



**BESTON** GLOBAL FOOD  
COMPANY

# Equity Raising Presentation

22 June 2020

Funding the next phase of our journey



# Beston Global Food Company

Becoming a leading supplier of dairy, meat and plant-based protein to domestic and international markets



## DAIRY

- Production of cheese (mozzarella, cheddar), lactoferrin, cream, butter and whey powder
- Dairy processing facilities at Jervois and Murray Bridge
- >20% of South Australian milk pool processed



## MEAT AND PLANT-BASED MEAT ALTERNATIVES

- Provincial Food Group facility at Shepparton, Victoria
- Current focus on core meat products
- Medium-term outlook for plant-based meat products



## TECHNOLOGY AND INVESTMENTS

- BrandLok (anti-counterfeiting technology) and OZIRIS (end-to-end traceability technology) mobile phone apps
- Neptune Bio-Innovations (pharmaceutical and nutraceutical products) and AquaEssence (Eigh+ alkaline water)

Australia's 3<sup>rd</sup> largest mozzarella producer and growing

# The journey to date

Earnings platform established for continuing growth momentum

FIX AND FOCUS	BUILD EARNINGS PLATFORM	GROW EARNINGS AND CASH FLOW
2015 - 2020		FY21
<ul style="list-style-type: none"> <li>✓ Low cost acquisition of non-operational dairy facilities (out of receivership) in 2015</li> <li>✓ Acquired dairy farm portfolio of five farms, 3,600 cows and 17 MLpa milk supply</li> <li>✓ Built state-of-the-art mozzarella cheese production infrastructure (online March 2018), with installed capacity of 20,000 Tpa</li> <li>✓ Acquired lactoferrin production facility with 3 Tpa installed capacity</li> <li>✓ Milk supply taken from nil to 111 MLpa; buyer of choice for independent farmers</li> <li>✓ Restructured and expanded meat processing business Provincial Food Group</li> <li>✓ Expanded brand portfolio, market penetration and international presence</li> <li>✓ Patented food provenance technology platforms BrandLok and OZIRIS</li> <li>✓ Won over 120 Australian and international awards for product quality and innovation</li> <li>✓ Achieved year-on-year revenue growth of 65% since 2015</li> </ul>		<ul style="list-style-type: none"> <li>❑ Complete sale of dairy farms</li> <li>❑ Increase lactoferrin production capacity to 12 Tpa</li> <li>❑ Increase milk supply to ~135 ML</li> <li>❑ Reduce gearing to ~10%</li> <li>❑ Achieve free cash flow</li> <li>❑ Continue transition to higher margin products</li> </ul>
		FY22+
		<ul style="list-style-type: none"> <li>❑ Increase lactoferrin production capacity to &gt;20 Tpa</li> <li>❑ Increase annual milk supply to 180 ML</li> <li>❑ Sustainable free cash flow</li> <li>❑ Capital management initiatives</li> </ul>



# Delivering against Business Plan and strategic imperatives

Demonstrating a track record of growth

**+107%**

**Mozzarella production**

4,387 T

9,100 T

FY19

FY20<sup>1</sup>

**+58%**

**Dairy product revenue**

\$52 million

\$82 million

FY19

FY20<sup>1</sup>

**+8%**

**Milk supply**

103 ML

111 ML

FY19

FY20<sup>1</sup>

**+180%**

**Export sales**

\$5 million

\$14 million

FY19

FY20<sup>1</sup>

## Upcoming catalysts

- Complete sale of dairy farms with 10-year milk supply contract
- Debt reduction to ~10% gearing<sup>2</sup>
- Expansion of lactoferrin production
- New milk supply contracts
- Expansion of customer base

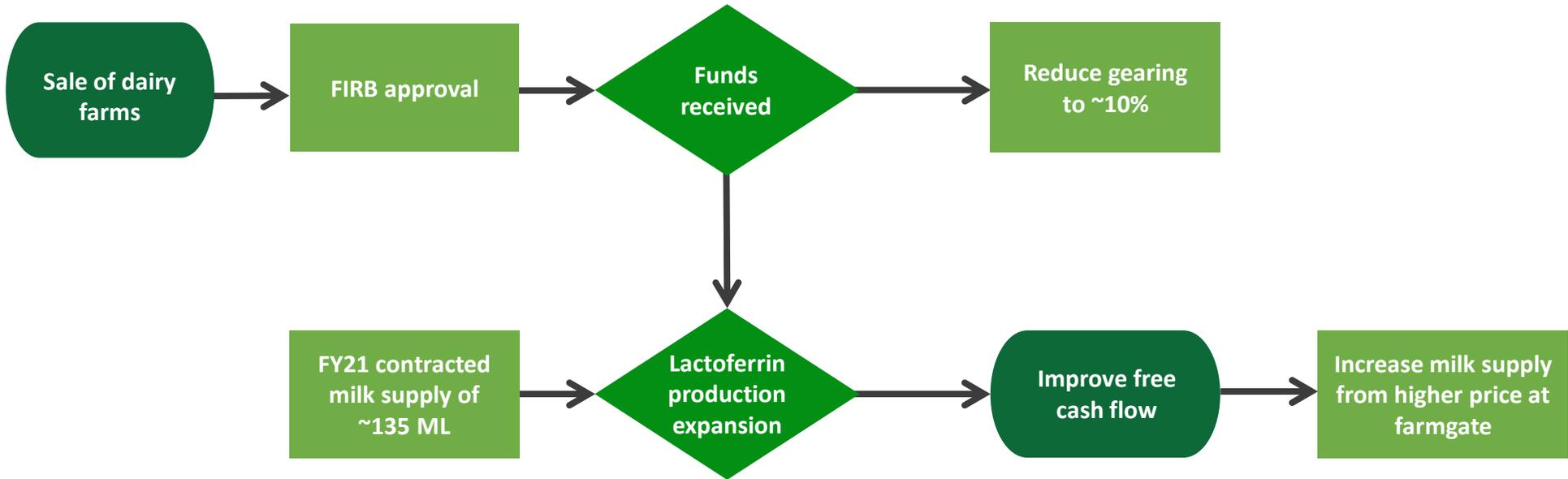
## Key statistics

Shares on issue	471 million
Share price (17-Jun-20)	\$0.105
<b>Market capitalisation</b>	<b>\$49.5 million</b>
Debt (31-Dec-19)	\$47.6 million
Cash reserves (31-Dec-19)	\$1.5 million
<b>Enterprise Value<sup>3</sup></b>	<b>\$98.6 million</b>

1. Forecast FY20 (11 months actual; one month forecast)
2. Post completion of dairy farms sale
3. Based on current market price

# Sale of dairy farms at well above book value

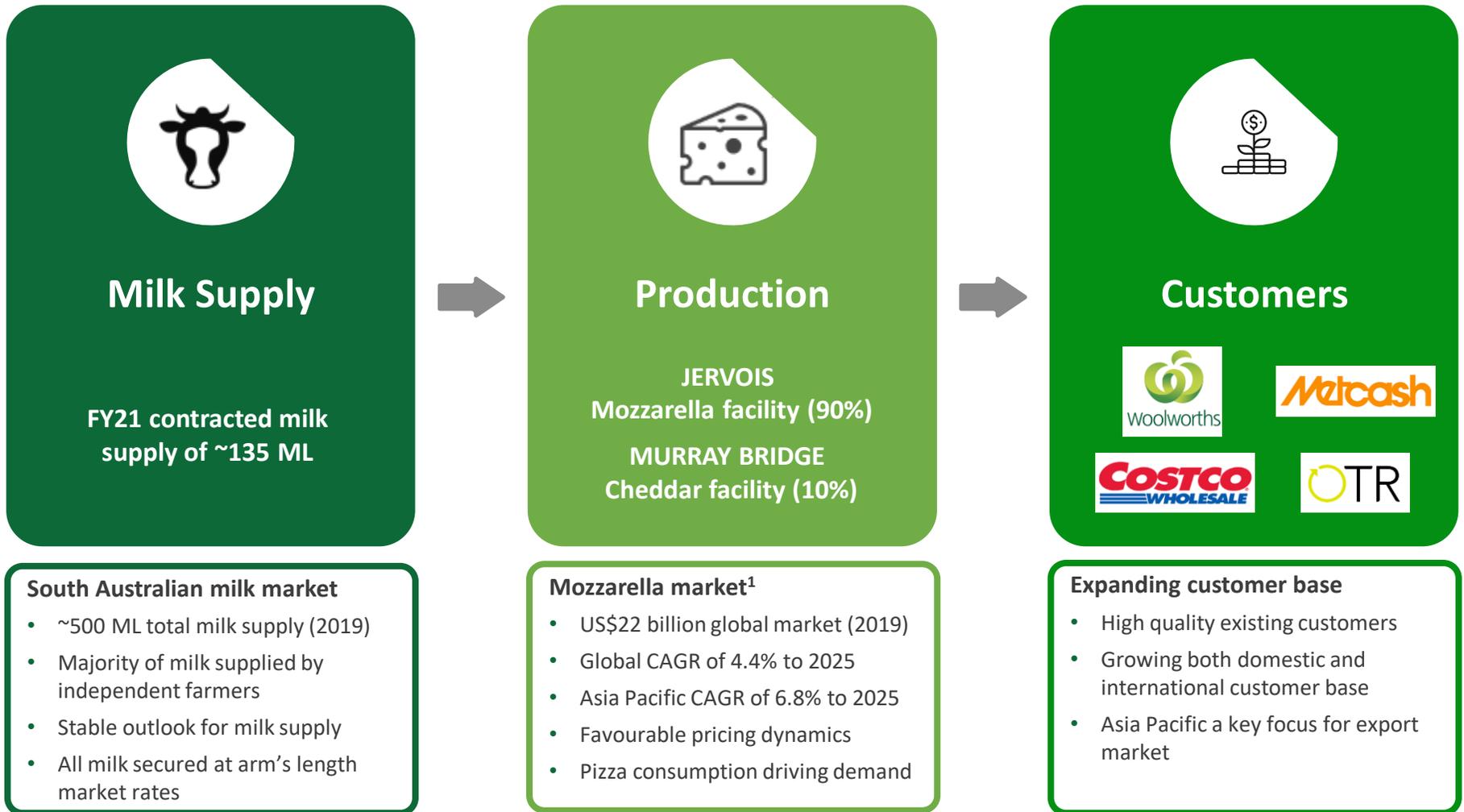
Strategic reallocation of capital to reduce debt and deliver on strategic imperatives



- \$40.4 million to be received from sale of dairy farms
- All milk produced from divested Beston dairy farms secured for ten years at arm's length market rates
- Cash proceeds to materially reduce debt and enable delivery of strategic imperatives
- Further enhance higher margin product mix, to deliver sustainable free operating cash flow
  - Ability to pay higher prices to secure additional milk supply
  - Improved capacity utilisation
  - Further staged capital investment program (driving value per kilogram of milk solids processed)

# Established milk supply and cheese distribution channels

Supply and distribution channels built on strong relationships with independent farmers and high-quality customers



1. Source: Adroit Market Research, 19 July 2019

# Attractive lactoferrin market fundamentals

Growing demand and prices, with limited producers of scale globally



CURRENT DEMAND (2019)<sup>1</sup>

**352 Tpa**



FORECAST DEMAND (2023)<sup>1</sup>

**+500 Tpa**



GLOBAL PRODUCERS TO SERVICE DEMAND<sup>1</sup>

**<10**



STRONG PRICING GROWTH<sup>1</sup>



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

# Equity raising



# Equity raising to fund expansion of lactoferrin production

Lactoferrin production from skim milk to materially increase Beston's gross margin

*"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 strategic imperatives that are focused on sustainable and profitable growth."*

Dr Roger Sexton, Chairman of Beston

## Equity raising rationale

- ✓ **Fast growing global demand for lactoferrin**
- ✓ **Construction of skim milk lactoferrin facility to deliver three-fold increase in lactoferrin yield**
- ✓ **Lactoferrin production capacity to increase from 3 Tpa to 12 Tpa**
- ✓ **Maintain Balance Sheet strength; preserve cash reserves in current COVID-19 environment**
- ✓ **Drive strategy of higher margin product mix**
- ✓ **Deliver earnings growth and shareholder value**

## Investment highlights

Becoming a leading supplier of dairy, meat and plant-based protein to domestic and international markets

- Focus on increasing milk supply
- Improving utilisation of mozzarella facilities
- Doubling higher margin mozzarella production
- Lactoferrin plant expansion to meet growing demand
- Near-term line of site to free operating cash flow
- High quality, experienced management team

Current <sup>1</sup>	→	Target <sup>2</sup>
111 ML	→	180 ML
55%	→	90%
9,100 T	→	18,800 T
3 T	→	>20 T

**From FY21**

1. Forecast FY20 (11 months actual; one month forecast)

2. FY23 aspirational targets, post equity raising and sale of dairy farms

# Equity raising overview

Approximately \$12 million equity raise, with \$10 million institutional placement and ~\$2 million Share Purchase Plan

## FINANCIAL IMPACT

Post-equity raise pro forma		
Pre-raise ordinary shares	471m	77%
Pre-raise market capitalisation <sup>1</sup>	\$49.5m	
Approx. new shares issued (placement + SPP)	141m	23%
<b>Approx. shares post-equity raise</b>	<b>611m</b>	<b>100%</b>
Issue price	\$0.085	
<b>Implied market capitalisation (at issue price)</b>	<b>\$51.9m</b>	
Cash <sup>2</sup>	\$1.5m	
Drawn debt <sup>3</sup>	\$36.2m	
<b>Implied enterprise value</b>	<b>\$86.6m</b>	

1. As at last close of \$0.105 per share on 17 June 2020

2. As at 31 December 2019

3. Debt as at 31 December 2019 plus assumed \$11.4m equity raise net of fees (excluding legal costs)

4. Reflects proceeds from farms sale of \$40.4m less \$12.5m allocation to Stage 1 lactoferrin plant upgrade

## PRO FORMA BALANCE SHEET

(\$ million)	Pre-equity raise	Post-equity raise	Post-farms sale <sup>4</sup>
Drawn debt	47.6 <sup>2</sup>	36.2 <sup>3</sup>	8.3
Cash <sup>2</sup>	1.5	1.5	1.5
<b>Net Debt</b>	<b>46.1</b>	<b>34.7</b>	<b>6.8</b>
Debt facility	52.7	52.7	34.9
Available liquidity	6.6	18.0	28.1
Gearing	57.6%	37.9%	7.2%

## Financial strength to fund growth agenda<sup>4</sup>

Gearing  
~7%

~\$7m  
net debt

~\$28m  
available  
liquidity

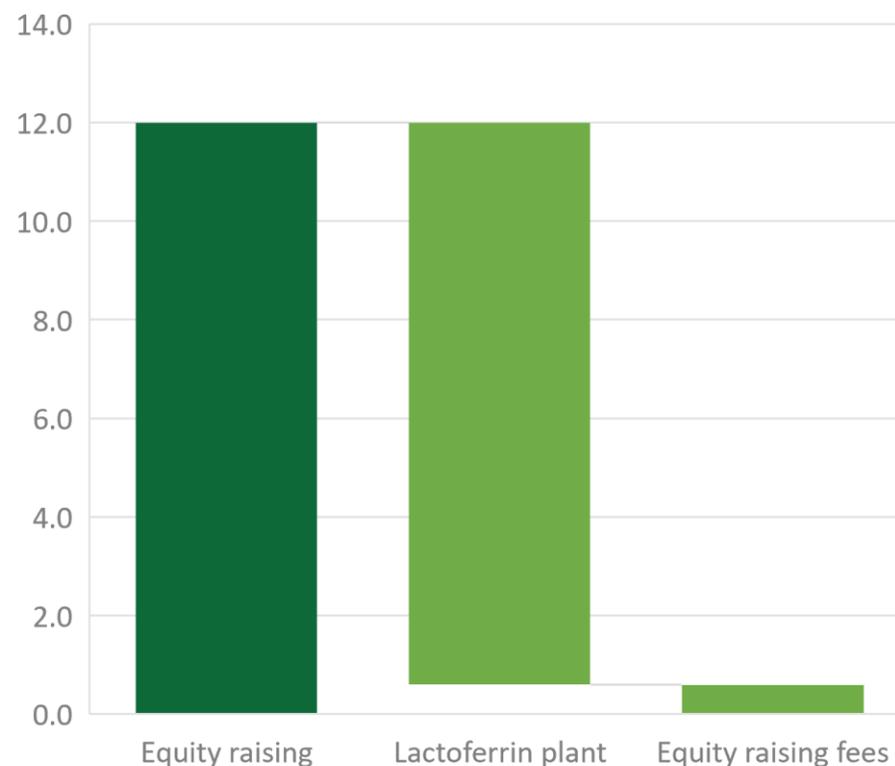
## Sources and uses of funds

Funds raised to be primarily invested in Stage 1 lactoferrin expansion to 12 Tpa

### EQUITY RAISING

- Targeting approximately \$12 million via an institutional placement and SPP
- Single tranche placement of \$10 million at \$0.085 per share
- Issue Price represents:
  - 19% discount to the Beston closing price on 17 June 2020 of \$0.105 per share
  - 5% discount to the Beston 5-day VWAP of \$0.0854 per share to 17 June 2020
- SPP of approximately \$2 million at the same \$0.085 per share issue price as placement

### EQUITY RAISING SOURCES AND USES OF FUNDS



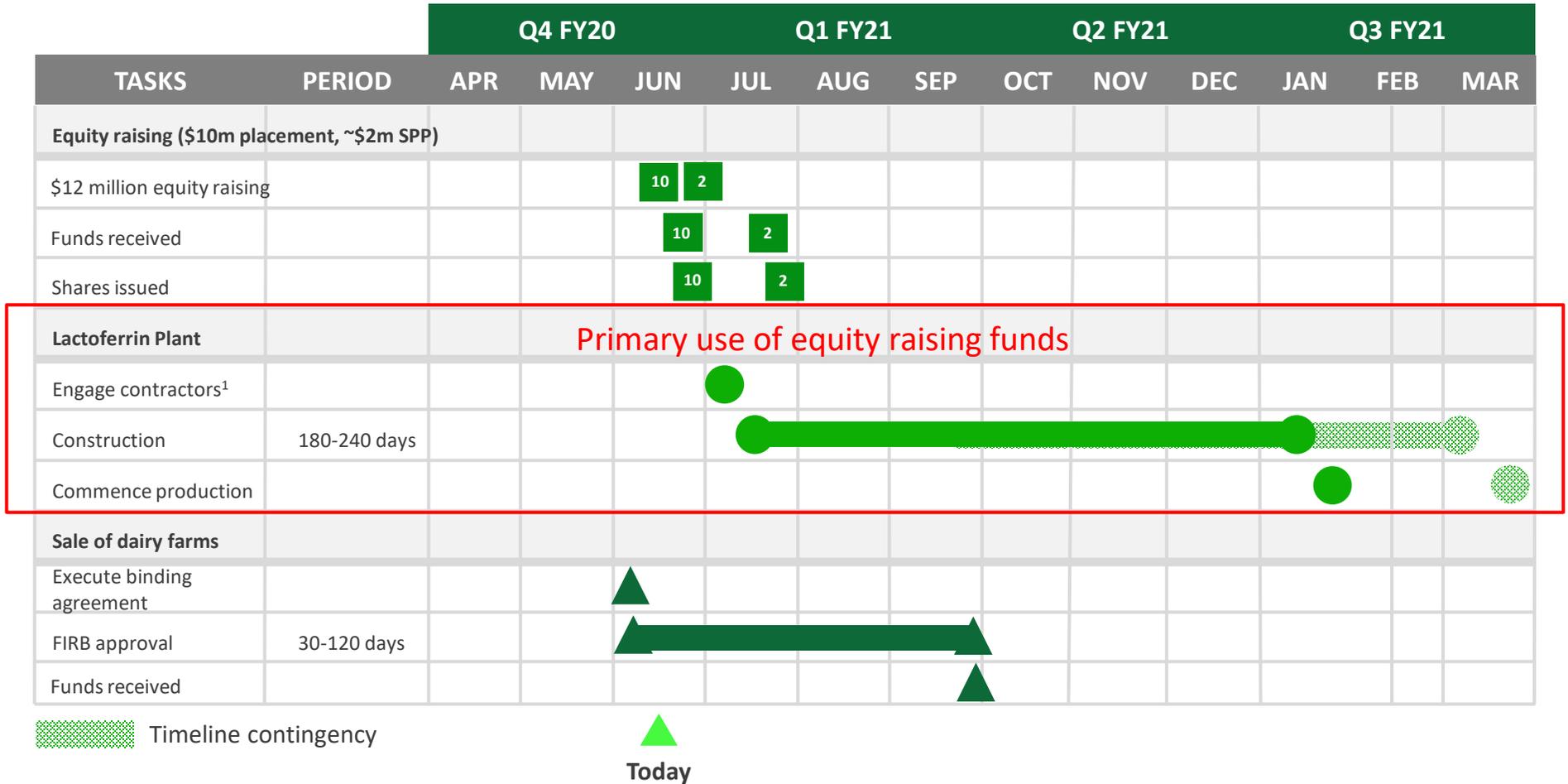
## Indicative placement and SPP timeline

<b>Key dates</b>	
<b>Record Date SPP</b>	Friday, 19 June 2020
<b>Beston announces completion of placement and intention to launch SPP</b>	Monday, 22 June 2020
<b>Settlement of Placement</b>	Friday, 26 June 2020
<b>Opening Date of SPP and dispatch of SPP booklet</b>	Monday, 29 June 2020
<b>Issue and normal trading of New Shares under the Placement</b>	Monday, 29 June 2020
<b>Closing Date of SPP</b>	Friday, 24 July 2020
<b>SPP Shares issue date</b>	Friday, 31 July 2020
<b>Quotation of SPP Shares on ASX</b>	Monday, 3 August 2020

- Dates are indicative only and subject to change
- The Company, in consultation with the Joint Lead Managers, reserves the right to amend this indicative timetable subject to the Corporations Act and the ASX Listing Rules
- In particular, the Company reserves the right to extend the Closing Date to accept late applications

# Indicative timeline

Equity raising funds to underpin construction of skim milk lactoferrin facility



1. Subject to completion of equity raising

# Strategic imperatives



# Five strategic imperatives underpin growth objectives

Each additional 20 ML of milk supply expected to generate additional gross margin of ~\$5 million<sup>1</sup>

## SALES PIPELINE

- Expanding customer base
- Diversifying product channels
- Driving revenue growth

## MILK SUPPLY

- Security of raw material (contracts with dairy farms)
- FY20<sup>2</sup> 111 ML; FY21 contracted milk supply of ~135 ML; targeting ~180 MLpa
- Sourcing >20% of South Australian milk pool

## DAIRY NUTRACEUTICALS

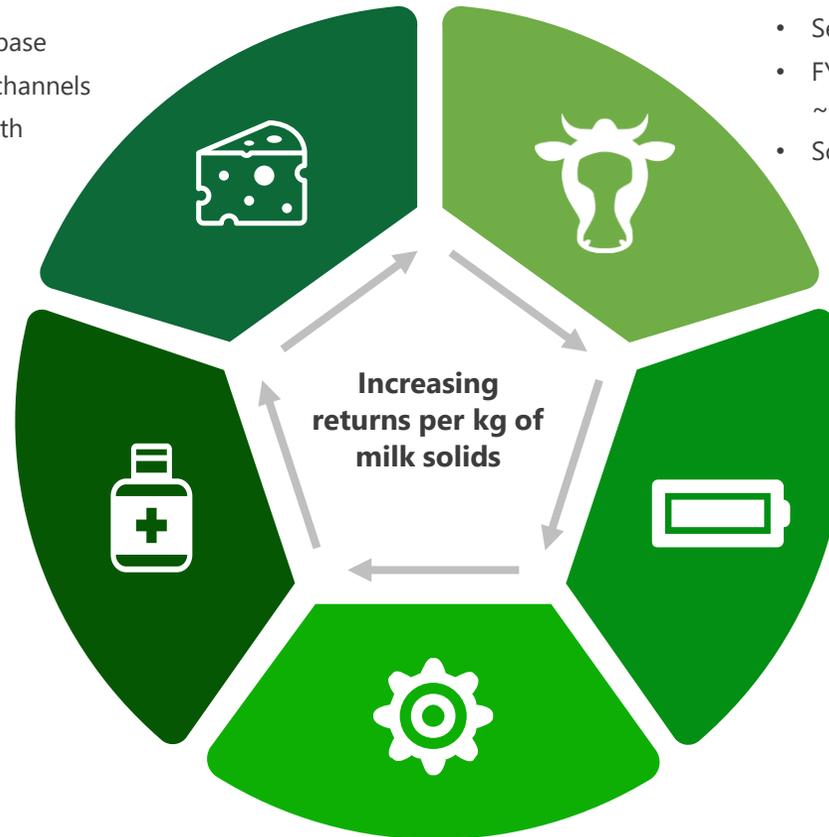
- Valuable infrastructure acquired in 2016
- Replacement cost well in excess of acquisition cost
- Lactoferrin produced from skim milk and whey by-product
- Current capacity 3 Tpa
- Expansion to >20 Tpa

## CAPACITY UTILISATION

- Installed mozzarella production capacity of 20,000 Tpa
- Currently ~46% utilisation and increasing

## PRODUCT MIX

- Dairy, meat and value-added protein producer
- Transitioning to higher margin product mix

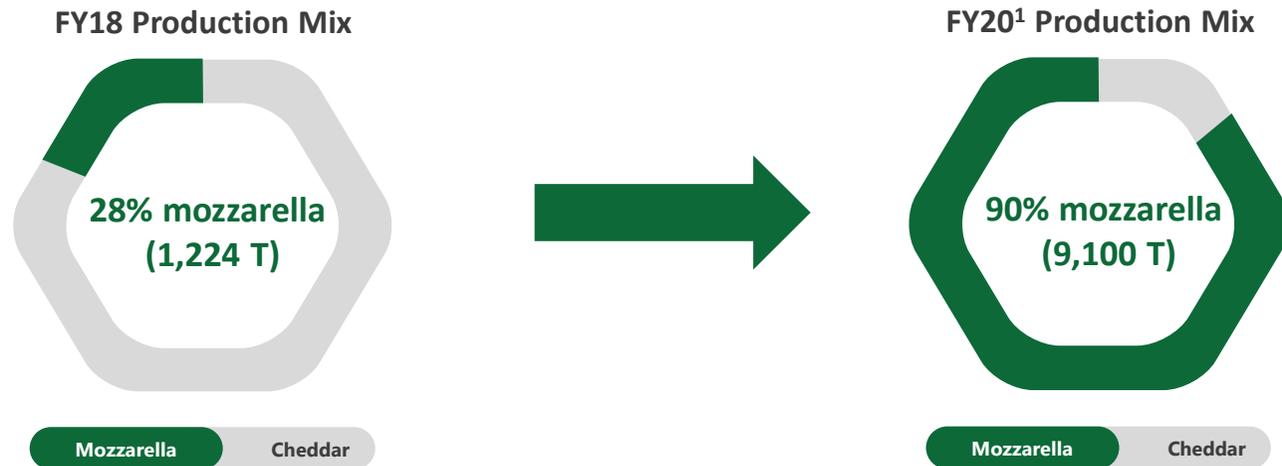


1. Post Stage 1 skim milk lactoferrin facility construction  
2. Forecast FY20 (11 months actual; one month forecast)

# Transition of product mix to higher margin mozzarella

Installation of \$28 million state-of-the-art Italian made mozzarella processing equipment completed in 2018

By products:	1 tonne of cheddar →	1 tonne of mozzarella →
Cream	• No production	• 175 litres (+175 litres)
Whey powder	• 480 kg	• 480 kg (n/c)
Lactoferrin	• 200 grams	• 350 grams (+75%)



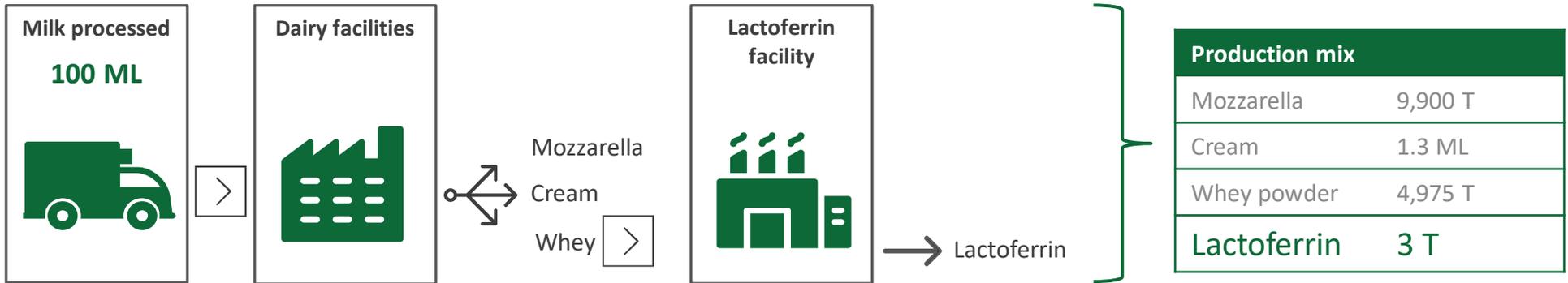
Transition from lower margin hard cheese to higher margin mozzarella nearing completion

1. Forecast FY20 (11 months actual; one month forecast)

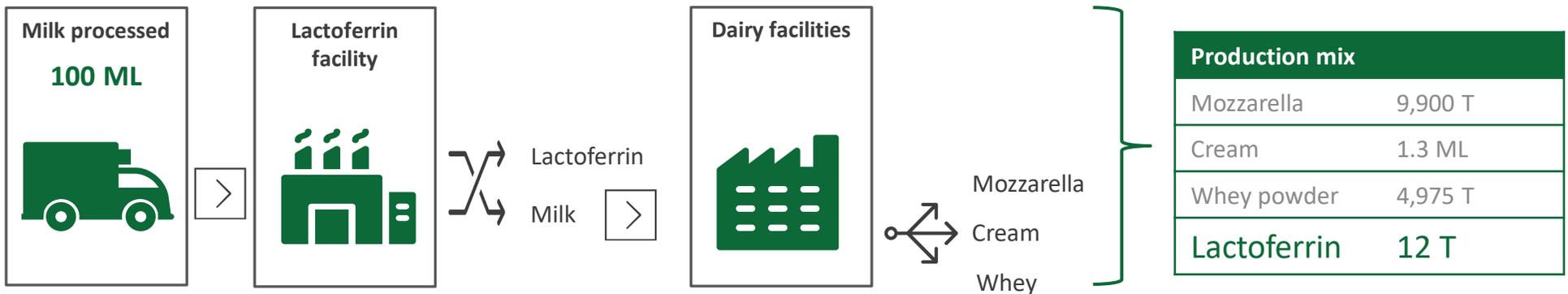
# Lactoferrin plant conversion to increase output for same level of milk input

Equity raising to fund lactoferrin plant conversion from whey input to skim milk input

## Current processing flow chart (whey input)

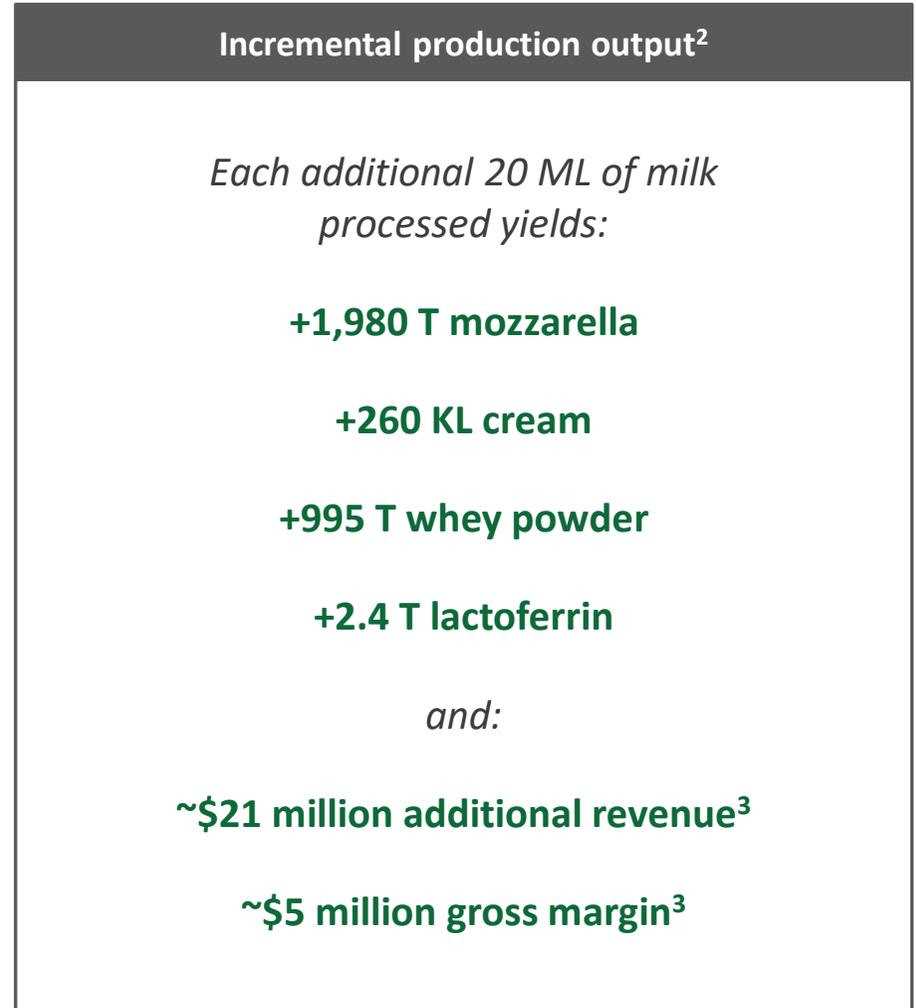
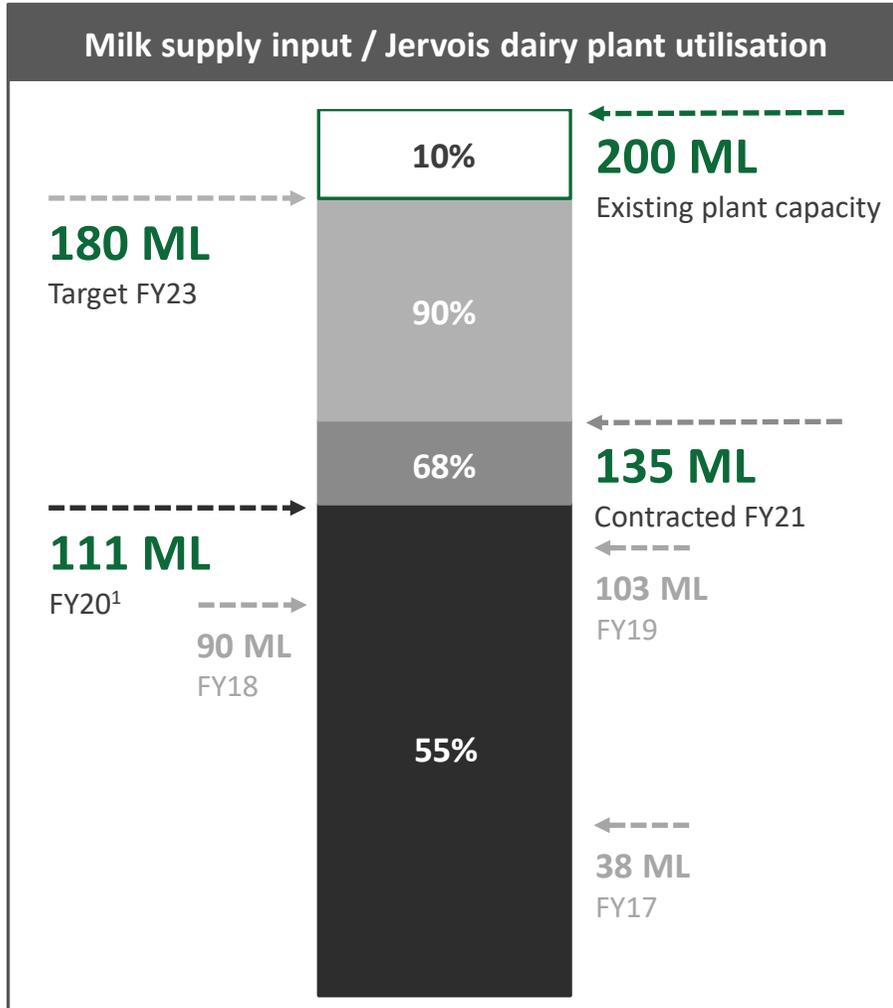


## Stage 1 processing flow chart (skim milk input)



# Driving growth through increased milk supply and plant utilisation

Ramp-up of Mozzarella plant utilisation gaining momentum



1. Forecast FY20 (11 months actual; one month forecast)

2. Expected incremental production post completion of lactoferrin plant construction and expansions

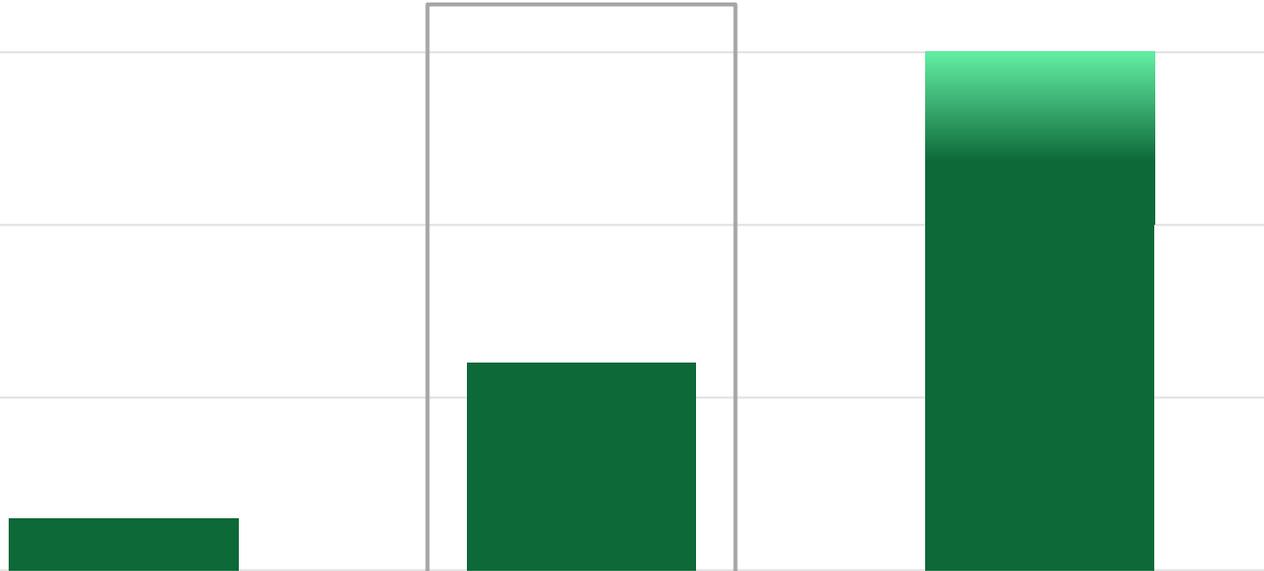
3. Based on average FY20 product prices and lactoferrin estimated at \$1,500/kg

# Lactoferrin expansion a core strategic imperative for increasing returns

Expansion of lactoferrin production to potentially capture ~5% of the growing global market in FY22

Lactoferrin plant capacity (Tpa)

30  
20  
10  
0



Production metrics	Current	Stage 1	Stage 2 and 3
Production capacity	3 Tpa	12 Tpa	>20 Tpa
Production input	Whey	Skim milk	Skim milk
Milk supply	100 ML	100 ML	180 ML
Expansion cost	\$3 million	\$12 million	\$9 million
Revenue <sup>1</sup>	\$4.5 million	\$18 million	>\$30 million

1. Assumes full production capacity and lactoferrin price of \$1,500/kg

# Key risks



## Investment risks

- Potential investors should be aware that there are risks associated with investing in Beston. Certain risks are beyond the control of Beston and its Directors and Management and may have a material impact on Beston’s future operating and financial performance, and/or the financial position of Beston, its prospects and/or the value of the Shares. Some of the key risks associated with an investment in Beston are described as follows.

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### **Development risk**

- In the event that Beston undertakes a development project, then that development could be delayed or unsuccessful for a number of reasons including extreme weather, unanticipated operational occurrences, failure to obtain necessary approvals, insufficient funds, a drop-in commodity price, supply chain failure, unavailability of appropriate labour, or an increase in costs. If one or more of these occurrences has a material impact then Beston’s operational and financial performance may be negatively affected.

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### **Operational risk**

- Adverse weather conditions events, unforeseen increases in establishment costs, mechanical failures, human errors, industrial disputes or other unforeseen events, could lead to increased costs or delay to the Company's activities. The Company will mitigate this risk by, amongst other things, taking out appropriate insurance in line with industry practice.

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### **Price risk**

- The price at which Beston can sell its produced cheese (mozzarella, cheddar), lactoferrin, cream, butter and whey powder, will have a material influence on the financial performance of the Company. It is impossible to predict future commodity prices with confidence and the factors which impact it include, but are not limited to, global political situations, military conflicts, technological changes, output controls and global consumption which are all outside the control of Beston. A material and extended fall in realised prices for Beston’s products may have an adverse impact on the Company’s financial performance.
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## Investment risks

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<b>Regulatory risk</b>	<ul style="list-style-type: none"><li>• The enactment of new legislation or adoption of new requirements of a governmental authority may restrict or affect Beston’s ability to operate and produce goods efficiently and effectively. This may include new requirements relating to climate change.</li></ul>
<b>Community opposition risk</b>	<ul style="list-style-type: none"><li>• There is a risk that community disapproval may lead to direct action which impedes Beston’s ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company.</li></ul>
<b>Counterparty exposure</b>	<ul style="list-style-type: none"><li>• The financial performance of the Company is subject to its various counterparties continuing to perform their respective obligations under various contracts. If one of its counterparties partners fails to adequately perform their contractual obligations, this may result in loss of earnings, termination of particular contracts, disputes and/or litigation of which could impact on the Company's financial performance.</li></ul>
<b>Key person dependence</b>	<ul style="list-style-type: none"><li>• The future success of the Company depends, to a significant extent, upon the continued services of the members of the management team of the Company. There can be no assurance that the Company will be able to retain or hire all personnel necessary for the development and operation of its business. The loss of senior managers could harm the Company’s business and its future prospects.</li></ul>

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# Investment risks

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Prospective investors should also consider the following risks associated with investments in equity capital such as Beston shares:

- Investment risks, such as changes in the Company's own assessment of the economics of developing its assets or the market perception of the value of the Company's assets and shares;
- Share market and liquidity risks involved in the listing and trading of shares on the ASX;
- Economic, political and social factors, including activism and pandemics, and the effect on the market price of shares of movements in equities markets, commodity prices, currency fluctuations and interest rates, and local and global political and economic conditions;
- Epidemics and pandemics such as COVID-19;
- Geo-political instability, including international hostilities and acts of terrorism, the response to COVID-19 and travel restrictions;
- Circumstances requiring Beston to change its strategy;
- The Australian economy deteriorating (including, the adverse impacts of, and the responses to COVID-19); and
- Stock market sentiment fluctuations impacting on the Beston share price.

## **General risk factors**

These risks are associated with an investment in Shares but are not an exhaustive list. As a Shareholder, you will continue to be exposed to such risks. There may also be additional risks and uncertainties not currently known which may have an adverse effect on Beston's business and the value of the Shares. Where possible, Beston will seek to minimise its exposure to, and mitigate the effects of, these risks. However, certain risks relate to matters that are outside the control of Beston, and there can be no assurance that any steps that Beston takes will successfully protect it from any particular risk.

The risks identified do not take into account the investment objectives, financial situation, tax position or other circumstances of any particular Shareholder. Shareholders should have regard to their own investment objectives and financial circumstances and seek professional advice from their legal, financial or other independent adviser before determining whether or not to participate in the institutional placement or share purchase plan.

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# Appendices



# Dairy production facilities

Acquired out of receivership, with state-of-the-art mozzarella production facility installed at Jervois

## Jervois facility (South Australia)

- New mozzarella facility installed for \$28 million (2018)
- Production of Beston's Edward's Crossing premium mozzarella, whey powder, cream and butter
- Intake capacity of 200 MLpa of milk, capable of ~20,000 Tpa of mozzarella
- FY20<sup>1</sup> production of 9,100 T of mozzarella



## Murray Bridge facility (South Australia)

- Edwards Crossing hard cheese (cheddar, gruyere, colby, gouda) production, along with cream cheese
- Houses principal storage facility
- FY20<sup>1</sup> production of 1,000 T of cheddar
- Low-cost upgrade opportunity to improve production efficiencies



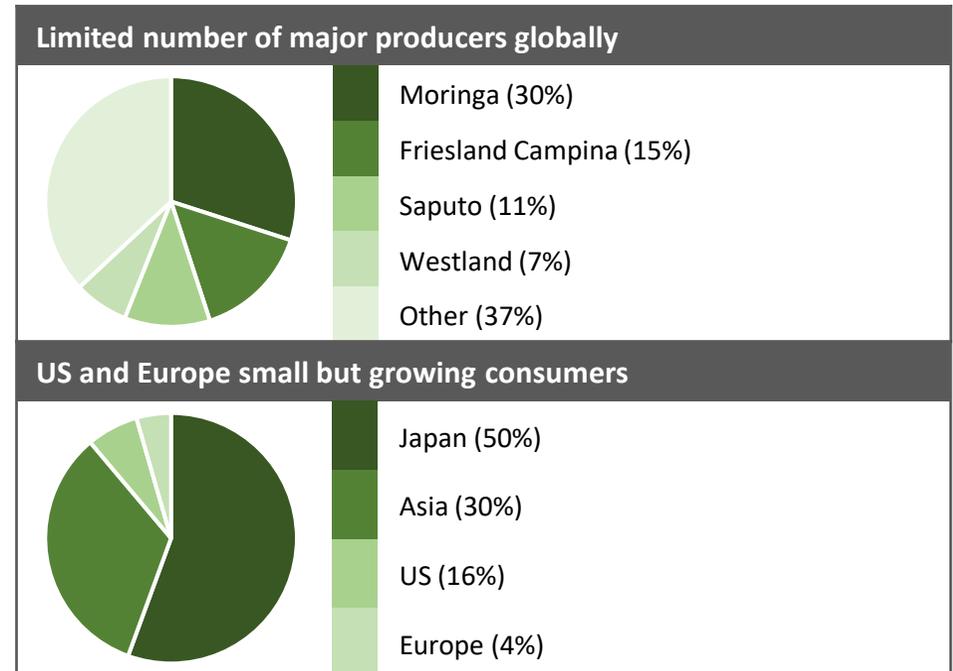
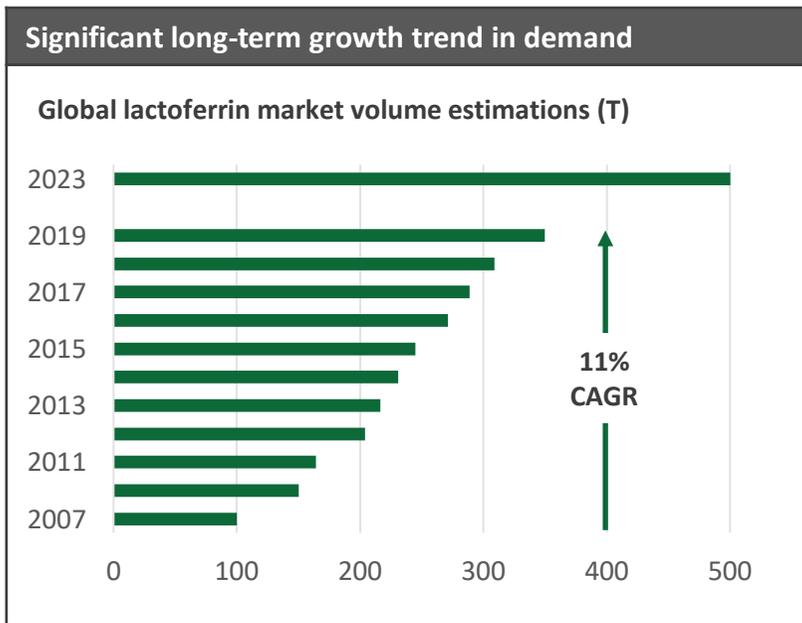
Replacement cost of facilities far outweigh acquisition cost

1. Forecast FY20 (11 months actual; one month forecast)

# The global lactoferrin market<sup>1</sup>

Less than 10 major producers globally; significant growth expected over the next three years

- Global lactoferrin demand expected to grow to in excess of 500 T in 2023, up >50% from 2019
- Strong pricing growth from \$500-600/kg in 2015 to \$1,500-3,000/kg today
- Demand growth fueled by increasing use in infant formula and food products, and increasing awareness of health benefits
- US and Europe demand growth in early stages due to recent authorisation as a novel food ingredient (2012)
- Health benefits linked to stimulation of immune system, intestinal mucosa and use in nutraceutical products (carotenes, probiotics)



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

# Provincial Food Group



## Premium meat products and plant-based protein foods

- Extensive restructure and re-branding of operations completed in FY19 (formerly Scorpio Foods)
- Upgraded and re-fitted meat processing and storage facility in Shepparton, Victoria
- Broad range of tailored food solutions for the retail and food service channels
  - Raw, ready-to-eat and fully cooked meat products; plant-based alternative meat products
- Fully accredited production processes
  - SQF Level 8 certification; HACCP SGS accreditation; HALAL ICCV accreditation; meat export licence
- Raw inputs carefully selected from local suppliers, with a high-quality imperative
- FY20<sup>1</sup> revenue \$12 million
- 100% owned by Beston



Recognising the growing importance of food provenance and trusted origins

1. Forecast FY20 (11 months actual; one month forecast)

# Board members

## Experienced governance and leadership<sup>1</sup>



**Dr Roger Sexton AM**

**CHAIRMAN**

Dr Roger Sexton is an investment banker and company director. He holds Doctorate and Masters degrees in Economics from NCSU in the USA and an Honours Degree (First Class) in Economics from the Flinders University of South Australia. Roger has extensive experience in the agricultural sector, in addition to finance and business management. Roger has had 30 years' experience overseas, particularly in China and the Asia Pacific. Roger is Chairman of the Investment Manager, Beston Pacific Asset Management Pty Ltd, KeyInvest Ltd, and a Director of IBISWorld. He is President, SA/NT, of the AICD and a former member of the Australian Accounting Standards Board. Roger founded Beston in 2012, taking it to a listing in 2015.



**Mr Stephen Gerlach AM**

**NON-EXECUTIVE DIRECTOR**

Stephen is Chancellor of Flinders University. He is also the Chairman of Adelaide Capital Partners Pty Ltd, Gerlach Asset Development Pty Ltd, Ebony Energy Ltd and a Director of Beston Global Foods Ltd and Beston Pacific Asset Management Pty Ltd. He was formerly the Chairman of Santos Limited, Futuris Corporation Ltd, Equatorial Mining Ltd, Elders Australia Ltd, Challenger Listed Investments Limited, Amdel Ltd, and Penrice Ltd. He was also a Director of a number of other public companies including Southcorp Ltd, AMP Australia Ltd, Brunner Mond Holdings Ltd (UK) and Elders Rural Bank. Stephen was a partner of the Adelaide legal firm Finlaysons for 23 years and it's Managing Partner from 1985 to 1991.



**Petrina Coventry**

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

Petrina Coventry is Industry Professor with the Adelaide University and senior partner with COI Capital in Singapore. She previously held Global Vice President roles with the General Electric Company and The Coca Cola Company in the United States and Asia. Her experience covers multiple industries including energy, technology, education, fast moving consumer goods and financial services. She is a Fellow of the Australian Institute of Company Directors, a Vincent Fairfax Fellow, and a Non-Executive Director with the Australasian Association of Philosophy (AAP).



**Catherine Cooper**

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

Catherine is an experienced non-Executive Director and has been involved in start-ups, small to medium enterprises, public and private sectors, Australian Stock Exchange-listed (ASX), and not-for-profit organisations on a national and international basis. After a professional career as a commercial lawyer, Catherine has developed a board portfolio across a broad range of sectors such as agribusiness, food and health, energy, water, science and technology. Catherine is a Fellow of the Australian Institute of Company Directors, is currently Chair of the Environmental Protection Agency in SA and has twice been a finalist in the Telstra Business Woman of the Year. Catherine's current board roles include Wine Australia, Deputy Chair of Australian Eggs, Animal Health Australia, and Commissioner of the Australian Fisheries Management Authority. She has formerly been the Chair of the Dairy Authority SA.

1. Refer to slide 32 for an update on governance

# Board members

## Experienced governance and leadership<sup>1</sup>



**Jim Kouts**

### INDEPENDENT NON-EXECUTIVE DIRECTOR

Jim has served as a senior executive and non-executive director in major companies in the energy, financial service and business tourism industries and has also held various senior positions in the public sector.

He is currently Chair of Home Start Finance, Chair of the Adelaide Convention Bureau, Non-Executive Director of the Adelaide Venue Management Corporation and is Strategic Advisor to Adelaide Airport Ltd.

Through his various roles, Jim has gained strong commercial and contract negotiation skills and has a sound grasp of governance, strategy and strategy implementation. These skills, together with his extensive insight of air freight logistics into Asia are invaluable on the Board.



**Ian McPhee**

### INDEPENDENT NON-EXECUTIVE DIRECTOR

Ian served as the Auditor General of Australia until June 2015. He holds a Bachelor of Business (Accountancy) degree and a Bachelor of Arts (Computing Studies) degree.

Ian is a Fellow of CPA Australia and a Fellow of Chartered Accountants Australia and New Zealand.

He is currently a Member of the International Ethics Standards Board for Accountants and a Distinguished Honorary Professor at the College of Business and Economics, Australian National University, a member of the Council of Central Queensland University, and a director of Ian McPhee Consulting Pty Ltd. He is the former Deputy Chair of the Australian Accounting Standards Board.

1. Refer to slide 32 for an update on governance

# Executive leadership team

Proven industry credentials with a track record of success



**Mr Jonathan Hicks**

**CHIEF EXECUTIVE OFFICER**

Jonathan has a wealth of knowledge and global experience in the dairy industry. He has held senior positions within the Australian Dairy Industry over the last 20 years, including Bega Cheese and Tatura Milk Industries, and was part of the Executive Team which took Bega Cheese to an IPO in 2011. Jonathan was the Chief Executive Officer of Pure Dairy Australia, a successful Australian-based international dairy trading company, from 2014 until 2017. He then became Managing Director of an advisory firm operating across a range of agribusiness and manufacturing platforms.



**Mr Darren Flew**

**CHIEF FINANCIAL OFFICER**

Darren is an experienced senior finance executive known for strong commercial and strategic capabilities. Before joining Beston in March 2018, he spent 19 years at Santos in various senior finance roles including Chief Financial Officer Eastern Australia Business Unit. Prior to joining Santos, Darren worked for Baulderstone Hornibrook as their Group Finance Manager for three years. He qualified as a Chartered Accountant in 1985 working for Ernst & Young and spent time in Singapore and Toronto.



**Mr Hamish Browning**

**GM Agribusiness**

Hamish's career spans over 25 years in agriculture and food with Elders, Frontier International (Ruralco J/V, ASX: RHL), Thomas Foods International and Beston. Senior management and administration roles held within these companies include Managing Director, Chief Operations Officer and General Manager.



**Mr David Wilson**

**GM Sales and Marketing**

David has 30 years of experience in the FMCG, predominately with Philip Morris. Over these years his roles have included Division Manager, State Field Sales Manager, Key Account Manager for Metcash, Woolworths, and Coles. He was then appointed Region Manager for SA, NT, WA and Tasmania responsible for Philip Morris total business. He commenced at Beston in April 2018.

## Governance and Management

- Beston is currently managed through an Investment Management Agreement (“IMA”) with BPAM
- The management fee is based on a fixed fee of 1.2% pa of the gross portfolio value of Beston
- The fee was intended to meet the costs of the Beston senior management team and allow Beston to establish itself over the initial five-year period of the business plan
- The costs of the senior management team, paid for by BPAM, has exceeded the fees received by BPAM over the last four years
- Beston and BPAM have made it known to shareholders at successive AGM’s that the IMA would be terminated at an appropriate time when in the interests of shareholders to do so
- BPAM and Beston are currently working on arrangements to internalise the IMA at the expiry of the initial five-year term
- It is intended that the termination of the IMA (undertaken within the termination terms of the IMA) will be completed by 26 February 2021
- A Transition Committee of the Beston Board will oversee the transition of management arrangements from BPAM to Beston

# Glossary

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- 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