

16 August 2024

BESTON
GLOBAL FOOD COMPANY



UPDATE ON CORPORATE ACTIONS

Beston Global Food Company Ltd (ASX:BFC) (**Beston** or the **Company**) has previously advised that it has been working through a plan to address the challenges in its operating environment, including persistent cost pressures (particularly with gas, electricity, labour, chemicals and transport) which have pushed the costs of manufacture, the higher-than-expected milk volumes received in FY24 at a time when farmgate milk prices have been uncompetitive versus global markets and the unusually volatile global dairy prices (on the back of China's rising dairy production and lower imports), all of which has placed strains on margins, profits and cash flows.

The plan being implemented by the Board and Management of Beston has included a number of operational enhancements at the Company's factories, the divestment of non-core businesses (water and meat, both now completed) and a number of corporate actions in conjunction with the Company's Advisers.

In response to the various corporate actions which have been initiated, the Company has received several non-binding indicative offers in recent months around debt refinancing and equity solutions relating to Beston's core business of dairy and dairy nutrition.

Discussions and due diligence have now progressed with a major international dairy company which has a specialisation in dairy nutraceuticals and functional ingredients, and is a globally recognised leader in this field.

Beston has been advised that a binding proposal in relation to a commercial arrangement with the company will be received on or before 9 September 2024. The discussions in relation to this proposal are on-going subject to non-disclosure agreements, and are not as yet in a form capable of acceptance.

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The Board and Management of Beston are of the view that these discussions, if brought to a satisfactory and material conclusion as currently expected, will provide the best possible outcome for all stakeholders.

Further updates will be provided as soon as practicable.

This announcement has been authorised by the Board of BFC.

For further information on the Company, please visit: bestonglobalfoods.com.au

ABOUT BESTON FOODS

Beston Global Food Company (ASX: BFC) is the largest South Australian Dairy company and the 7th largest in Australia. We are a proud South Australian multi-award-winning company taking the best of Australian produce to the world with fresh milk supplied by our valued Farmers. Our Company provides direct and indirect employment for nearly 300 people. BFC has been building strong relationships in our domestic markets, as well as overseas. We know that we have excellent products and continue to make significant inroads into key market segments.