

ASX RELEASE

9 June 2021

Lactoferrin Expansion Project: Practical Completion

- **Two new Lactoferrin extraction columns installed in March**
- **Major milestone achieved in April with >95% purity Lactoferrin from newly installed columns as targeted**
- **Commissioning of columns has achieved Practical Completion**
- **Official opening on Friday, 30 July 2021.**

Beston Global Food Company Limited (“Beston”, ASX: BFC) is pleased to advise that commissioning of the newly installed Lactoferrin extraction columns has achieved Practical Completion. The operation of the extraction columns has now been formally handed over from the construction contractor to Beston’s Jervois operations team.

Darren Flew, Acting CEO, said “This is another major milestone for the project successfully completed. As we advised in April, this second phase of commissioning activities focused on further refinements to the extraction process to optimise the Lactoferrin yield for the actual composition of milk being received. This has in effect been a calibration of the process to maximise the amount of >95% purity Lactoferrin that can be extracted from the skim milk feed to the extraction columns.”

Over the month of May, 100% of Beston’s milk supply has been processed through the lactoferrin extraction columns producing very high quality concentrate. A new freeze dryer has now also been brought into service to augment the existing freeze dryer and increase capacity to dry the concentrate ready for milling and packaging for sale.

Beston’s dairy operations at Jervois now has the capacity to produce up to 25T per annum of >95% purity Lactoferrin from 180ML per annum of raw milk supply. Beston has previously advised it is targeting milk supply of 155ML for FY22, up from around 145ML expected to be received in FY21, which will see Beston produce approximately 20T of Lactoferrin in FY22.

The first sale of Lactoferrin from the new production facility is expected to be exported in June. Discussions with a number of other customers are progressing with a view to finalizing several longer-term offtake arrangements in the near term.

Beston has established the ***Biolactive*** brand under which its main new Lactoferrin products will be sold, branded ***Mediferrin*** and ***Trueferrin***.



MediFerrin

Our highest grade lactoferrin to support medical grade supplements and early life nutrition.

Mediferrin is sold in two sub-products:

- *>95% Lactoferrin*
- *>95% Lactoferrin GB (China) testing standard*



TrueFerrin

>90% Lactoferrin for customers who do not require the higher grade of product for their application.

Commissioning of the Lactoferrin extraction columns, along with the associated milk separation and handling system upgrades, commenced in late March. This was approximately three weeks behind our schedule due to delays in transporting key items of equipment from Europe, including the two Lactoferrin columns, because of COVID-19 impacts on transport arrangements.

Chief Operating Officer, Frank Baldi, said “Delivering production of >95% purity Lactoferrin in early April, so soon after commencing the commissioning of the two new Lactoferrin extraction columns, was a significant achievement and testament to the skills and experience of the project team. Since then, the team continued at pace to reach Practical Completion, despite the additional logistics and people challenges presented by the COVID-19 environment.”

As part of the project, Beston has invested in its own Lactoferrin testing capabilities to enable skilled staff led by Dr Sinuo (Snow) Tan, to conduct critical analysis daily using our own new HPLC and FPLC machines. These testing requirements were previously outsourced to third party providers and invariably involved a 5-7 day turnaround. The ability to test on site and obtain immediate results has contributed significantly to quickly achieving the >95% purity level and desired yield outcomes for Practical Completion.

With this testing capability in-house, the Jervois team will be better able to monitor ongoing production performance to ensure we continually meet quality specifications whilst maximizing yields as milk composition changes through the seasons.

The lactoferrin plant expansion has provided Beston with the capacity to produce around 5% of the world’s current annual demand for Lactoferrin and has significantly enhanced the bio-security capabilities of Australia.

Shareholders are invited to attend the official opening of the new Lactoferrin plant at 257 Jervois Road, Jervois, South Australia at 11:30am on Friday 30 July, 2021. The plant will be

opened by the Premier of South Australia, Hon. Stephen Marshall and will be followed by conducted tours for shareholders, dairy farmer suppliers and other stakeholders. A light lunch will be provided.

Shareholders who wish to attend can obtain further details by contacting either of the following:

Katie Sobecki

Email: ksobecki@bestonglobalfoods.com.au

Anita Grantham

Email: agrantham@bestonglobalfoods.com.au

Or phone 08-84706500 and ask to speak to Katie or Anita.

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

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