

ASX RELEASE

22 June 2020

BESTON SUCCESSFULLY COMPLETES \$10 MILLION PLACEMENT

- **Oversubscribed \$10.0 million Institutional Placement**
 - **Share Purchase Plan seeking to raise \$2.0 million**
 - **Proceeds to be primarily used for expansion of lactoferrin production to 12 Tpa**
-

Beston Global Food Company Limited (“Beston”, ASX: BFC) is pleased to announce the successful completion of its \$10 million Institutional Placement (“Placement”). The Placement was oversubscribed at an issue price of \$0.085 per share. A Share Purchase Plan (“SPP”) will also be undertaken through the issue of new fully paid ordinary shares at \$0.085 per share, in line with the Placement issue price, and will seek to raise \$2.0 million.

As a result of the Placement, approximately 117.8 million new shares will be issued. The offer price of \$0.085 per share represents a discount of 19% to the Beston’s last closing price of \$0.105 on 17 June 2020 and a 5% discount to the 5-day VWAP. The new Placement shares are expected to settle on Friday, 26 June 2020, with the allotment and normal trading of new shares expected on Monday, 29 June 2020.

In accordance with the Class Waiver Decision – Temporary Extra Placement Capacity – granted by ASX on 31 March 2020 (as revised and amended) (“Waiver Decision”), the Placement was within Beston’s placement capacity calculated as if Beston’s placement capacity under ASX Listing Rule 7.1 is 25% and not 15%. Accordingly, shareholder approval was not required for the Placement. New shares issued under the Placement will rank pari passu with existing shares of Beston from their date of issue.

Commenting on the Placement, Beston’s CEO Jonathan Hicks said “We are extremely pleased by the strong support shown for the Placement by existing and new shareholders. The proceeds from the equity raising will be primarily used to expand our lactoferrin production capacity, through the construction of a technologically advanced skim milk facility, which is expected to take total annual production capacity of lactoferrin to 12 tonnes, and for working capital. We are anticipating that construction of the facility will begin this July, with lactoferrin production from the new facility to commence early in 2021.

We are continuing to streamline our business and focus on those products that deliver higher margin and are globally sought after. To this end, mozzarella and lactoferrin will continue to be a core focus for Beston.”

SPP update

Beston is also offering eligible existing shareholders on Beston’s register as at 5:00pm (Australian Central Standard Time) on 19 June 2020, with registered addresses in Australia and New Zealand, the opportunity to apply for new Beston shares through the SPP. The SPP will seek to raise approximately \$2.0 million at \$0.085 per share, the same issue price as the Placement, and is not underwritten. Participation in the SPP is optional and Beston reserves the right (in its absolute discretion) to scale back any applications under the SPP (pro rata to shareholders’ existing holdings), or increase the scale of the SPP, if demand exceeds \$2.0 million¹.

New shares issued under the SPP will rank equally with existing Beston shares from their date of issue. Shareholders will be entitled to apply for shares at \$0.085 per share for a minimum investment of \$2,500, free of brokerage and other related transaction costs. Additional information in relation to the SPP, including terms and conditions, will be provided in a separate SPP booklet. The SPP booklet will be sent to eligible shareholders on 29 June 2020.

Key dates²

Record Date SPP	Friday, 19 June 2020
Announcement of Placement and intention to launch SPP	Monday, 22 June 2020
Settlement of Placement	Friday, 26 June 2020
Issue and normal trading of New Shares under the Placement	Monday, 29 June 2020
Opening Date of SPP and dispatch of SPP booklet	Monday, 29 June 2020
Closing Date of SPP	Friday, 24 July 2020
SPP Shares issue date	Friday, 31 July 2020
Quotation of SPP Shares on ASX	Monday, 3 August 2020

Resumption of trading

Beston shares are expected to resume trading on the ASX from market open today, 22 June 2020.

1. The equity raising structure balances the need for certainty of proceeds received through the Placement (for the purposes described in the Investor Presentation released to the ASX on 22 June 2020) with Beston’s desire to provide its retail shareholders with the opportunity to participate through the SPP. The raising of approximately \$2 million through the SPP is considered appropriate to provide the majority of Beston’s retail shareholders the opportunity to achieve a pro rata allocation having regard to the total equity raising size, the construct of the share register and historical take-up rates in SPPs.
2. The timetable is indicative only and subject to change. The commencement and quotation of new shares is subject to confirmation from the ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, Beston reserves the right to amend this timetable at any time, including extending the period for the SPP or accepting late applications, either generally or, in particular cases, without notice. Unless otherwise specified, all times and dates refer to Adelaide time.

Further details on Placement

Further details of Beston's approach to identifying investors to participate in the Placement, and how their respective allocations in the Placement were determined, will be announced to the ASX by 26 June 2020 in accordance with the Waiver Decision.

Dr Roger Sexton, Chairman of Beston, said "The raising of approximately \$12 million through an Institutional Placement and Share Purchase Plan will allow Beston to immediately commence the expansion of our highly profitable lactoferrin production capacity from 3 to 12 tonnes per annum. In combination with the sale of our farms, this capital raising provides the Balance Sheet strength to take advantage of opportunities as and when they arise in the future by ensuring cash reserves as the economy recovers from the current COVID-19 environment. This is all in line with our five strategic imperatives that are focused on sustainable and profitable growth."

Subsequent to the successful completion of the institutional placement and the resolution of the Board to issue new shares pursuant to the placement, the Board of BFC has received a confidential, unsolicited expression of interest from a party to enter into discussions with the Company about a possible bid. The expression of interest contains no pricing, terms or any information of a material nature. The Board of BFC will consider and respond to the expression of interest in the normal course of business.

This ASX release was approved and authorised for release by the Board of BFC.

FOR FURTHER INFORMATION PLEASE CONTACT:

Darren Flew
Chief Financial Officer
+61 8 8470 6500

dflew@bestonglobalfoods.com.au

Maryanne Noon, General Manager
Communications and Marketing
+61 8 8470 6500

+61 473 444 759

mnoon@bestonglobalfoods.com.au

Social Media Handles:

Facebook:

@bestonglobalfoods

@edwards.crossing

@mablesaustralia

Twitter:

@BestonGlobal

@edwards_crossing

@mablesaustralia

Instagram:

@bestonglobal

@edwardscrossing

@mablesaustralia

ABOUT BESTON GLOBAL FOOD COMPANY LIMITED

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

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be registered, under the US Securities Act of 1993, as amended (the "Securities Act") and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the Securities Act and applicable US state securities laws.