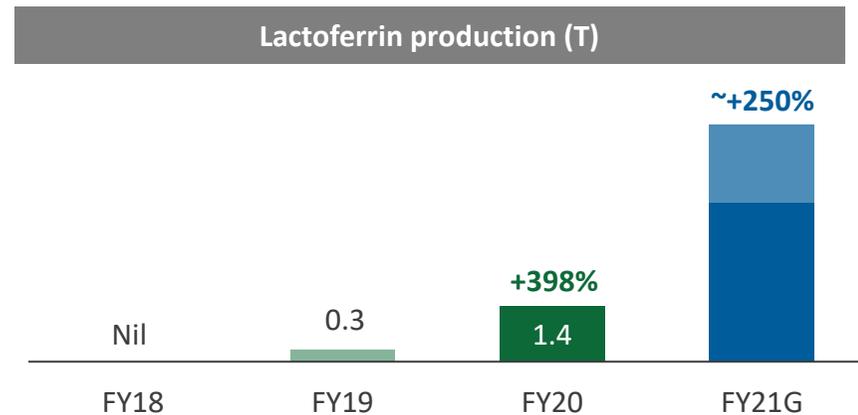
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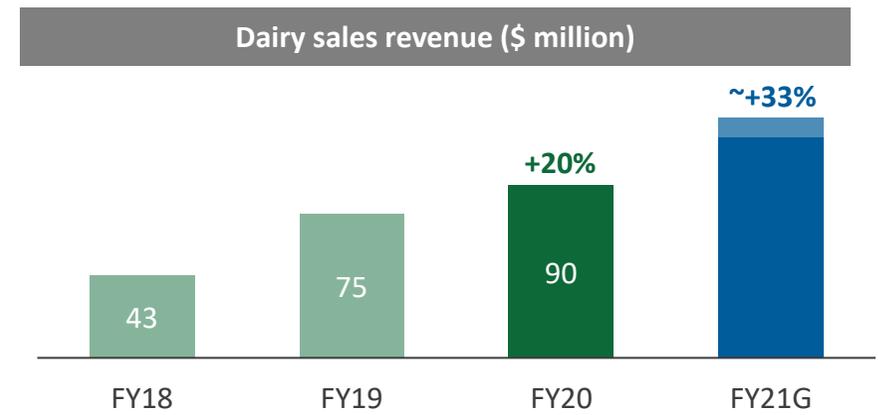
✓ Contracted supply should deliver ~145 ML in FY21



✓ Higher-margin mozzarella production driving growth



✓ Step-change in lactoferrin production underway



✓ Volume growth and transition to higher value products

Production and revenue increases driven by growing sales pipeline and enabled by increased milk supply

Lactoferrin: Attractive market fundamentals

Growing demand and prices, with limited producers of scale globally

An iron-binding glycoprotein which boosts the immune system. It has strong anti-microbial, anti-virus, anti-fungal properties, especially in infants



CURRENT DEMAND (2019)¹

352 Tpa



FORECAST DEMAND (2023)¹

+500 Tpa



GLOBAL PRODUCERS TO SERVICE DEMAND¹

<10



STRONG PRICING GROWTH¹

2015



\$500 – 600 /kg

Current



\$1,500 – 3,000 /kg



LIMITED AUSTRALIAN PRODUCERS

4

Current Australian producers

~5%

Targeted Beston global market share (FY22+)



FAVOURABLE GLOBAL MARKET DYNAMICS

✓ China regulation requiring lactoferrin to be added to infant formula

✓ Significant anti-viral, anti-bacteriological and anti-fungal properties

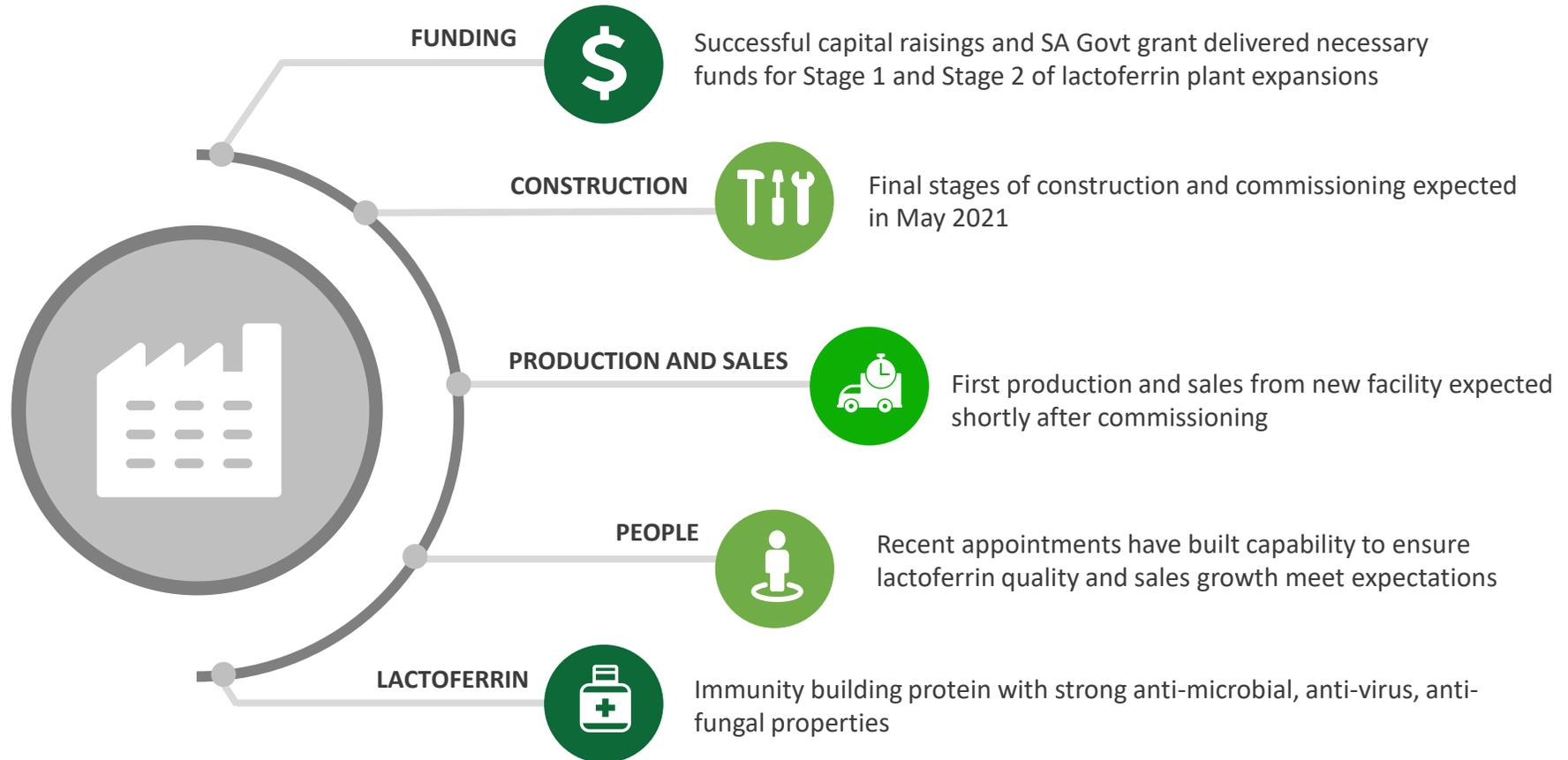
✓ Increasing awareness of health benefits in functional foods, cosmetics products and oral hygiene

✓ Increasing pharmaceutical product use, including immune system stimulation

1. Source: Strategic Insights into the Global Lactoferrin and Lactoferoxidase Market, UBIC Consulting 2020

Lactoferrin capacity expansion on track

Commissioning of expanded lactoferrin facility to be completed in May 2021, taking capacity from 3Tpa to 25 Tpa



Growing demand for lactoferrin has seen pricing move from US\$500 – 600 /kg in 2015 to US\$1,500 – 3,000 /kg currently¹

1. Source: Strategic Insights into the Global Lactoferrin and Lactoferoxidase Market, UBIC Consulting 2020

1H21 Highlights

A challenging but advancing six months despite COVID-19 impacts, with execution of major milestones completed



Lactoferrin expansion

Initiated Stages 1 and 2 of the lactoferrin expansion project to bring total capacity to 25MT from 180ML milk



SA Government Grant

Awarded \$2 million South Australian Government grant for Stage 2 lactoferrin expansion and secured second column for this stage



Dairy Farms Sale

Sold the dairy farms and redeployed the capital to pay down debt



Jervois Infrastructure Review

Jervois infrastructure review identified requirements for the facility to operate more reliably as it moves toward 24/7 operations



New Milk Supply

Commencement of new milk supply from Aurora Dairies on 1 September 2020



Initiation of Rights Issue

\$15.6m rights issue (completed in February) to fund Stage 2 lactoferrin expansion, and further upgrades of infrastructure at the Jervois facility



Building Dairy Experience

Employed Frank Baldi as Chief Operating Officer and Tina Li as GM, Nutritionals supported by added experience at next levels



IMA Termination

Agreement in principle to terminate the IMA, subject to shareholder approval at an EGM, to be held 28 May 2021

Value proposition and upcoming catalysts

Implementation of strategic imperatives have positioned Beston to deliver on its value proposition:

- **Growing milk supply** to underpin mozzarella and lactoferrin production
- **Lactoferrin capacity increasing** to more than 7x, with global demand growing significantly
- **Streamlined Mozzarella production** with remediation of supporting infrastructure nearing completion
- Building depth with **new hires in dairy and nutraceuticals** to ensure that skills are fit-for-purpose and match growth objectives
- **Financially secure** with free cash flow generation post-commissioning of lactoferrin project

Upcoming catalysts

- May 2021 Commissioning of expanded lactoferrin plant
- May 2021 EGM on 28 May 2021 to approve termination of the IMA
- June/July 2021 First sales of production from expanded lactoferrin plant



People capability and financial coverage in place to deliver strong returns from increasing milk supply

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Guidance disclaimer



COVID-19

- COVID-19 continues to disrupt industries and economies globally
- Beston's guidance is based on current, known circumstances regarding COVID-19 and its impacts
- Guidance may be impacted adversely if COVID-19 continues longer than expected and/or has larger effects on demand and supply chains than presently anticipated



Market conditions

- General market conditions, such as market downturn, recession, industrial disputes and interest rates, could impact Beston's performance
- Certain risks are beyond the control of Beston; wherever possible Beston seeks to reduce or mitigate exposure to negative impacts of operating risks, whilst competing effectively in the market



Operating performance

- Dairy facility performance may be below expectations resulting in unplanned down time, higher repair costs and lost production
- Other key operating costs include electricity, gas, freight and insurance costs (some of which are not fixed and without forward contracts in place)



Milk supply

- Milk supply is subject to agricultural risk, for example, a repeat of the drought conditions experienced in FY19 and FY20 could reduce the supply below contracted levels
- A reduction in milk supply may lead to increased milk prices



Lactoferrin facility

- Risk of delay in delivery of already ordered long-lead items
- Construction delays could arise via importation issues or unforeseen site conditions
- Potential performance and reliability issues with new skim-based technology



Other risks

- Adverse weather events, new global pandemics, unplanned increases in costs, mechanical failures, human errors, industrial action and other unforeseen events, all have the potential to impact on Beston guidance

Glossary

- AICD Australian Institute of Company Directors
- Beston Beston Global Food Group
- BPAM Beston Pacific Asset Management
- HACCP Hazard Analysis and Critical Control Points
- IMA Investment Management Agreement
- FY Financial year
- kg Kilogram
- KL Thousand litres
- ML Million litres
- T Metric tonnes
- pa Per annum
- SPP Share Purchase Plan
- SQF Safe Quality Food
- YTD Year to date