

Beston Chronicle



Welcome to our "Beston Chronicle" newsletter.

The past 2 years since Beston Global Food Company was formed, have been a fast-paced journey in our quest to become a leading Australian food and beverage producer and exporter.

We now have our sights set on an exciting 2018 and look forward to bringing you all along the journey.

Dr Roger Sexton AM
Chairman, Beston Global Food

INSIDE THIS EDITION

Beston Global Food announces increase in milk target at AGM	1
Beston launches fresh milk into China	1
Eigh+ water at the FINSIA swimming World Cup	2
Beston launches into Australian retail	3
Mozzarella plant taking shape	3
Beston Marketplace	4
Australian Grand Dairy Award Nomination	4

Beston Global Food announces increase in milk target at AGM

Beston Global Food Company announced a 45% lift in its annual milk supply target at its Annual General Meeting on 22nd November as it highlighted a year of growth and building out of the company's dairy platform.

Beston Global Foods posted an increase in sales revenue of 49% to \$23.8m, up from \$15.9m in the prior financial year. This increase in sales revenue was driven by the dairy division in particular the production of cheddar, whey powder and the contract production of LeRice Australia wide. The business has continued its growth trajectory, with the 2017 financial year being a year of investment for the company.

The company said that its dairy division is expected to be the earnings driver in the short term, with dairy expected to deliver higher earnings in the second half of financial year 2018 from the mozzarella plant coming online. The company is targeting milk supply of 130 million litres annualized by the end of June 2018, up from 90 million litres at 30 June 2017, which is a 45% increase on annualized milk supply.

The company is continuing to increase milk supply by its current cash balances, operation cash flows and is now looking to debt to improve the company's working capital position and to secure milk supplies.



Our Chairman with Mr Mamun Rahman, BFC Representative in Bangladesh and Mr Al Jawhari, Chief Technology Officer, BFC.

Chairman, Dr Roger Sexton, predicts further consolidation in the Australian dairy industry after the recent large transactions of foreign companies buying Australian dairy producers. The company has noted that they are in strong financial position to take advantage of this industry rationalization. Amongst other highlights announced at the AGM, the company has also moved to take full control of Scorpio Foods, a 'ready-to-eat' meat business in which it currently holds 40% beneficial interest in, to meet current demand driven by Chinese and Australian supermarkets for their products.

The company announced that it has negotiations underway on a potential merger of its technology business with another company for its anti-counterfeit and traceability platform, with mutual due diligence currently taking place.

MERRY CHRISTMAS Christmas is traditionally a time for charity and good cheer – a time for giving to those less fortunate and for communicating with friends, relatives and business associates.

On behalf of the company, board, management and staff, we wish you all a very Merry Christmas and a healthy and prosperous year in 2018.

ei8h+ water at the FINISIA Swimming World Cup

Beston Global Food Co Ltd was proud to be selected as a key sponsor for the FINA/airweave Swimming World Cup 2017 held at the Water Cube stadium in Beijing on November 11-12th 2017. During the two days of the event, top swimmers from all over the world brought some wonderful moments of skill and excitement to the audience. Our ei8h+ Volcanic Alkaline Water celebrated these wonderful moments with athletes as the only official drinking water at the event. On November 10th, the CEO of Beston Global Foods China, Mr. Bastian Bai attended the awards ceremony. At the ceremony, Mr. Bai awarded

medals to the winner of the men's 50m backstroke-Xu Jiayu from China, winner of women's 400m freestyle-Wang Jian Jiahe from China, winner of women's 200m butterfly-Zhang Yufei from China, winner of women's 100m backstroke-Emily Seeborn from Australia and winner of women's 50m freestyle-Australia's Cate Campbell. BESTON ei8h+ Volcanic Alkaline Water shared these glory moments with the winners. Swimming is a sport which combines strength and elegance. As such, it matches perfectly with Beston's ei8h+ Volcanic Alkaline Water. ei8h+ Volcanic Alkaline Water has an



intrinsically high pH range of 8.0-8.2, making us one of the global leaders in the natural bottled water market. Our water is naturally filtered through underground limestone aquifers connected to the pristine waters of South Australia's famous volcanic Blue Lake. This unparalleled ecosystem enriches our water with high levels of electrolyte minerals, setting us apart from the artificially ionized water products in the market today.



Beston launches fresh milk into China



In September 2017, Beston Pure Dairies successfully launched their fresh milk into two large supermarket groups across China. The opportunity arose, as two of Beston's existing supermarket customers in China have encountered large demand from their consumers for Australian fresh milk. General Manager of Operations, Hamish Browning, said it is a niche product that Chinese consumers are happy to pay a premium for knowing that it is Australian, fresh and clean. The company is looking to increase its weekly supply to these supermarkets and capitalize further on the opportunity of fresh milk in 2018.



Beston products hit retail shelves

Over 2017, the company has experienced huge success with Australian supermarkets. Over the year the company was able to have its Edwards Crossing natural cheese range, Mables cream cheese range, Edwards Crossing vintage aged cheddar, ei8h+ water range and Neptune Bio- Innovations heart salt range in independent supermarkets nationwide.

This channel aligns with the company's strategy to be direct to consumers, achieve brand recognition of the company's premium products and to focus on high margin business channels. Look for us in Independent Supermarkets Australia-Wide.



Mozzarella plant taking shape



Head of Dairy Division, Daniel Roschella, taking the executive management on a tour through the mozzarella plant at Beston Global Food's Jervois factory



The company is excited to be increasing its product offering to include mozzarella, butter, and bio-nutrient products in 2018. The company's largest capital investment since forming has been the commissioning of its mozzarella plant at Jervois South Australia. The total budgeted investment for the plant is \$26.5m and is expected to commence production in January 2018. The company has experienced great feedback from potential customers in retail and food services channels for Beston's premium mozzarella products to hit the market.

The company expects the increase in its milk supply and mozzarella production to have a material increase on sales revenue, with strong demand for the product from Australia and China. With the mozzarella plant taking shape, it is a momentous time for the company and has created an even bigger 'buzz' amongst our staff in the Beston Pure Foods division.

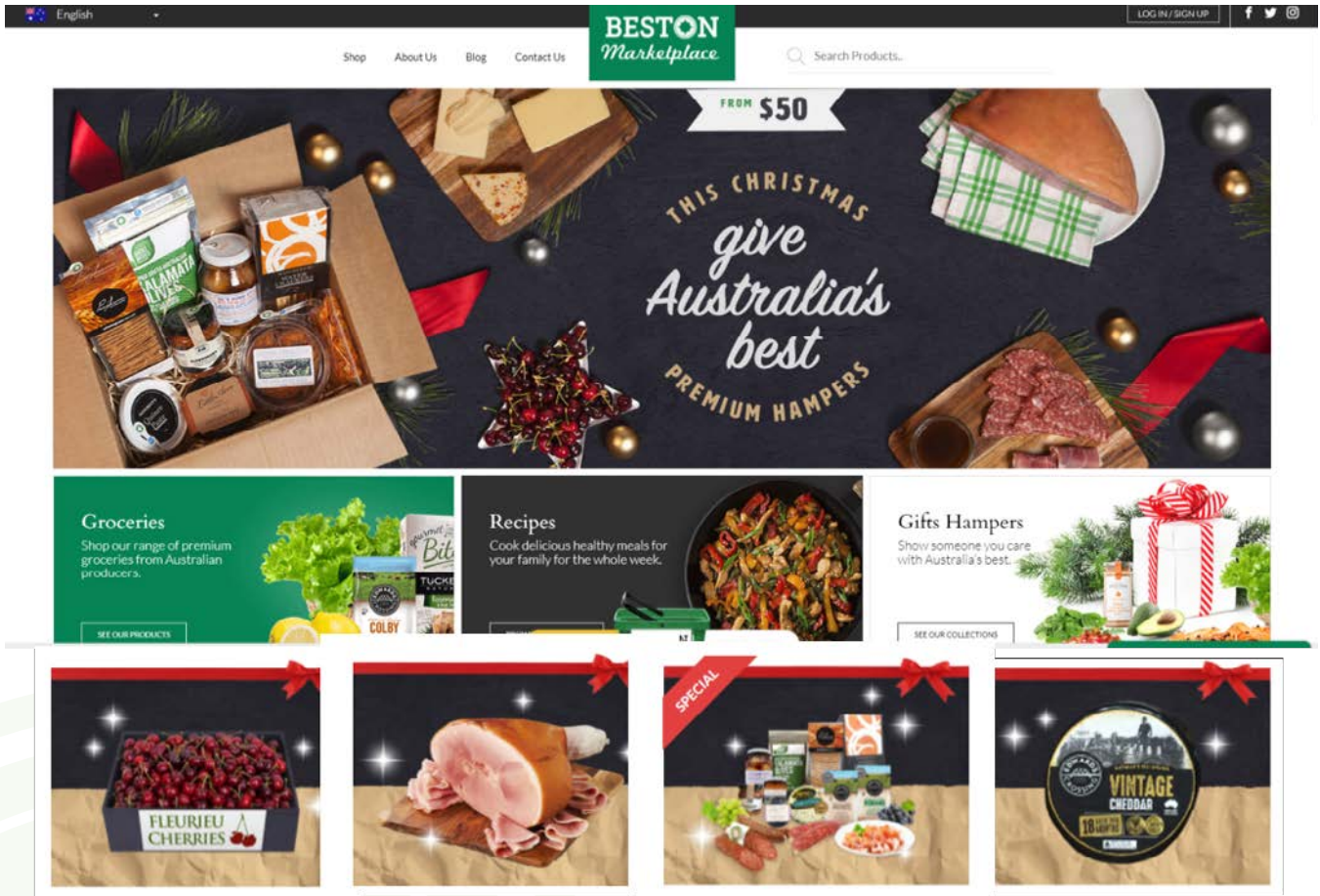
Limited release of Beston's vintage reserve

Edwards Crossing master cheesemakers have released a limited quantity of their very best hand-crafted produce, just in time for holiday sales. This includes Edwards Crossing vintage cheddar (winner of the Christian Hansel Cup), mature cheddar wedges and mature pepato waxed rounds.



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Beston Marketplace Christmas specials



Don't forget to visit Beston Marketplace before Christmas for some extra-yummy gift hampers, luscious cherry gift boxes, and of course a range of delicious Princi Smallgoods and Edwards Crossing cheese.
www.bestonmarketplace.com.au

VERY exciting news!

Australia's dairy "Best of the Best" Awards are coming up in February 2018 for Gold Medal Winners in DIAA shows during 2017. After winning a Gold Medal at the Adelaide Royal Show, Edwards Crossing Cloth Bound Cheddar was entered into the Grand Dairy Awards.

It has just been announced as one of just 3 finalists in the best of class award for Cheddar Cheese at the Australian Grand Dairy Awards.

Well done to the Champion Cheesemakers at Murray Bridge, expertly lead by our very own Paul Connelly. There is a Grand Dairy People's Choice Award which can be entered online. PLEASE everyone in our Beston community - we really need your vote by 28th January 2018.

VOTE FOR US IN THE GRAND DAIRY AWARDS:
<http://peopleschoiceaward.legendairy.com.au/>

